

SPECIAL COMMITTEE REPORT

Spec. Com. Rep. No. 1

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Twentieth Legislature of the State of Hawaii, Regular Session of 1999, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The terms of the newly elected Senators listed below will expire on November 5, 2002, except that the term of Senator David Matsuura will expire on November 7, 2000.

First Senatorial District

Lorraine R. Inouye

Second Senatorial District

David M. Matsuura

Fourth Senatorial District

Jan Yagi Buen

Sixth Senatorial District

Avery B. Chumbley

Seventh Senatorial District

Jonathan Chun

Tenth Senatorial District

Les Ihara, Jr.

Thirteenth Senatorial District

Rod Tam

Seventeenth Senatorial District

David Y. Ige

Eighteenth Senatorial District

Randy Y. Iwase

Nineteenth Senatorial District

Calvin Kawamoto

Twenty-first Senatorial District

Colleen Hanabusa

Twenty-second Senatorial District

Robert Bunda

Twenty-third Senatorial District

Bob Nakata

Signed by Senators Matsunaga, Levin and Anderson.

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. No. 1 on S.B. No. 560

The purpose of this measure is to define the term "substantial adverse environmental or ecological effect" in order to ensure that the long-term incremental degradation of natural resources is halted.

The measure also establishes definitions of "baseline", "resource", and "scenic resource" to further clarify the intent of Chapter 205A, Hawaii Revised Statutes, relating to coastal zone management.

Your Committee finds that the measure defines "substantial adverse environmental or ecological effect" as:

- (1) Irrevocable damage, degradation to, or loss of a resource found in an ahupua'a; or
- (2) A statistically significant persistent increase to the baseline in levels of any of the water pollutants, water quality parameters, air pollutants, or noise decibel levels as identified in administrative rules.

Upon further consideration, your Committee has amended the measure by making technical, nonsubstantive amendments for the purpose of style.

Your Committee believes that the amended measure will provide more guidance in interpreting and enforcing the state laws and policies on coastal zone management.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 560, 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. 560, S.D. 1, H.D. 1, C.D. 1.

Senators Hanabusa, Matsuura, Tanaka, Anderson.
Managers on the part of the Senate.

Representatives Takumi, Garcia, Morita, Schatz, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 2 on S.B. No. 1321

The purpose of this measure is to facilitate and support research and development of open ocean mariculture by clarifying the law dealing with the leasing of state marine waters for aquaculture and mariculture purposes.

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

- (1) Changing the repeal date from June 30, 2001, to five years after the effective date of the measure for the amendments made in the measure to the Ocean and Submerged Lands Leasing Law (Law), which remove certain limitations to allow commercial mariculture as a permitted use under the law, clarify the process for obtaining a mariculture lease, and provide potential mariculture projects with the flexibility to adapt technology and designs to a site; and
- (2) Removing the ten lease limit on the amount of leases that may be executed pursuant to the measure.

Your Committee finds that this measure would remove key limitations and allow mariculture leases, streamline and clarify the process for a mariculture lease, and provide potential mariculture projects with the flexibility to adapt technology and designs to a site.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1321, 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. 1321, S.D. 2, H.D. 2, C.D. 1.

Senators Inouye, Hanabusa, Buen, Tanaka, Slom.
Managers on the part of the Senate.

Representatives Takumi, Suzuki, Garcia, Schatz, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 3 on S.B. No. 809

The purpose of this bill is to allow a sole proprietor of a catamaran operating with a valid commercial registration certificate in Waikiki to transfer the ownership of the vessel to corporate or other business ownership without terminating the right to operate, with the existing commercial registration to be reissued in a timely manner in the name of the new owner, and to ensure that the registration shall not be denied or revoked without a hearing held in accordance with Chapter 91, Hawaii Revised Statutes (HRS).

Your Committee on Conference has amended this measure to add the word "prior" in reference to the hearing held under Chapter 91, HRS.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 809, 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. 809, S.D. 2, H.D. 1, C.D. 1.

Senators Inouye, Fukunaga, Kawamoto, Slom.
Managers on the part of the Senate.

Representatives Takumi, Kanoho, Schatz, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 4 on S.B. No. 942

The purposes of this measure are to:

- (1) Require the Department of Land and Natural Resources (DLNR) to establish, maintain, manage, and operate game management areas, wildlife sanctuaries, and public hunting areas on land under its control;
- (2) Add a definition of "game management area"; and
- (3) Require DLNR to preserve, protect and promote public hunting, as part of its powers and duties.

Your Committee on Conference has amended this measure to add a definition of "public hunting area" in Section 183D-4, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 942, 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. 942, S.D. 1, H.D. 1, C.D. 1.

Senators Inouye, Levin, Buen, Slom.
Managers on the part of the Senate.

Representatives Cachola, Kanoho, Goodenow, Schatz, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 5 on S.B. No. 1270

The purpose of this measure is to allow private schools to develop procedures for obtaining verifiable information regarding the criminal history of persons who are employed or are seeking employment in positions which place them in close proximity to children. In addition, this measure includes teacher trainees in public schools as subject to criminal history record checks.

Your Committee has amended this measure by making a technical, nonsubstantive change for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1270, 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. 1270, S.D. 1, H.D. 2, C.D. 1.

Senators Ige, D., Bunda, Chumbley, Slom.
Managers on the part of the Senate.

Representatives Ito, Oshiro, P., Arakaki, Morihara, Stegmaier, McDermott.
Managers on the part of the House.

Conf. Com. Rep. No. 6 on S.B. No. 1307

The purpose of this measure is to promote accountability in the public school system by requiring the Department of Education to establish a comprehensive system of educational accountability to motivate and support the improved performance of students and the education system.

Your Committee has amended this measure by amending the Senate version to add language from the House version which:

- (1) Includes the specifics of the design of the accountability system, fiscal requirements, and legislative actions needed in the required report; and
- (2) Directs the report to be submitted to the Board of Education, in addition to the Legislature and the Governor.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1307, 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. 1307, S.D. 1, H.D. 1, C.D. 1.

Senators Ige, D., Sakamoto, Slom.
Managers on the part of the Senate.

Representatives Ito, Ahu Isa, Morihara, Stegmaier, Takai, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 7 on S.B. No. 1091

The purpose of this measure is to authorize the Department of Land and Natural Resources to adopt administrative rules relating to aquatic resource regulations that specify bag limits, sales restrictions, seasons, and regulation on fishing gear.

Your Committee on Conference has amended this measure to repeal the Act as of June 30, 2002.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1091, 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. 1091, S.D. 1, H.D. 2, C.D. 1.

Senators Inouye, Chumbley, Buen, Ihara, Slom.
Managers on the part of the Senate.

Representatives Takumi, Hamakawa, Schatz, Garcia, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 8 on S.B. No. 528

The purpose of this measure is to exempt health insurers, mutual benefit societies, and health maintenance organizations that offer health insurance under federally-funded programs pursuant to the Social Security Act from mandated health coverage requirements.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 1999.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 528, 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. 528, S.D. 2, H.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Levin, Slom.
Managers on the part of the Senate.

Representatives Menor, Nakasone, Lee, Suzuki, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 9 on S.B. No. 1125

The purpose of this measure is to make conforming amendments to the Code of Financial Institutions consistent with amendments to the interstate banking and branching laws enacted in 1996, and to conform certain procedures applicable to foreign banks and credit unions to the procedures established for other financial institutions. Additionally, the measure establishes separate filing deadlines for unaudited statements of nondepository financial services loan companies.

Your Committee on Conference has amended this measure by deleting the reference to "qualifying state" in section 412:2-503(a)(2), Hawaii Revised Statutes, consistent with the repeal of the definition of "qualifying state" in section 7 of the measure.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1125, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1125, H.D. 1, C.D. 1.

Senators Kanno, Taniguchi, Bunda, Slom.
Managers on the part of the Senate.

Representatives Menor, Hiraki, Kaho'ohalahala, Lee, Rath.
Managers on the part of the House.

Conf. Com. Rep. No. 10 on S.B. No. 957

The purpose of this measure is to extend the deadline for the Motor Vehicle Insurance Benefits Task Force's (Task Force) final report to the legislative and executive branches regarding motor vehicle insurance costs and benefits and the uninsured motorists problem. Additionally, the measure extends no-cost motor vehicle insurance coverage under the joint underwriting plan to persons who received public assistance medical benefits prior to July 1, 1994, and who are still receiving these benefits.

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

- (1) Delete from the purpose section the discussion of developing a plan that balances maximum coverage and benefits for motor vehicle accident victims with the lowest possible cost for motor vehicle insurance purchasers;
- (2) Provide that the measure shall be effective upon its approval, rather than on July 1, 2010; and

- (3) Make technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 957, 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. 957, S.D. 2, H.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Levin, Bunda, Slom.
Managers on the part of the Senate.

Representatives Menor, Arakaki, Yamane, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 11 on S.B. No. 1262

The purpose of this measure is to expand the definition of "captive insurance company"(CIC) to:

- (1) Establish four classes of CICs, subject to specified minimum capital or surplus requirements that may be increased by the Insurance Commissioner as necessary to preserve solvency;
- (2) Limit the first two classes to pure CICs and the third class to companies formed as association and risk retention CICs;
- (3) Designate class 4 CICs as leased capital facilities that, as newly authorized under this measure, are allowed to be owned by persons or entities that are not members of the CIC;
- (4) Exempt class 3 and 4 CICs from any National Association of Insurance Commissioners (NAIC) risk-based capital reports filing requirements; and
- (5) Subject class 4 CICs to the same one percent tax imposed on the gross premiums of association CICs and risk retention CICs, where no premium tax is otherwise paid to this State on those amounts.

Your Committee on Conference, upon further consideration, has amended this measure to:

- (1) Establish different minimum capital surplus requirements for Class 3 risk retention CICs (\$500,000), and Class 3 association CICs (\$750,000); and
- (2) Make technical, non-substantive amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1262, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1262, H.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Slom.
Managers on the part of the Senate.

Representatives Menor, Cachola, Herkes, Lee, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 12 on S.B. No. 5

The purpose of this measure is to:

- (1) Provide loans to qualified farmers to export crops and livestock and to farmers who are the subject of state eradication programs; and
- (2) Appropriate funds from the agricultural loan revolving fund to farmers in economically depressed areas.

Your Committee on Conference has amended this measure to delete all references to the state eradication programs, as this issue is being resolved through other means, and to make technical amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 5, 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. 5, S.D. 2, H.D. 2, C.D. 1.

Senators Inouye, Levin, Buen, Slom.
Managers on the part of the Senate.

Representatives Abinsay, Saiki, Ahu Isa, Ito, Morihara, Halford.
Managers on the part of the House.

Conf. Com. Rep. No. 13 on S.B. No. 1036

The purpose of this measure is to create a disability and communication access board to provide more efficient coordination of state efforts to comply with disability access laws and to provide services to the disabled, deaf, hard-of-hearing, and deaf-blind.

Upon further consideration, your Committee on Conference has amended this measure by providing that the Act take effect on January 1, 2000, but sections 6 and 7 take effect on July 1, 2000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1036, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1036, S.D. 3, H.D. 1, C.D. 1.

Senators Chun Oakland, Fukunaga, Chun, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Arakaki, Kawakami, Saiki, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 14 on S.B. No. 1024

The purpose of this measure is to clarify the factors to consider when determining civil and administrative penalties regarding the state water pollution law.

The measure also allows the department of health to establish a permanent exempt position for an ecological risk assessor and adds a new license category for environmental health services professionals.

This measure also makes general housekeeping amendments to the statutes governing the duties of the department of health.

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

- (1) Deleting the provisions clarifying the factors to consider when determining civil and administrative penalties regarding the state water pollution law, which have been incorporated into another measure; and
- (2) Deleting sections 5, 6, 8, and 9 of the measure, which make general housekeeping amendments to the statutes governing the department of health, and which do not directly relate to the title of this measure.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1024, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1024, S.D. 3, H.D. 1, C.D. 1.

Senators Nakata, Matsunaga, Ihara, Kanno, Slom.
Managers on the part of the Senate.

Representatives Morita, Oshiro. P., Schatz, Takumi, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 15 on S.B. No. 1079

The purpose of this measure is to:

- (1) Change the name of the consolidated application process to the facilitated application process;
- (2) Expand the membership of the permit process task force;
- (3) Limit the permit process task force's focus to county building permit applications requiring state approval; and
- (4) Establish a sunset date for the task force of June 30, 2002.

Your Committee on Conference has amended this measure to return to the language of the Senate Draft, added language from the House Draft to clarify that the permits include county permits, and has made technical amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1079, 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. 1079, S.D. 1, H.D. 3, C.D. 1.

Senators Inouye, Buen, Slom.
Managers on the part of the Senate.

Representatives Herkes, Menor, Luke, Chang, Rath.
Managers on the part of the House.

Conf. Com. Rep. No. 16 on S.B. No. 1638

The purpose of this measure is to require the Department of Education and the exclusive representative for bargaining unit 6 to conduct a study on the issue of compensational parity for educational officers within the department.

Upon further consideration, your Committee on Conference has amended this measure by changing the effective date from March 1, 2001 to "upon its approval".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1638, 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. 1638, S.D. 2, H.D. 1, C.D. 1.

Senators Nakata, Levin, Ige, D., Ige, M., Slom.
Managers on the part of the Senate.

Representatives Ito, Yoshinaga, Catalani, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 17 on S.B. No. 1519

The purpose of this measure is to:

- (1) Require assisted housing development owners to give a one-year notice to tenants if the owner is going to terminate a subsidy contract; and
- (2) Give tenants or nonprofit organizations the opportunity to purchase the development if the owner of the development has not given notice to sell prior to July 1, 1999.

Your Committee on Conference has amended this measure by deleting the provision that authorized the issuance of general obligation bonds for the Rental Housing Trust Fund.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1519, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1519, S.D. 3, H.D. 2, C.D. 1.

Senators Tam, Levin, Buen, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Kahikina, Stegmaier, Yamane, McDermott.
Managers on the part of the House.

Conf. Com. Rep. No. 18 on S.B. No. 1149

The purpose of this measure is to clarify that attorney's fees and other costs of the opposing party shall not be assessed against the Director of Labor and Industrial Relations in cases involving the collection of unpaid wages.

This measure also clarifies penalties and suspension provisions with regards to violations of the laws relating to wages and hours on public works projects.

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

- (1) Clarifying the provisions relating to suspension from work on public contracts for a third violation;
- (2) Clarifying that each violation refers to each investigation involving one or more projects;
- (3) Clarifying that offense means each section of the wage and hour laws under which the contractor is cited;
- (4) Deleting the proviso that suspensions for a first or second violation shall not exceed three years; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1149, 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. 1149, S.D. 1, H.D. 2, C.D. 1.

Senators Nakata, Ihara, Kanno, Slom.
Managers on the part of the Senate.

Senator Ige, M. did not sign the report.

Representatives Yoshinaga, Hamakawa, Goodenow, Pendleton.
Managers on the part of the House.

Representative Okamura did not sign the report.

Conf. Com. Rep. No. 19 on S.B. No. 40

The purpose of this measure is to replace certification of physician assistants with licensure of physician assistants.

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

- (1) Add definitions for "physician assistant" and "supervising physician" to the State Uniform Controlled Substances Act;
- (2) Authorize a physician assistant registered with the Department of Public Safety (DPS) to administer, prescribe, and dispense a controlled substance under the supervision of a physician licensed to practice medicine in the State and registered with DPS; and
- (3) Establish requirements for prescriptions issued by a physician assistant.

Your Committee on Conference has also provided that this measure shall take effect upon its approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 40, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 40, H.D. 2, C.D. 1.

Senators Kanno, Taniguchi, Inouye, Slom.
Managers on the part of the Senate.

Representatives Santiago, Menor, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 20 on S.B. No. 236

The purpose of this measure is to make it an unfair and deceptive practice to promote a contest of chance where some or all of the prizes may not be awarded, or to fail to award all prizes offered, without providing a potential contestant with specific and conspicuous written disclosure. This measure also makes it unlawful to offer a prize of real property in a contest of chance.

Upon careful consideration, your Committee on Conference has amended this measure to allow the offering of a prize of real property in a contest of chance provided that the offeror files a minimum \$10,000 bond with the Director of Commerce and Consumer Affairs, that:

- (1) Names the director as obligee and a surety company authorized in the State to do business as surety;
- (2) Is continuous in form and conditioned upon an award of the real property to an eligible participant; and
- (3) Runs to the State for the benefit of any person who failed to receive the real property due to the failure of the offeror to award the real property.

The measure also establishes requirements and conditions for the cancellation of a bond by a surety. Additionally, your Committee on Conference has made technical, stylistic changes to the measure.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 236, 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. 236, S.D. 1, H.D. 1, C.D. 1.

Senators Kanno, Taniguchi, Chumbley, Ihara, Anderson.
Managers on the part of the Senate.

Representatives Menor, Hamakawa, Lee, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 21 on S.B. No. 664

The purpose of this measure is to allow the director of finance to discard and allow for new applications of inactive special number plates that have not been assigned or registered during the preceding three years.

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

- (1) Making conforming amendments to section 249-9, Hawaii Revised Statutes;

- (2) Authorizing the county directors of finance to issue special number plates to organizations, establish application procedures, and allow the organizations to retain the fees collected, less expenses, for the special number plates. The organization's decal shall be affixed to the special number plates;
- (3) Allowing persons who served the United States in the military or as a civilian during the Pearl Harbor attack during World War II to obtain a special number plate;
- (4) Clarifying that the provisions in section 249-9.3, Hawaii Revised Statutes, relating to the issuance of special number plates to organizations shall not be construed to apply to special number plates issued to military veterans pursuant to section 249-9.2, Hawaii Revised Statutes; and
- (5) Making technical, nonsubstantive amendments for purposes of preferred drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 664, 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. 664, S.D. 1, H.D. 1, C.D. 1.

Senators Kawamoto, Bunda, Iwase, Slom.
Managers on the part of the Senate.

Representatives Hiraki, Goodenow, Catalani, Nakasone, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 22 on S.B. No. 709

The purpose of this measure is to allow use of a photo technology system to enforce the violation of unlawful crossing of longitudinal lane markings in conjunction with the photo red light and speed imaging detector demonstration project.

Upon further consideration, your Committee on Conference has amended this measure by using the Senate Draft of the bill. This draft was further amended by:

- (1) Changing the procedures relating to rebutting prima facie evidence of a traffic violation obtained pursuant to the photo technology system establishing that the registered owner was the operator of the vehicle during a violation of the applicable traffic laws. As amended, the prima facie evidence may be rebutted by submission of a declaration under penalty of perjury signed by both the registered owner and the vehicle operator. The declaration shall state the name, current address, and driver's license number of the vehicle operator and a description of the violation. Within forty-eight hours of receiving this information, the contractor or appropriate county police department shall cause a summons or citation to be mailed to the operator of the vehicle;
- (2) Deleting language that limited use of a photo technology system in any one location from thirty minutes after sunrise to thirty minutes before sunrise; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 709, 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. 709, S.D. 1, H.D. 2, C.D. 1.

Senators Kawamoto, Matsunaga, Bunda, Ihara, Iwase, Slom.
Managers on the part of the Senate.

Representatives Hiraki, Goodenow, Nakasone, Takai, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 23 on S.B. No. 27

The purpose of this bill is to require an owner of a vehicle in storage to present a certificate of inspection issued after the recording of storage, only if the certificate of inspection expired during the storage period and the vehicle is to be removed.

Your Committee on Conference amended this bill by making the bill effective upon its approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 27, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 27, H.D. 1, C.D. 1.

Senators Kawamoto, Bunda, Iwase, Slom.
Managers on the part of the Senate.

Representatives Hiraki, Menor, Goodenow, Lee, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 24 on S.B. No. 676

The purpose of this bill is to permit the holder of a Type 3 driver's license to drive a motor vehicle with a gross vehicle weight rating of up to 12,000 pounds.

Your Committee on Conference has amended this bill by returning to the language of the Senate Draft which contains a purpose section and increases the gross vehicle weight rating limit for Type 3 driver's licenses to 15,000 instead of 12,000 pounds.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 676, 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. 676, S.D. 1, H.D. 2, C.D. 1.

Senators Kawamoto, Bunda, Iwase, Slom.
Managers on the part of the Senate.

Representatives Hiraki, Menor, Morita, Rath.
Managers on the part of the House.

Conf. Com. Rep. No. 25 on S.B. No. 700

The purpose of this bill is to enact provisions regulating neighborhood electric vehicles.

Your Committee on Conference has amended this bill by returning to the language of the last Senate Draft.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 700, 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. 700, S.D. 2, H.D. 1, C.D. 1.

Senators Kawamoto, Taniguchi, Bunda, Slom.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

Representatives Hiraki, Oshiro, P., Morita, Fox.
Managers on the part of the House.

Representative Okamura did not sign the report.

Conf. Com. Rep. No. 26 on S.B. No. 823

The purpose of this bill is to require judges, when imposing a sentence, to consider the fact that the crime was committed in the presence of a minor as an aggravating factor of the crime.

Your Committee on Conference finds that children who witness domestic violence are harmed in many ways, and acknowledges that domestic violence is a perpetuation of a violent cycle, as children of abuse grow up to be abusers themselves. Various studies indicate that in homes where there is domestic violence, approximately 87 percent include children who witness these violent acts. Studies have also documented multiple problems among children that have witnessed continual assaults by one parent on another in the home. These problems include: psychological and emotional distress such as aggression, hostility, anxiety, social withdrawal, and depression; cognitive functioning problems such as lower verbal and quantitative skills and the development of attitudes supporting the use of violence; and physical problems such as delayed motor skills, speech difficulties, and multiple health problems. Therefore, because of the high social and financial costs resulting from domestic violence, your Committee agrees that more serious penalties should be imposed for both their deterrent and punitive effects.

Your Committee has amended this measure by clarifying that the court shall consider these aggravating factors in addition to the factors to be considered under section 706-606, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 823, 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. 823, S.D. 1, H.D. 2, C.D. 1.

Senators Chumbley, Matsunaga, Chun Oakland, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Hamakawa, Lee, Thielen.
Managers on the part of the House.

Representative Stegmaier did not sign the report.

Conf. Com. Rep. No. 27 on S.B. No. 1502

The purpose of this bill is to require a candidate or a committee to file a report with the Campaign Spending Commission disclosing disbursements of over \$1,000 per year which are made for electioneering communications.

Your Committee notes that informational and educational advertising has become an unregulated and virtually unlimited aspect of political campaigns, which may be used to target not only individual candidates but also ballot issues. Your Committee agrees that allowing these types of communications to go unregulated, while requiring registered candidates and committees to submit reports is a loophole in the current law that provides an unfair advantage to those who are unregistered yet expending funds to affect a particular election. However, your Committee also agrees that the threshold of \$1,000 may be unduly restrictive upon certain types of electioneering communications.

Upon further consideration, your Committee has amended this measure by increasing the threshold for reporting from \$1,000 to \$2,000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1502, 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. 1502, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara, Anderson.
Managers on the part of the Senate.

Representatives Hamakawa, Cachola, Kaho'ohalahala, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 28 on S.B. No. 777

The purpose of this measure is amend the alternate power of sale foreclosure procedures and requirements by:

- (1) Deleting references to "guarantor" in part II, chapter 667, Hawaii Revised Statutes;
- (2) Requiring a mortgagee foreclosing under the alternate power of sale process to provide the defaulting mortgagor with specific information summarizing the foreclosure process along with the first notice of default;
- (3) Providing that the foreclosing mortgagee is authorized to sign the conveyance document as the mortgagor's attorney-in-fact;
- (4) Clarifying that the public notice of public sale be mailed or delivered to the required parties; and
- (5) Removing the limitation on the applicability of the alternate power of sale foreclosure process to mortgages executed after July 1, 1999.

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

- (1) Reduce the minimum period of time allowed for curing a default from sixty days after the default notice date to forty-five days after the default notice date;
- (2) For the period prior to January 1, 2000, allow a mortgagee to provide to the defaulting mortgagor with the first notice of default a copy of the alternate power of sale foreclosure law, in lieu of the public information materials;
- (3) Allow a public sale of the mortgaged property thirty days, rather than sixty days, after the distribution of the public notice of public sale;
- (4) Repeal the foreclosure under power of sale law and its related provisions effective January 1, 2002; and
- (5) Provide that the measure shall be effective upon its approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 777, 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. 777, S.D. 2, H.D. 1, C.D. 1.

Senators Kanno, Taniguchi, Chumbley, Matsunaga, Hanabusa, Anderson.
Managers on the part of the Senate.

Representatives Menor, Hamakawa, Chang, Pendleton.
Managers on the part of the House.

Conf. Com. Rep. No. 29 on S.B. No. 365

The purpose of this measure is to clarify that:

- (1) Individuals and the State (as parens patriae in class actions) as indirect purchasers injured by an illegal overcharge, shall be allowed to recover threefold compensatory damages for injuries sustained; and

- (2) Consent decrees resulting from antitrust actions become effective upon filing.

Your Committee on Conference, upon further consideration has amended this measure by deleting its contents and creating a new chapter in Hawaii Revised Statutes that:

- (1) Prohibits the sale of laser pointing devices (LPDs) to minors;
- (2) Prohibits the use of LPDs by persons over 18 years-old to harass another person or an animal;
- (3) Prohibits the possession of LPDs by minors;
- (4) Establishes an exception for the use of LPDs by minors in commercial laser tag activities; and
- (5) Establishes penalties for violations of the law.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 365, 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. 365, S.D. 1, H.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Bunda, Ihara.
Managers on the part of the Senate.

Representatives Oshiro, P., Menor, Garcia, Lee, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 30 on S.B. No. 947

The purpose of this measure is to prevent telemarketing fraud in this State by adding a new chapter to the Hawaii Revised Statutes entitled the "Telemarketing Fraud Prevention Act", that:

- (1) Specifies the acts which constitute unfair or deceptive practices;
- (2) Specifies the acts which constitute abusive telemarketing practices;
- (3) Requires telephone solicitors to maintain records of telemarketing activities for a period of two years from the date of the telephone call and to make these records available to governmental agencies for law enforcement purposes;
- (4) Provides exemptions from the recordkeeping requirements of the chapter; and
- (5) Provides that violations of this chapter constitute unfair methods of competition or unfair and deceptive acts or practices within the meaning of section 480-2, Hawaii Revised Statutes (HRS).

After full and careful consideration, your Committee on Conference has amended this measure by:

- (1) Deleting the definition of "premium";
- (2) Amending the definition of "seller" to include persons who arrange for a telephone solicitor to solicit funds or contributions;
- (3) Amending the definition of "telemarketing" to include prize promotions and investment opportunities;
- (4) Clarifying the acts which constitute:
 - (a) Unfair or deceptive practices; and
 - (b) Abusive telemarketing practices;
- (5) Clarifying the recordkeeping requirements for all telemarketing activities initiated in this State;
- (6) Providing exemptions for:
 - (a) Nondepository financial services loan companies licensed or authorized to conduct business in the State by the commissioner of financial institutions or an affiliate of a financial institution as defined in chapter 412, HRS; and
 - (b) The sale of goods or services by land line or wireless video service providers; and
- (7) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 947, 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. 947, S.D. 2, H.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Matsunaga, Ihara, Matsuura, Anderson.
Managers on the part of the Senate.

Representatives Menor, Hamakawa, Lee, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 31 on S.B. No. 630

The purpose of this measure is to modify the campaign spending laws by inserting provisions requiring reporting of late contributions to candidates, candidate's committees, and other registered committees.

Your Committee finds that under current law, "last-minute" or late contributions made to committees are not reported until after the election. Your Committee acknowledges that these types of late contributions are often used to make major donations with the intent of affecting the outcome of the election. Your Committee believes that these donations should be open to public scrutiny prior to the election to promote fairness and to close this loophole in our public disclosure laws.

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

- (1) Changing the period of time during which late contributions that are received must be reported prior to the election, from fifteen through three days before the election to fifteen through four days before the election; and
- (2) Changing the date by which late contributions must be reported from two days to three days before the election.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 630, 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. 630, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara, Sakamoto, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Hamakawa, Kaho'ohalahala, Lee, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 32 on S.B. No. 1119

The purpose of this bill is to create an affirmative defense to murder in the first and second degrees that the defendant was, at the time the defendant caused the death of another person, under the influence of extreme mental or emotional disturbance for which there is a reasonable explanation.

Your Committee finds that under current law, in a trial for murder, there is a burden placed upon the prosecution to disprove the existence of an extreme mental or emotional disturbance, beyond a reasonable doubt, or see the charge reduced to that of manslaughter. Your Committee believes it proper that the defendant, upon raising this issue, should have the burden to prove that the defendant was under the influence of extreme mental or emotional disturbance. Placing this burden upon the defendant, rather than upon the prosecution to prove a negative, will assist prosecutors in cases similar to the recent Pada case, in which the issue of extreme mental or emotional disturbance was raised.

Upon further consideration, your Committee has amended this measure by adding an effective date.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1119, 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. 1119, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Chang, Hamakawa, Lee, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 33 on S.B. No. 1485

The purpose of this bill is to:

- (1) Permit the court to waive jurisdiction on other felony charges arising from the same episode in which the minor was waived; and
- (2) Authorize the court to provide public inspection of a minor's legal records, if the proceeding or case involves an act resulting in the death of a victim.

Your Committee on Conference finds that when a court exercises its jurisdiction to waive a juvenile pursuant to subsections (b) or (d) of section 571-22, Hawaii Revised Statutes, the family court should be permitted to waive, in its discretion, any other related felony charges so that a related case may be brought and tried together for the sake of judicial economy and efficiency. Your Committee further finds that the right of the public to access important information on serious matters will be served by allowing the court to provide for the public inspection of a minor's legal records if the proceeding or case involves an act resulting in the death of a victim.

Your Committee has amended this measure by changing the effective date so that the Act will take effect upon its approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1485, 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. 1485, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Sakamoto, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Garcia, Hamakawa, Lee, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 34 on S.B. No. 285

The purpose of this measure is to amend Chapter 514C, Hawaii Revised Statutes (HRS), to facilitate voluntary, bulk, lease-to-fee conversions of condominiums by condominium associations on behalf of their members.

Your Committee on Conference has amended this measure by:

- (1) Changing the title of Part I of Chapter 514C, HRS, to Right of First Refusal;
- (2) Deleting the language designating sections 514C-2 through 514C-8, HRS, as, "Part II. Right of First Refusal" and redesignating bill sections accordingly;
- (3) Deleting the amendments to the definition of "condominium" in section 514C-1, HRS;
- (4) Making the bill effective upon its approval; and
- (5) Making technical, nonsubstantive changes for purposes of clarity and proper drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 285, 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. 285, S.D. 1, H.D. 1, C.D. 1.

Senators Tam, Fukunaga, Ihara, Anderson.
Managers on the part of the Senate.

Senator Hanabusa did not sign the report.

Representatives Menor, Suzuki, Cachola, Yamane, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 35 on S.B. No. 594

The purpose of this bill is to define the term "good cause" as used in section 134-7, Hawaii Revised Statutes. In cases involving restraining orders where good cause exemption becomes an issue, judges generally take into consideration whether the person subject to the restraining order is required to possess or carry a firearm during the course of the person's employment. If the case involves a police officer, the courts defer the granting of exemptions to the police chief with the rationale that the police chief would be best able to determine whether the officer would qualify for a good cause exemption. Within the past two years, the courts handled thirty-one cases involving the granting of good cause exemptions, and twenty-one of those cases involved police officers.

Your Committee on Conference acknowledges the seriousness of domestic violence and believes that the current law needs to be applied consistently in all cases, regardless of whether the person subject to a restraining order is a police officer. Judges should not be deferring the granting of an exemption to a police chief.

Therefore, your Committee has amended this bill by:

- (1) Providing that "good cause" consideration should also include the protection and safety of the person to whom a restraining order is granted;
- (2) Making a conforming amendment by deleting the reference to section 134-7(f) within section 134-11(b); and

- (3) Making technical, non-substantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 594, 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. 594, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Hamakawa, Kaho'ohalahala, Lee, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 36 on S.B. No. 628

The purpose of this measure is to strengthen our campaign spending laws by: clarifying the types of campaign-related activities to which the laws apply; establishing clear parameters for when a candidate must register with the Campaign Spending Commission; and clarifying the requirements regarding the reporting and return of excess campaign contributions.

Your Committee finds that constitutional constraints raise questions regarding the degree to which the State can exercise regulatory authority over informational or educational advertising. Similarly, the Attorney General has opined that committees that receive and expend funds only to impact ballot issues cannot be subject to contribution limits. Your Committee further finds that amending the candidate registration threshold will improve the Campaign Spending Commission's awareness and monitoring of candidates in smaller races, who under present law are not required to register until late in a campaign.

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

- (1) Inserting language in the definition of "committee" to exclude organizations which raise and expend funds for the sole purpose of production and dissemination of informational or educational advertising;
- (2) Requiring that the Commission publish the names of those failing to file a report in both the newspaper and on its website;
- (3) Retaining existing law with regard to registration of candidates for expenditures in an aggregate of amount of \$100;
- (4) Clarifying that limits on contributions shall not apply to contributions by a candidate to the candidate's own campaign; and
- (5) Making technical, non-substantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 628, 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. 628, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Hamakawa, Kaho'ohalahala, Lee, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 37 on S.B. No. 616

Your Committee finds that those who promote prostitution often leave their victims with life-long physical, emotional, and financial scars. These may take the form of personal injury, disease, or even death; mental or emotional harm; medical and rehabilitation expenses; and the loss of past or future income and earning capacity. Your Committee further finds that the potential financial gains for those who coerce others into prostitution are so large that many persons evidently consider such coercion more than worth the risk of criminal prosecution. The added threat of civil liability, including payment of actual and exemplary damages, will serve as an additional deterrent to the promotion of prostitution.

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

- (1) Reinserting a findings and purpose section from the S.B. No. 616, S.D. 1;
- (2) Reinserting language from the S.D. 1 that included coercion of an individual to remain in prostitution or to relinquish earnings from prostitution as a basis for liability;
- (3) Reinserting a provision from the S.D. 1 that excepted minor children dependent on an individual for support from potential liability for coercing that individual to collect or receive earnings from prostitution;
- (4) Reinserting a provision from the S.D. 1 that included restriction of movement as evidence supporting a claim of coercion; and

- (5) Reinserting a provision from the S.D. 1 that included defining the terms of an individual's employment in a way that could lead to the individual's prostitution, as evidence supporting a claim of coercion of a minor.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 616, 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. 616, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara.
Managers on the part of the Senate.

Senator Anderson did not sign the report.

Representatives Oshiro, P., Garcia, Hamakawa, Auwae.
Managers on the part of the House.

Representative Takumi did not sign the report.

Conf. Com. Rep. No. 38 on S.B. No. 1003

The purpose of this measure, as received by your Committee, is to impose penalties upon employers who fail to provide timely payments to employees obligated to pay child support, and to impose penalties upon the Child Support Enforcement Agency (CSEA) for failure to disburse payments within five working days after collection.

Your Committee acknowledges the continuing frustration of many custodial parents who are dependent upon the timely receipt of child support payments to meet their basic living expenses. Unfortunately, the disbursement system for child support payments continues to be plagued with problems, which further delays payments to custodial parents. While your Committee agrees that imposing penalties for late payments may be an incentive to ensure timeliness, a more proactive approach to addressing timely payments would be to provide additional opportunity for the obligor party to opt out of the system upon petition to the court.

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

- (1) Deleting the provisions imposing penalties upon employers and the CSEA;
- (2) Establishing a notice provision to be provided to parties of divorce informing them of the opportunity to enter into alternative arrangements for direct payment of child support;
- (3) Allowing parties to petition the court to opt out of the child support enforcement agency system at any time upon petition to the court;
- (4) Requiring the court to assign such petitions priority on the dockets for expeditious processing;
- (5) Allowing the CSEA to issue orders permitting alternative arrangements; and
- (6) Making technical, non-substantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1003, 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. 1003, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Chun Oakland, Sakamoto, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Oshiro, P., Saiki, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 39 on S.B. No. 186

The purpose of this bill is to make changes to certain aspects of Hawaii's tort law system, and to implement in part ideas raised in a report presented to the Legislature by the Tort Law Study Group, pursuant to S.C.R. 256, H.D. 1 (1997).

Your Committee finds that there is an interest, particularly in the business and professional community, in modifications to Hawaii's tort law system that would serve to bring down the costs of litigation and discourage the filing of meritless claims. However, your Committee further finds that proposals of sweeping changes to the present theories of liability and recovery were not recommended by the Study Group, and are not the subject of any consensus within the community at this time. Therefore, your Committee has combined elements of the House and Senate drafts of this measure, in seeking to make changes to Hawaii's tort law system that will implement some of the ideas raised by the Study Group and improve the present system without drastically altering it.

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

- (1) Deleting the purpose clause;

- (2) Deleting the provision placing a limitation on the recovery of noneconomic damages;
- (3) Deleting the provision regarding offers of judgment in civil actions;
- (4) Deleting the provision limiting punitive damages awards and giving discretion as to the award amount to the court;
- (5) Deleting a severability clause;
- (6) Reinserting a provision from S.B. 186, S.D. 1, codifying the Hawaii Supreme Court's decision as to tortious breach of contract in Francis v. Lee Enterprises, Inc., No. 21631 (Haw. 1999);
- (7) Reinserting a provision from the S.D. permitting pleaders to name, under fictitious names, defendants whose responsibility for the wrongful acts alleged is unknown, in addition to defendants whose identity is unknown;
- (8) Reinserting the effective date from the S.D.;
- (9) Adding to the provision as to attorneys' fees in civil actions, further language permitting a party to request that another party drop frivolous claims or defenses, and providing that the court may consider such a request in determining whether claims or defenses were frivolous;
- (10) Deleting language that would have altered the percentage of negligence subjecting a tortfeasor to joint and several liability for noneconomic damages in certain cases;
- (11) Inserting language stating that joint and several liability does not apply to design professionals and accountants for non-physical injury cases; and
- (12) Making technical, non-substantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 186, 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. 186, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Kanno, Taniguchi, Chun Oakland, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Hamakawa, Souki, Auwae.
Managers on the part of the House.

Representative Hiraki did not sign the report.

Conf. Com. Rep. No. 40 on S.B. No. 919

The purpose of this bill is to clarify that for the offense of robbery, it shall not be a defense that any person other than the defendant is aware of the theft or attempted theft.

A recent Hawaii Supreme Court decision, State v. Mitsuda, 86 Haw. 37 (1997), held that where a defendant threatens the imminent use of force against any person present with the intent to compel acquiescence to the taking of or escaping with property, the victim's awareness that a theft occurred is an element which the prosecution must prove for the offense of robbery in the first degree. Therefore, your Committee on Conference believes that it is necessary to clarify that the offense of robbery does not require the victim or any other person present to be aware of the theft or the attempted theft of the property.

Your Committee has amended this measure by adding a clarifying amendment that explicitly states that a person does not need to be aware of the taking of property where another person threatens the imminent use of force to take or escape with the property.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 919, 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. 919, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Sakamoto.
Managers on the part of the Senate.

Representatives Oshiro, P., Hamakawa, Lee, Whalen.
Managers on the part of the House.

Representative Takumi did not sign the report.

Conf. Com. Rep. No. 41 on S.B. No. 590

The purpose of this bill is to provide uniformity among and consistency between the penalty provisions for violations of domestic abuse protective orders.

Your Committee on Conference finds that the penalties for violating temporary restraining orders and protective orders must be standardized to assure adequate and appropriate consequences for those who choose to ignore a court order designed to prevent further harassment, threats, and violence.

Therefore, your Committee has amended this measure by:

- (1) Adding that a violation of a temporary restraining order must be a knowing or intentional violation within section 586-4, Hawaii Revised Statutes (HRS), in order to be consistent with all other orders granted pursuant to chapter 586, HRS;
- (2) Conforming sections 586-11 and 580-10, HRS, by including similar language presently contained in section 586-4, HRS, relating to mandatory fines and sentencing;
- (3) Making a conforming amendment to section 601-3.6, HRS, relating to the spouse and child abuse special account by including reference to sections 586-11 and 580-10, HRS; and
- (4) Making technical, non-substantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 590, 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. 590, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Luke, Hamakawa, Kaho'ohalahala, Lee, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 42 on S.B. No. 1118

The purpose of this bill is to create a new offense of habitual criminal behavior against persons and property and to impose a mandatory minimum sentence upon repeat offenders.

Your Committee on Conference finds that there are many criminals who repeatedly commit misdemeanor offenses. These persons know that under current law, if caught, the consequences of their conduct will be relatively minor. As such, there is currently no serious deterrent to their repeated criminal behavior. A mandatory sentence will send a strong message that repeated criminal behavior will not be tolerated.

Therefore, your Committee has amended this measure by:

- (1) Providing that a repeat offender shall be sentenced to no less than nine months of imprisonment;
- (2) Providing that the court shall order a defendant sentenced under section 707-733, Hawaii Revised Statutes, relating to sexual assault in the fourth degree, to participate in a sex offender assessment and participate in the sex offender treatment program, if necessary and appropriate; and
- (3) Adding a saving provision.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1118, 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. 1118, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Sakamoto, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Chang, Hamakawa, Whalen.
Managers on the part of the House.

Representative Hiraki did not sign the report.

Conf. Com. Rep. No. 43 on S.B. No. 36

The purpose of this measure is to increase the clarity, fairness, and economic efficiency of laws governing condominium associations by:

- (1) Permitting associations to collect delinquent common assessments directly from the tenant upon notice to the apartment owner;

- (2) Allowing the association to cease providing services and privileges to an apartment that is delinquent in payment of common assessments; and
- (3) Specifying where and in what type of institutions and investments an association may place its funds.

Your Committee on Conference has amended this measure by:

- (1) Allowing associations to enforce liens created for delinquent maintenance fees, including non-judicial or power of sale foreclosure procedures;
- (2) Allowing associations to invest in obligations and mutual funds comprised solely of investments in the obligations of the United States Government, the State of Hawaii, or their respective agencies with maturity dates over ten years after the purchase date if a majority vote of the apartment owners at an annual or special meeting of the association or written consent of a majority of the apartment owners approves such investment;
- (3) Requiring an association board to approve investments longer than one year and clearly disclose to owners all investments longer than one year at each year's association annual meeting; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 36, 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. 36, S.D. 2, H.D. 1, C.D. 1.

Senators Tam, Matsunaga, Chumbley, Ihara.
Managers on the part of the Senate.

Senators Hanabusa and Anderson did not sign the report.

Representatives Menor, Lee, Whalen.
Managers on the part of the House.

Representative Cachola did not sign the report.

Conf. Com. Rep. No. 44 on S.B. No. 1160

The purpose of this measure is to update and strengthen Hawaii's drug laws by conforming the State Uniform Controlled Substances Act to reflect changes in federal and State law. Key changes to the law effected by this measure include increasing and broadening recordkeeping and reporting requirements, standardizing the paper size requirements for prescriptions, establishing that communications made to a physician for the purpose of unlawfully procuring controlled substances are not privileged physician-patient communications, and expanding the penalty provisions.

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

- (1) Make the theft, loss, and discrepancy reporting requirement of section 329-66, Hawaii Revised Statutes (HRS), applicable to all controlled substance transactions regulated under chapter 329, HRS;
- (2) Establish as one of the criteria for dietary supplements exempt from certain requirements of chapter 329, HRS, the requirement that the supplement's labeling not recommend a daily intake of more than one hundred milligrams of ephedrine alkaloids; and
- (3) Exclude from the penalty provision transactions involving claims that the consumption of ephedrine products will result in heightened awareness and increased energy.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1160, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1160, S.D. 2, H.D. 2, C.D. 1.

Senators Taniguchi, Kanno, Chun Oakland, Chumbley, Slom.
Managers on the part of the Senate.

Representatives Hamakawa, Saiki, Luke, Oshiro, P., Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 45 on S.B. No. 822

The purpose of this measure is to require all health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for contraceptive services and supplies.

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

- (1) Clarifying the definition of "religious employer" to add that the entity is not staffed by public employees;
- (2) Adding that any educational, health care, or other non-profit institution or organization owned or controlled by the religious employer is included in the religious employers exemption;
- (3) Requiring the insurance commissioner to report to the legislature prior to the convening of the 2001 session; and
- (4) Changing the effective date to upon its approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 822, 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. 822, S.D. 2, H.D. 2, C.D. 1.

Senators Chun Oakland, Kanno, Taniguchi, Bunda, Hanabusa, Anderson.
Managers on the part of the Senate.

Representatives Menor, Yamane, Garcia, Lee, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 46 on S.B. No. 1018

The purpose of this measure is to allow the Drug Product Selection Board (Board) to adopt as rules the "Approved Drug Products with Therapeutic Equivalence Evaluations", known as the Orange Book, as a state drug formulary, including a Hawaii additions and deletions list.

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

- (1) Providing that the Board may adopt administrative rules to establish a Hawaii additions and deletions list;
- (2) Deleting reference to the Board meeting no less than every six months;
- (3) Clarifying that an anti-epileptic drug for the treatment of epilepsy shall not be substituted; and
- (4) Making a nonsubstantive amendment for proper drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1018, 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. 1018, S.D. 1, H.D. 2, C.D. 1.

Senators Chun Oakland, Iwase, Anderson.
Managers on the part of the Senate.

Representatives Lee, Yamane, Ahu Isa, Garcia, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 47 on S.B. No. 1128

The purpose of this measure is to increase fines for the violations of the insurance code, and conform disclosure requirements for health insurance policies issued by mutual benefit societies and health maintenance organizations with the disclosure requirements for policies issued under chapter 431:10A, Hawaii Revised Statutes (HRS). The measure also requires that fraternal benefit societies be licensed in accordance with provisions governing solicitors in chapter 431, article 9, HRS.

Your Committee on Conference, upon further consideration, has amended S.B. No. 1128, S.D. 2, H.D. 1 to:

- (1) Clarify the scope of authority of the chief deputy insurance commissioner; and
- (2) Make non-substantive, technical amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1128, 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. 1128, S.D. 2, H.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Menor, Yamane, Ahu Isa, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 48 on S.B. No. 1145

The purpose of this measure is to support the Department of Commerce and Consumer Affairs' (DCCA) move toward self-sufficiency by combining most of DCCA's special and revolving funds into the DCCA's Compliance Resolution Fund, which would be used to fund DCCA operations, but would not be subject to central service and departmental administration expense reimbursement deductions or other reversions to the general fund.

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

- (1) Clarify that all fees and expenses charged for the examination of financial institutions shall be deposited to the Compliance Resolution Fund, rather than the Financial Institution Examiners' Revolving Fund; and
- (2) Make technical and nonsubstantive amendments for the purpose of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1145, 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. 1145, S.D. 2, H.D. 2, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Menor, Kawakami, Chang, Yamane, Auwae.
Managers on the part of the House.

Representative Takumi did not sign the report.

Conf. Com. Rep. No. 49 on S.B. No. 788

The purpose of this measure is to establish a system of mandatory cigarette stamps as a means to assess, collect, and enforce cigarette taxes.

Your Committee on Conference is in accord that this measure is necessitated by the terms of the federal court-approved settlement of the recent tobacco litigation case. States are required to establish a cigarette stamp system to collect cigarette taxes, in order to share in the settlement proceeds.

Your Committee on Conference finds that Act 10, Session Laws of Hawaii 1999, relating to exempting United States government agencies and instrumentalities, is not in conflict with this measure. This measure is not intended to impose a cigarette stamp requirement on cigarettes sold to the United States.

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

- (1) Changing references to dates, as follows:
 - (A) From April 15, 2000, to December 15, 1999, for the licensee to apply for stamps;
 - (B) From May 1, 2000, to January 1, 2000, for the licensee to affix a stamp to each package of cigarettes;
 - (C) From September 1, 2000, to April 1, 2000, for prohibiting cigarettes to be sold or to be placed or stored in vending machines without a stamp;
 - (D) From September 1, 2000, to April 1, 2000, for penalties to begin; and
 - (E) From September 1, 2000, to April 1, 2000, to require the destruction of unstamped cigarettes;
- (2) Imposing the obligation to pay the tax upon the wholesaler or dealer and the licensee;
- (3) Deleting reference in current law to applying the tax against the latest of the activities of selling, using, or possessing;
- (4) Deleting references to percentages of the taxes collected to be allocated to county liquor commissions;
- (5) Deleting reference to the Auditor making a study and inserting reference to the Director of Taxation to study the effectiveness of the Act;
- (6) Making appropriations for each county liquor commission to enforce the cigarette stamp tax requirements; and
- (7) Requiring each county liquor commission to report to the legislature before the 2001 and 2002 Sessions on their respective activities relating to this measure, including expenses, fines and penalties collected, and forfeitures.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 788, 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. 788, S.D. 2, H.D. 2, C.D. 1.

Senators Chun Oakland, Fukunaga, Levin, Chun, Kawamoto, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Suzuki, Goodenow, Kahikina, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 50 on S.B. No. 392

The purpose of this bill is to:

- (1) Require the election of the chairperson of the Metropolitan Planning Organization (MPO) every two years, rather than annually and to update the functions of the MPO;
- (2) Appropriate funds to be expended by the Department of Transportation for the planning, design, and construction of a cruise ship passenger terminal at Pier 2, Honolulu Harbor; and
- (3) Authorize the department of transportation to make improvements to airports without county approval.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provisions relating to the Metropolitan Planning Organization;
- (2) Appropriating \$2,000,000 to be expended by the Department of Transportation for the planning and design of a cruise ship passenger terminal at Pier 2, Honolulu Harbor; and
- (3) Deleting the provisions that allow the Department of Transportation to construct structures and improvements for airport purposes without county approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 392, 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. 392, S.D. 2, H.D. 2, C.D. 1.

Senators Kawamoto, Levin, Bunda, Slom.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

Representatives Hiraki, Kanoho, Goodenow, Nakasone, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 51 on H.B. No. 1178

The purpose of this bill is to allow the Department of Land and Natural Resources (DLNR) to sell or take action to cause the sale of perishable natural resources that are seized.

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

- (1) Providing that, unless directed by the courts, any non-natural resources that are seized shall be forfeited to the State for disposition as determined by DLNR or may be destroyed, kept, retained or utilized by the department or any other state agency;
- (2) Providing that if a non-natural forfeited item is not needed or required by DLNR or any other state agency, it shall be disposed of as provided by chapter 712A, Hawaii Revised Statutes;
- (3) Specifying that only "live" natural resources that are seized may be immediately returned to their natural environment or suitable habitat;
- (4) Providing that the department may not sell or cause the sale of any threatened or endangered species or any other species whose sale is prohibited by law; and
- (5) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee finds that this bill will define procedures in managing perishable natural resources. Selling seized catches in a timely manner at fair market value would reduce storage costs to the State and prevent the waste of valuable consumable resources.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1178, 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. 1178, H.D. 1, S.D. 1, C.D. 1.

Senators Inouye, Chumbley, Matsunaga, Buen, Kawamoto, Slom.

Managers on the part of the Senate.

Representatives Takumi, Oshiro, P., Morita, Schatz, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 52 on H.B. No. 1296

The purpose of this bill is to clarify certain aspects of the management of Kaneohe Bay by:

- (1) Limiting the number of permits the Department of Land and Natural Resources (DLNR) may issue for commercial operation of ocean use activities to the amount specified in the Kaneohe Bay Master Plan as it existed on June 21, 1993;
- (2) Requiring that all rules relating to the Kaneohe Bay Master Plan shall be done in accordance with sections 4.9 and 4.10 of the Kaneohe Bay Master Plan as adopted by the Office of State Planning on March 19, 1992, and with Chapter 91, Hawaii Revised Statutes;
- (3) Stating that any rule adopted by the DLNR that is in conflict with the Kaneohe Bay Master Plan must be for reasons of public health or safety, or resource protection or preservation;
- (4) Stating that if any provision of section 200-39, Hawaii Revised Statutes, affecting Kaneohe Bay is in conflict with Chapter 91, Hawaii Revised Statutes, relating to administrative procedure, Chapter 91 shall prevail; and
- (5) Requiring the Kaneohe Bay Regional Council to review the master plan and submit any amendments to DLNR by December, 1999.

After careful consideration, your Committee on Conference has amended this bill by deleting references to "section 200D-3" from Section 1 of this measure.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1296, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1296, H.D. 1, S.D. 1, C.D. 1.

Senators Hanabusa, Inouye, Fukunaga, Levin, Chun, Ige, M., Nakata, Tanaka, Anderson.
Managers on the part of the Senate.

Representatives Takumi, Garcia, Morita, Schatz, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 53 on H.B. No. 1020

The purpose of this bill is to provide a continued source of financing to businesses under the Hawaii Capital Loan Program.

After careful consideration, your Committee on Conference has amended this bill by amending the effective date to June 29, 1999.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1020, 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. 1020, H.D. 2, S.D. 2, C.D. 1.

Senators Inouye, Levin, Taniguchi, Slom.
Managers on the part of the Senate.

Representatives Herkes, Luke, Suzuki, Rath.
Managers on the part of the House.

Conf. Com. Rep. No. 54 on H.B. No. 1142

The purpose of this bill is to modify the wastewater treatment law by:

- (1) Transferring the certification of cesspool pumping operations from the State Board of Certification to the Department of Health;
- (2) Expanding the Department of Health's authority to regulate domestic sewage and recycled water;
- (3) Providing for consistent wastewater penalties; and
- (4) Allowing for search warrants to investigate wastewater spills.

Your Committee has amended the measure by:

- (1) Deleting the definitions of "recycled water" and "reclaimed water"; and

- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1142, 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. 1142, H.D. 3, S.D. 2, C.D. 1.

Senators Nakata, Matsunaga, Ihara, Kanno, Slom.
Managers on the part of the Senate.

Representatives Morita, Oshiro, P., Schatz, Takumi, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 55 on H.B. No. 1548

The purpose of this bill is to:

- (1) Define "recycled water" and "reclaimed water" in chapter 342D, Hawaii Revised Statutes, relating to water pollution; and
- (2) Direct the Director of Health to give priority to adopting rules that will encourage the voluntary reuse of water where economically feasible.

Because this bill sets forth policy on the reuse of water, your Committee on Conference agrees that it would be inappropriate to make it voluntary. Accordingly, your Committee has deleted the phrase "...that will encourage the voluntary reuse of water where economically feasible."

This bill has been further amended by:

- (1) Stating that state laws and rules must ensure that the cost of recycled water is reasonable, fair, and economically feasible for both the processor and water consumer; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and to conform to correct drafting conventions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1548, 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. 1548, H.D. 1, S.D. 1, C.D. 1.

Senators Nakata, Ige, M., Ihara, Slom.
Managers on the part of the Senate.

Representatives Morita, Schatz, Takumi, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 56 on H.B. No. 1177

The purpose of this bill is to allow private marinas and yacht clubs to take custody and dispose of vessels abandoned on their premises.

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

- (1) Amending the calculation of days before a vessel is considered abandoned to be 30 days after a notice is "mailed" instead of "received"; and
- (2) Specifying the number of days a notice will be deemed received after mailing as five "calendar" days instead of "business" days.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1177, 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. 1177, H.D. 2, S.D. 1, C.D. 1.

Senators Inouye, Fukunaga, Buen, Ige, M., Slom.
Managers on the part of the Senate.

Representatives Takumi, Oshiro, P., Takamine, Morita, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 57 on H.B. No. 1181

The purpose of this bill is to:

- (1) Consolidate and standardize various penalty provisions;

- (2) Establish minimum fines; and
- (3) Establish graduated penalties within chapters 187A, 188, 189, and 190, Hawaii Revised Statutes (HRS).

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

- (1) Deleting the reference to imprisonment for an officer of a corporation;
- (2) Correcting the description of section 188-23, HRS to accurately reflect the section heading; and
- (3) Making nonsubstantive, technical changes to conform to drafting style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1181, 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. 1181, H.D. 1, S.D. 2, C.D. 1.

Senators Inouye, Chumbley, Matsunaga, Buen, Slom.
Managers on the part of the Senate.

Representatives Takumi, Hamakawa, Schatz, Garcia, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 58 on H.B. No. 1086

The purpose of this bill is to delete the time provision which mandates that no less than fifty percent of each school day be devoted to oral expression, written composition, and the spelling of the English language.

Your Committee on Conference finds that there are times when meeting the fifty percent requirement of each instructional day is not feasible or practical. This rigid standard hampers the Department of Education's ability to provide a varied instructional program which allows students to maximize their learning potential. Specific curriculum decisions are properly within the purview of the Board of Education.

This measure will not delete the requirement that schools teach English altogether. Rather, this amendment allows the Board of Education and the Department of Education the freedom and flexibility to establish a strong learning environment and implement the Hawaii Content and Performance Standards, as provided in Section 302A-201, Hawaii Revised Statutes. This ensures that the basics will continue to be taught. This measure simply deletes the mandate that fifty percent of each day be devoted to specific aspects of the curriculum.

Your Committee on Conference has amended this bill by making a technical, nonsubstantive change for the purpose of conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1086, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1086, S.D. 1, C.D. 1.

Senators Ige, D., Bunda, Slom.
Managers on the part of the Senate.

Representatives Ito, Arakaki, Morihara, Stegmaier, McDermott.
Managers on the part of the House.

Conf. Com. Rep. No. 59 on H.B. No. 1028

The purpose of this bill is to:

- (1) Authorize the Aloha Tower Development Corporation (ATDC) to:

- (A) Appoint exempt officers, agents, and employees;
- (B) Prescribe their duties and qualifications; and
- (C) Fix their salaries;

without regard to chapters 76 and 77, Hawaii Revised Statutes;

and

- (2) Direct ATDC and the Department of Transportation (DOT) to:

- (A) Work together to resolve immediately the parking shortage for the Aloha Tower Marketplace (Marketplace); and

(B) Develop plans to expedite the construction of additional parking for the Marketplace.

Your Committee on Conference has amended this bill by:

- (1) Deleting provisions that direct ATDC and DOT to:
 - (A) Work together to resolve the parking shortage and develop plans for additional parking for the Marketplace; and
 - (B) Submit a report to the Legislature prior to the 2000 Regular Session on the status of resolving the shortage of parking for the Marketplace;

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

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

Senators Inouye, Fukunaga, Levin, Kawamoto, Tam, Taniguchi, Slom.
Managers on the part of the Senate.

Representatives Herkes, Hiraki, Luke, Goodenow, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 60 on H.B. No. 1711

The purpose of this bill is to resolve the regulation of piers in Kaneohe Bay by:

- (1) Designating any unpermitted pier in Kaneohe Bay existing in whatever form on the effective date of this Act as a nonconforming use;
- (2) Eliminating the requirement that all sunbathing and swimming piers built on submerged lands be open to the public and have signs placed on them indicating the public's right to use the pier;
- (3) Including private residential noncommercial piers as items not requiring prior legislative and gubernatorial approval of lease and easement dispositions;
- (4) Expunging any related penalties assessed prior to enactment of the measure;
- (5) Establishing a lease rent moratorium on the submerged lands and the private residential noncommercial piers thereon in Kaneohe Bay, located offshore of property between Kealohi Point and Nuupia Pond, until the Department of Land and Natural Resources adopts a residential pier lease rent formula; and
- (6) Requiring the Department of Land and Natural Resources to establish an equitable solution for lessees who have been paying lease rent on submerged lands and the private residential noncommercial piers thereon in Kaneohe Bay, located offshore of property between Kealohi Point and Nuupia Pond, which may include the issuance of a lease rent credit.

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

- (1) Deleting the reference to Chapter 91, Hawaii Revised Statutes, in Section 5(a);
- (2) Clarifying the nonconforming use provision to expunge penalties only for pier-related violations; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1711, 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. 1711, H.D. 2, S.D. 1, C.D. 1.

Senators Hanabusa, Inouye, Levin, Buen, Chun, Ige, M., Nakata, Tanaka, Anderson.
Managers on the part of the Senate.

Representatives Takumi, Schatz, Goodenow, Kanoho, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 61 on H.B. No. 4

The purpose of this bill is to clarify that, in the case of internal police procedures that are not subject to the Hawaii Administrative Procedure Act, chapter 91, Hawaii Revised Statutes, failure of the police to comply scrupulously with such internal police procedures shall not invalidate a roadblock that otherwise meets the minimum statutory criteria provided in section 286-162.6, Hawaii Revised Statutes.

The Hawaii intermediate court of appeals, in State v. Fedak, 9 Haw. App. 98 (1992), ruled that internal police roadblock procedures exceeding the minimum statutory roadblock requirements, as set out in section 286-162.6, Hawaii Revised Statutes, must be "scrupulously" followed and that failure to do so will result in a determination that motor vehicles stopped at such a roadblock have been improperly seized. Your Committee on Conference finds that the Legislature did not intend that properly constituted roadblocks, meeting the minimum statutory criteria under section 286-162.6, be invalidated merely because of the failure of the police to comply scrupulously with internal police procedures that are not subject to chapter 91.

Your Committee on Conference has amended the bill by clarifying that the exempt internal police procedures being referred to are those that are not "rules" as defined under section 91-1(4), Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 4, 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. 4, H.D. 1, S.D. 1, C.D. 1.

Senators Kawamoto, Chumbley, Bunda, Iwase, Slom.
Managers on the part of the Senate.

Representatives Hiraki, Oshiro, P., Goodenow, Moses.
Managers on the part of the House.

Conf. Com. Rep. No. 62 on H.B. No. 500

The purpose of this bill is to allow nonresident aliens to bring firearms into the State under certain conditions.

Your Committee finds that all of Hawaii's game mammals are non-native and, if left unchecked, pose a considerable threat to Hawaii's native plants and wildlife. In Hawaii, as in most other locations, wildlife officials have found that hunting has provided an excellent, cost-effective means of controlling wildlife populations, as well as providing recreation and subsistence for a large number of residents. In addition, hunting and target shooting have become popular visitor activities and have demonstrated the potential for development as tourism niche markets.

Your Committee revised the bill by:

1. Requiring registration within three days; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

The three day registration requirement addresses the public safety concerns of the Honolulu Police Department.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 500, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 500, H.D. 3, S.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Fukunaga, Tanaka, Anderson.
Managers on the part of the Senate.

Representatives Cachola, Hamakawa, Kanoho, Schatz, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 63 on H.B. No. 806

The purpose of this measure is to approve the exchange of public lands in North Kona for private lands along the Kona Coast to develop a new motor speedway industry.

Your Committee on Conference finds that Hawaii International Motor Speedway is prepared to acquire land in South Kohala and is willing to exchange the title to these lands for public lands in North Kona.

The measure would expedite the process by pre-authorizing the Department of Land and Natural Resources to enter into a land exchange with the Hawaii International Motor Speedway.

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

- (1) Changing the effective date of the measure from July 1, 2020, to July 1, 1999;
- (2) Adding provisions that:

- (A) Require the Department of Land and Natural Resources to comply with the requirements of Chapters 6E, 205, 205A, and 343, Hawaii Revised Statutes, as applicable;
- (B) Require the Hawaii International Motor Speedway to comply with all applicable state laws and county ordinances including but not limited to historic preservation, land use, coastal zone management, planning, zoning, environmental health, including Chapter 128D and Chapters 342B to 342P, Hawaii Revised Statutes, and environmental impact statements; and
- (C) State that the requirements stated in subparagraphs (A) and (B) shall supersede any other law to the contrary unless the conflicting law specifically provided otherwise;

and

- (3) Making technical, nonsubstantive amendments for the purpose of style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 806, 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. 806, H.D. 2, S.D. 2, C.D. 1.

Senators Hanabusa, Levin, Chun, Nakata, Tanaka.
Managers on the part of the Senate.

Representatives Cachola, Kanoho, Garcia, Takumi, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 64 on H.B. No. 1522

The purpose of this bill is to clarify that county property tax assessors are not subject to the requirements of Chapter 466K, Hawaii Revised Statutes, relating to the regulation of real estate appraisers.

Your Committee on Conference has amended the measure by making the Act effective upon its approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1522, 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. 1522, H.D. 1, S.D. 1, C.D. 1.

Senators Kanno, Taniguchi, Kawamoto, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Menor, Nakasone, Goodenow, Takumi, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 65 on H.B. No. 602

The purpose of this bill is to extend the time period in which to record the transfer of ownership of trailers, and to increase the penalties for delinquencies in recording transfers.

Your Committee on Conference finds owners are required to record the transfers of trailers within twenty days, and that delinquent transferees are subject to nominal fees of five dollars. Your Committee further finds that delinquency rates for recording transfers of trailers are high, and would be reduced if penalties were increased.

This bill proposes that owners be required to record the transfer of trailers within thirty days, and that delinquent transferees be subject to assessments of fees of fifty dollars.

Your Conferees deliberated on the amounts of the assessments for delinquencies, and agreed that an increase to fifty dollars would be a suitable deterrent to such occurrences.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 602, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 602, S.D. 1, C.D. 1.

Senators Kawamoto, Bunda, Taniguchi, Slom.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

Representatives Hiraki, Goodenow, Nakasone, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 66 on H.B. No. 719 (Majority)

The purpose of this bill is to increase from \$1 to \$3 the highway beautification fee, which is collected from each motor vehicle registration. The measure exempts U-drive motor vehicles from the fee increase.

Your Committee on Conference finds that the fee increase will be a burden to the rental car industry, and further finds that although a fee increase is necessary in order to maintain the highway beautification program, a \$1 increase will be sufficient.

Your Committee has amended this bill by changing the fee increase from \$3 to \$2, and the effective date to January 1, 2000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 719, 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. 719, H.D. 2, S.D. 1, C.D. 1.

Senators Kawamoto, Fukunaga, Levin, Bunda, Taniguchi.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

Senator Slom did not concur.

Representatives Hiraki, Goodenow, Nakasone, Moses.
Managers on the part of the House.

Conf. Com. Rep. No. 67 on H.B. No. 221

The purpose of this bill is to:

- (1) Require the Hawaii Tourism Authority (HTA) to develop and complete a long-range policy plan and to submit the plan to the Legislature by January 1, 2000;
- (2) Specify that the long-range policy plan identify other departments and agencies involved and specify a program of action for those departments and agencies; and
- (3) Specify that the strategic tourism marketing plan be updated every two years and implement the recommendations of the long-range policy plan.

Your Committee on Conference has amended this bill by:

- (1) Authorizing the HTA Board to:
 - (a) Withhold from public inspection and copying, any consultant's report and internal analysis related to the formulation of the strategic tourism marketing plan if, in the opinion of at least two-thirds of the HTA Board members, public disclosure of the documents would frustrate the ability of HTA to implement its strategic tourism marketing plan and maximize the economic benefit of its expenditures, contracts, and agreements; and
 - (b) Discuss such documents in executive session, provided that nothing is to allow the HTA Board to withhold any documents from public inspection for more than eighteen months unless two-thirds of the HTA Board determines otherwise;
- and
- (2) Making technical, nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 221, 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. 221, H.D. 2, S.D. 1, C.D. 1.

Senators Inouye, Fukunaga, Levin, Taniguchi, Slom.
Managers on the part of the Senate.

Representatives Chang, Ahu Isa, Suzuki, Halford.
Managers on the part of the House.

Conf. Com. Rep. No. 68 on H.B. No. 827

The purpose of this bill is to stimulate tourism in east Hawaii by creating incentives for reinvestment in the resort infrastructure of the Banyan Drive resort area of Hilo, Hawaii, by authorizing the Department of Land and Natural Resources (DLNR) to issue new, up-to-fifty-year leases to existing lessees in the Banyan Drive resort area.

It is the intent of your Committee on Conference that DLNR consider "substantial improvements" in the issuance of any new leases to existing lessees of the Banyan Drive resort area.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that any requirements for property improvements in new leases be for substantial improvements; and
- (2) Making technical, nonsubstantive amendments for style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 827, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 827, H.D. 3, S.D. 1, C.D. 1.

Senators Hanabusa, Inouye, Levin, Buen, Chun, Tanaka, Anderson.
Managers on the part of the Senate.

Representatives Chang, Cachola, Saiki, Herkes, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 69 on H.B. No. 1277

The purpose of this bill is to exclude from the definition of "public utility" any facility that reclaims wastewater, provided that:

- (1) At least ten percent of the wastewater processed is used by the State or county under a service contract;
- (2) The sole function of the facility is the processing, distribution, and sale of secondary treated wastewater produced by a municipal wastewater treatment facility;
- (3) The facility is not selling water to residential customers;
- (4) The facility is not processing food wastes; and
- (5) The purchase of reclaimed and recycled water by commercial entities is voluntary and available at market prices.

Your Committee on Conference finds that the public interest will be best served by exempting certain wastewater processing facilities from Public Utilities Commission (PUC) regulation. This bill, in particular, will address the City and County of Honolulu's (City) contract with U.S. Filter Operating Services, Inc. for a water reclamation facility on Oahu. The genesis of this project is a federal consent decree pursuant to a lawsuit brought against the City by the U.S. Environmental Protection Agency. Should the City fail to meet the conditions and schedule of the consent decree, fines of up to \$18,000 per day may be imposed on the City.

U.S. Filter's water reclamation facility will prevent approximately 12 million gallons per day of secondary sewage from being discharged into ocean waters through an outfall. Instead, the recycled or reclaimed water can be used for beneficial purposes such as agricultural and irrigation uses. This, in turn, will also reduce the need to draw from other fresh and brackish water resources.

Your Committee on Conference recognizes the need to establish a policy and regulatory framework that supports the advantages of wastewater reuse. However, it cannot allow a project which is clearly beneficial to the public interest and the environment to be "placed on the back burner" while the Legislature sorts through an interagency, bureaucratic maze to address every detail.

The Consumer Advocate's concerns warrant some attention. At the same time, however, it would not serve the best interest of the public and the environment to delay implementing a recycled water policy due to pricing issues that involve less than thirty percent of the total volume of wastewater processed at the facility.

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

- (1) Allowing the facility to distribute and sell recycled or reclaimed water to entities not covered by a state or county service contract; provided that, in the absence of regulatory oversight and direct competition, the distribution and sale of recycled or reclaimed water shall be voluntary and its pricing fair and reasonable; and
- (2) Requiring the City Department of Environmental Services to submit a report to the Legislature in 2004 on:
 - (A) The volume of recycled or reclaimed water distributed; and
 - (B) The sale prices of recycled or reclaimed water charged;

by U.S. Filter at its Ewa wastewater reclamation facility to entities not covered by a state or county service contract.

Should the distribution and sale of recycled or reclaimed water not be fair and reasonable, the Legislature may seek remedy of the situation through revocation of the exemption and by requiring PUC regulation.

This bill has been further amended by:

- (1) Clarifying that the primary function of the facility, rather than its sole function, is the processing of secondary treated wastewater;

and

- (2) Making technical, nonsubstantive amendments for the purpose of consistency.

Finally, the ramifications of wastewater reuse require a continued review of such a policy. Your Committee on Conference has taken the first step by stating a water reuse policy and defining recycled and reclaimed water in H.B. No. 1548, HD1, SD1, CD1. However, the importance of interagency cooperation to resolve jurisdictional issues and conflicting policies needs to be considered, and rule and legislative changes need to be addressed to further facilitate a wastewater reuse policy.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1277, 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. 1277, H.D. 1, S.D. 1, C.D. 1.

Senators Nakata, Kanno, Ige, M., Slom.
Managers on the part of the Senate.

Representatives Morita, Takamine, Garcia, Schatz, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 70 on H.B. No. 138

The purpose of this bill is to prevent theft of agricultural goods and commodities by providing ownership and certification requirements for agricultural goods and commodities.

Your Committee on Conference has amended this bill by:

- (1) Including horticultural and floricultural products under the ownership and certification requirements;
- (2) Making the lack of proof of ownership of agricultural commodities in lots of over two hundred pounds or with a value of at least \$100, a violation;
- (3) Authorizing law enforcement officers to:
 - (a) Detain persons having possession, selling, or transporting agricultural commodities and request proof of ownership of the commodities based on probable cause; and
 - (b) Hold agricultural commodities upon reasonable belief that the person is in unlawful possession of the agricultural commodity;
- (4) Allowing commodities to be sold at fair market value to the retailer, wholesaler, or packer of the commodity if the agricultural commodity is not released to the lawful owner after being in the custody of law enforcement for forty-eight hours; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 138, 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. 138, H.D. 2, S.D. 1, C.D. 1.

Senators Inouye, Chumbley, Matsunaga, Buen, Slom.
Managers on the part of the Senate.

Representatives Abinsay, Hamakawa, Kaho'ohalahala, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 71 on H.B. No. 562

The purpose of this bill is to establish additional labeling requirements for macadamia nuts and macadamia nut products.

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

- (1) Making the bill effective upon its approval; and
- (2) Making a technical, nonsubstantive change for purposes of clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 562, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 562, S.D. 2, C.D. 1.

Senators Inouye, Taniguchi, Buen, Slom.
Managers on the part of the Senate.

Representatives Abinsay, Menor, Chang, Kaho'ohalahala, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 72 on H.B. No. 945

The purpose of this bill is to allow agriculture-related commercial operations to be conducted by lessees in agricultural park complexes.

This bill allows agricultural park lessees to process, market, and display agricultural crops or commodities, including products created through value added processes, in agricultural parks. Lessees may sell their products to the general public, provided that the commercial venture operation is owned by a lessee in good standing with the Department of Agriculture (DOA).

It is the intent of this bill that lessees who lease and operate commercial ventures in agricultural parks should be lessees who lease and operate farm ventures in their particular agricultural parks.

Your Committee on Conference has amended this bill by:

- (1) Authorizing the DOA to dispose of not more than two lots within an agricultural park for processing, marketing, and displaying agricultural crops or commodities;
- (2) Requiring that these lots be leased and operated by an agricultural park lessee in good standing;
- (3) Directing the Board of Agriculture (BOA) to define "value added process" through rules, and deleting the same definition from the bill;
- (4) Deleting the authorization for the BOA to perform any and all acts and adopt rules necessary to carry out the provisions;
- (5) Deleting the requirement in section 166-6, Hawaii Revised Statutes, that allows agricultural park lands to be disposed of for commercial purposes; and
- (6) Making technical, nonsubstantive amendments for the purpose of consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 945, 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. 945, H.D. 1, S.D. 1, C.D. 1.

Senators Inouye, Levin, Buen, Ige, M., Slom.
Managers on the part of the Senate.

Representatives Abinsay, Nakasone, Morihara, Suzuki, Halford.
Managers on the part of the House.

Conf. Com. Rep. No. 73 on H.B. No. 1628

The purpose of this bill is to enable the Department of Agriculture to underwrite and service agricultural loan programs with cooperating private lenders and government loan programs providing loans to qualified farmers.

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

- (1) Removing the reference to section 155-13, Hawaii Revised Statutes; and
- (2) Making technical nonsubstantive changes for consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1628, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1628, S.D. 2, C.D. 1.

Senators Inouye, Kanno, Taniguchi, Levin, Buen, Ige, M., Slom.
Managers on the part of the Senate.

Representatives Abinsay, Saiki, Ahu Isa, Ito, Morihara, Halford.
Managers on the part of the House.

Conf. Com. Rep. No. 74 on H.B. No. 1637

The purpose of this bill is to expedite the granting of permission to use tour buses for the transportation of student groups to and from school-related events or activities.

Your Committee on Conference finds that there are occasions when school buses are not available for transporting students to and from school-related events or activities, but that tour buses may be available as an alternate means of transportation. Your Committee further finds that school officials may have to make several calls to verify the nonavailability of school buses.

It is the intent of your Committee that this measure will facilitate the use of vehicles other than school vehicles for school-related events and activities. Under the current system, the Department of Transportation has made an exemption to use vehicles other than school buses nearly impossible to obtain. As a result, the teachers and school administrators must use the school vehicles and adjust their plans and budgets according to the school vehicles' restricted schedules and set rates. In easing the requirements to obtain an exemption to use a non-school vehicle, your Committee believes that the teachers and school administrators will have increased freedom in the planning of school events and activities which require transportation services.

Your Committee has amended this measure by:

- (1) Requiring the Department of Transportation to grant exemptions for the use of vehicles other than school vehicles when the Department of Transportation finds that compliance is impractical due to the unavailability of school vehicles;
- (2) Clarifying that a school vehicle is unavailable when it does not meet the requests of a school for a motorcoach with undercarriage storage compartments and public address system;
- (3) Clarifying that the use of the motorcoach be used solely for the transportation of middle, intermediate, or high school students to and from school-related events or activities;
- (4) Defining motorcoach as a vehicle that carries more than 25 passengers, has a gross vehicle weight rating of at least 26,000 pounds, and is no more than 15 years old; and
- (5) Amending the effective date to take effect upon approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1637, 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. 1637, H.D. 2, S.D. 2, C.D. 1.

Senators Ige, D., Fukunaga, Levin, Sakamoto, Slom.
Managers on the part of the Senate.

Representatives Hiraki, Ito, Goodenow, Morihara, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 75 on H.B. No. 167

The purpose of this bill is to:

- (1) Establish a driving curfew for minors;
- (2) Raise to 15 years and 6 months the age at which a minor may apply for a permit;
- (3) Raise to 16 years the minimum age of licensing;
- (4) Require a behind-the-wheel driver training course for all drivers under the age of eighteen;
- (5) Clarify that a person must have a permit to operate a motor vehicle in connection with behind-the-wheel training; and
- (6) Require the Director of Transportation to establish and certify a statewide driver education program and behind-the-wheel driver training program.

Your Committee on Conference has amended this measure by:

- (1) Deleting the driving curfew for minors;
- (2) Requiring a driver education program, along with a behind-the-wheel driver training course for all drivers under the age of eighteen;
- (3) Deleting the requirement that all drivers under the age of eighteen complete a minimum of 10 hours of behind-the-wheel training and a minimum of 30 hours of classroom training; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 167, 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. 167, H.D. 3, S.D. 2, C.D. 1.

Senators Kawamoto, Chumbley, Matsunaga, Bunda, Slom.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

Representatives Hiraki, Oshiro, P., Goodenow, Nakasone, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 76 on H.B. No. 32

The purpose of this bill is to allow privately-funded industrial hemp research to be conducted in Hawaii only when the Department of Public Safety (DPS), Narcotics Enforcement Division, issues a controlled substance registration, and the United States (U.S.) Department of Justice, Drug Enforcement Administration (DEA), issues a federally-controlled substance registration for research on the agronomic potential of industrial hemp.

Your Committee on Conference finds that representatives of the law enforcement community assert that under existing law, persons may legally possess and cultivate hemp with the permits required under this measure. Your Committee on Conference, therefore, believes that this measure is necessary to codify this interpretation of the law and give further assurances to legitimate investors in hemp research that they will not be prosecuted. Your Committee on Conference further believes that the establishment of an affirmative defense, which requires defendants to prove that they are not engaged in criminal activity, shifts the burden of proof to the defendant to show that they have the required permits to engage in hemp research.

Your Committee on Conference has amended this bill by:

- (1) Changing the definition of "industrial hemp" and "cannabis" to mean the schedule I substance marijuana as defined in section 329-1, Hawaii Revised Statutes;
- (2) Authorizing, rather than requiring, DPS, in cooperation with the DEA to monitor all phases of the industrial hemp research;
- (3) Providing an affirmative defense for the possession or cultivation of marijuana under section 712-1247, 712-1248, 712-1249, 712-1249.4, or 712-1249.5 that the defendant was conducting industrial hemp research, had valid controlled substance registrations from DPS and the DEA to conduct the research, and has fully complied with all the conditions of the controlled substance registrations;
- (4) Providing that the affirmative defense provision in the bill shall not be an affirmative defense to a charge of distribution of marijuana;
- (5) Deleting the provision that all agronomic data derived from hemp research and maintained by a government agency be exempt from disclosure pursuant to the Uniform Information Practices Act, when the data is proprietary in nature and disclosure of it would frustrate a legitimate government or law enforcement function;
- (6) Changing the effective date of the bill to take effect upon its approval and to be repealed on June 30, 2002; and
- (7) Making technical, nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 32, 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. 32, H.D. 2, S.D. 2, C.D. 1.

Senators Inouye, Matsunaga, Chumbley, Slom.
Managers on the part of the Senate.

Representatives Abinsay, Oshiro, P., Garcia, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 77 on H.B. No. 212

The purpose of this bill is to impose a mandatory fine of \$500, in addition to existing penalties, on any person age eighteen or older who is convicted of driving under the influence of intoxicating liquor while having in the vehicle a passenger age twelve or under. The bill also clarifies that convictions under section 291-4.4, Hawaii Revised Statutes (habitually driving under influence), count as prior driving under the influence offenses for sentencing purposes under section 291-4, Hawaii Revised Statutes.

Your Committee finds that increasing the penalty for driving under the influence with a minor passenger is necessary to deter such reckless conduct and to increase highway safety for children. Your Committee also believes that the bill will close a present loophole in the law whereby, depending upon the time interval, convictions under section 291-4.4 are not being counted as prior driving under the influence offenses in the sentencing under section 291-4.

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

- (1) Increasing the applicable age of the minor passenger from age twelve or younger to "younger than fifteen years of age";
- (2) Including, as an additional penalty, a mandatory term of imprisonment of forty-eight hours;
- (3) Providing that the total term of imprisonment shall not exceed thirty days, to avoid potentially triggering the right to a jury trial;
- (4) Adding a new section to the bill amending section 291-4.4, Hawaii Revised Statutes, to clarify that convictions under section 291-4.4 count as prior driving under the influence offenses for sentencing purposes under section 291-4.4;
- (5) Replacing the savings clause in section 3 with language that specifies that:
 - (a) The new, additional penalties for driving under the influence of intoxicating liquor with a minor passenger do not apply to persons arrested for a violation of section 291-4 prior to the bill's effective date; and
 - (b) The bill applies, for purposes of determining prior convictions under sections 291-4 and 291-4.4, to any person convicted under these sections prior to its effective date;
- (6) Renumbering the sections of the bill consecutively; and
- (7) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 212, 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. 212, H.D. 1, S.D. 1, C.D. 1.

Senators Kawamoto, Chumbley, Matsunaga, Bunda, Slom.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

Representatives Hiraki, Hamakawa, Goodenow, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 78 on H.B. No. 1401

The purpose of this bill is to establish insurance and identification requirements for towing businesses. It includes a provision for cases in which tow operators fail to comply with the stated insurance requirements and allows for tow operators to be sued for damages as a result of their failure to comply with the requirements. Furthermore, the bill repeals the drop-dead provision of Act 138, Session Laws of Hawaii 1998.

Your Committee on Conference finds that tow operators should identify their trucks by the name and telephone number of their towing business, as well as obtain insurance that covers all damages that may occur to the towed vehicle while being towed by the towing business. Both of these measures are necessary as a means to give added protection to consumers against auto theft and faulty towing operations.

Your Committee has amended this bill by:

- (1) Instead of creating a new statutory section to effectuate its purpose, amending existing statutory provisions in sections 290-11 and 291C-165.5, Hawaii Revised Statutes;
- (2) Establishing penalties for individuals violating the insurance requirements; and
- (3) Making other technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1401, 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. 1401, H.D. 2, S.D. 1, C.D. 1.

Senators Kawamoto, Taniguchi, Bunda, Slom.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

Representatives Hiraki, Menor, Kaho'ohalahala, Takumi, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 79 on H.B. No. 273

The purpose of this bill is to create new penalties for child abuse. Specifically, this bill:

- (1) Makes it a class A felony to intentionally, knowingly, or recklessly cause serious bodily injury to a minor twelve years of age or younger;
- (2) Makes it a class B felony to intentionally, knowingly, or recklessly cause substantial bodily injury to a minor twelve years of age or younger;
- (3) Requires that, in determining whether the use of force is justifiable under section 703-309, Hawaii Revised Statutes (HRS), consideration must be given to the condition of the minor;
- (4) For purposes of determining whether to impose an extended term of imprisonment under section 706-662, HRS, raises the age of a minor victim from eight years of age or younger to twelve years of age or younger;
- (5) For purposes of determining whether to impose a mandatory term of imprisonment for offenses against children, elder persons, or handicapped persons resulting in the victim's death or serious bodily injury under section 706-660.2, HRS, raises the age of a child victim from eight years of age or younger to twelve years of age or younger; and
- (6) Makes it a misdemeanor offense under section 709-904, HRS, to knowingly endanger the welfare of a minor in the second degree.

After much discussion, your Committee on Conference has amended the bill by:

- (1) Deleting language that makes it a class A felony to "recklessly" cause serious bodily injury to a minor twelve years of age or younger;
- (2) Making it a class C felony to recklessly cause substantial bodily injury to a minor twelve years of age or younger;
- (3) Deleting amendments to section 706-660.2, HRS, that would have, for purposes of determining whether to impose a mandatory term of imprisonment for offenses against children, elder persons, or handicapped persons, raised the age of a child victim from eight to twelve years of age or younger;
- (4) Deleting amendments to section 709-904, HRS, that would have made it a misdemeanor offense to knowingly endanger the welfare of a minor in the second degree;
- (5) Making it assault in the first degree under section 707-710, HRS, to intentionally or knowingly cause serious bodily injury to "a person thirteen years of age or older," rather than "another person";
- (6) Making it assault in the second degree under section 707-711, HRS to:
 - (a) Intentionally or knowingly cause substantial bodily injury to "a person thirteen years of age or older," rather than "another person"; or
 - (b) Recklessly cause serious bodily injury to "a person thirteen years of age or older," rather than "another person"; and
- (7) Making technical, nonsubstantive revisions for purposes of consistency and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 273, 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. 273, H.D. 2, S.D. 2, C.D. 1.

Senators Chun Oakland, Chumbley, Matsunaga, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Oshiro, P., Kahikina, Lee, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 80 on H.B. No. 171

The purpose of this bill is to replace chapter 327D, Hawaii Revised Statutes, by enacting the Uniform Health Care Decisions Act.

Your Committee on Conference has amended the bill by:

- (1) Providing definitions for "best interest" and "interested person" for the purposes of this Act;
- (2) Modifying the powers and responsibilities of surrogates by:

- (A) Requiring efforts to locate interested persons and inform them of the need for a surrogate health care decision-maker;
 - (B) Requiring an effort to reach consensus among interested persons as to appointment of a surrogate; and
 - (C) Providing for physician review of the decisional capacity of a patient upon request by an interested person;
- and
- (3) Making technical, nonsubstantive revisions for the purpose of style.

Your Committee on Conference believes that when a surrogate who has not been designated by the patient to make health care decisions must make decisions based on the wishes of the patient, the non-designated surrogate should determine the patient's wishes by considering the patient's:

- (1) Current diagnosis and prognosis with and without the treatment at issue;
- (2) Preference regarding the provision of, or the withholding or withdrawal of, the specific treatment at issue or of similar treatments;
- (3) Relevant religious and moral beliefs and personal values;
- (4) Behavior, attitude, and past conduct with respect to the treatment at issue and medical treatment generally;
- (5) Reaction to the provision of, or the withholding or withdrawal of, a similar treatment for another individual; and
- (6) Concern about the effect on the patient's family or intimate friends if a treatment were provided, withheld, or withdrawn.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 171, 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. 171, H.D. 2, S.D. 2, C.D. 1.

Senators Chun Oakland, Chumbley, Matsunaga, Sakamoto, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Oshiro, P., Lee, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 81 on H.B. No. 325

The purpose of this bill is to:

- (1) Require that the directors of managed care plans hold an unlimited license to practice medicine in the State;
- (2) Define "medical director" as the person who makes the final decision of medical necessity or appropriateness; and
- (3) Ban the sale of, possession, and use of laser pointing devices by certain classes of persons.

Your Committee on Conference has amended this measure by:

- (1) Removing the provisions dealing with laser pointing devices, including the effective date; and
- (2) Amending section 321-15, Hawaii Revised Statutes (HRS), concerning registration requirements for a license to practice an occupation specified in section 321-13(a)(1), HRS, to require a biennial registration, rather than an annual registration.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 325, 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. 325, H.D. 2, S.D. 1, C.D. 1.

Senators Taniguchi, Kanno.
Managers on the part of the Senate.

Senator Slom did not sign the report.

Representatives Santiago, Menor, Oshiro, P., Garcia, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 82 on H.B. No. 72

The purpose of this bill is to amend the campaign spending law with respect to the voluntary expenditure limit and public matching fund provisions. Specifically the bill:

- (1) Amends the definition of "qualifying contribution" to clarify that makers of such contributions cannot have contributed more than \$100 during any matching payment period;
- (2) Moves the deadline for filing affidavits of compliance to the date of filing nomination papers;
- (3) Clarifies that expenditure limits apply to each election;
- (4) Changes the time period within which candidates who exceed spending limits must notify all contributors from the same day to thirty days;
- (5) Amends the distribution procedure for the Hawaii Election Campaign Fund, if near depletion, to distribution by order in which the application was filed;
- (6) Repeals a provision permitting a candidate to withdraw an affidavit of compliance with voluntary spending limits;
- (7) Clarifies that the maximum amount of public matching funds available to any candidate is based on the maximum expenditure limit per election;
- (8) Allows the minimum qualifying contributions for each election to be based on the total qualifying contributions to date instead of just those relating to the particular election (primary, general, or special) for which matching funds are sought;
- (9) Changes the deadline for application for matching funds from sixty to thirty days after the general election;
- (10) Changes the time by which initial public fund checks must be issued from ten to twenty days after application;
- (11) Deletes a provision that a candidate who exceeds the expenditure limits by less than one percent need only return twenty-five percent of public funds;
- (12) Clarifies that all unspent public funds must be returned; and
- (13) Provides a provision that preserves the amendments made by this bill when the amendments made to Chapter 11, Hawaii Revised Statutes, are repealed and reenacted.

Your Committee finds that the changes made to the elections law by this bill will promote fairness in the campaign process, more effective use of public matching funds for their intended purpose, and encourage compliance with voluntary spending limits.

This bill has been amended by deleting the exemption for certain fundraising costs from the voluntary campaign expenditure limit. In addition, language has been provided to clarify that a candidate must qualify at each election for monies from the public matching fund.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 72, 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. 72, H.D. 2, S.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara.
Managers on the part of the Senate.

Representatives Oshiro, P., Saiki, Hamakawa, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 83 on H.B. No. 160

The purpose of this bill, as received by your Committee, is to amend the sunset date of Act 190, Session Laws of Hawaii 1996, to June 30, 2001, and to provide that the Task Force on Beach and Water Safety report its findings to the Legislature each Regular Session.

Your Committee finds that the Task Force on Beach and Water Safety should be afforded additional time to complete its work on the development of a comprehensive plan for warning of dangerous natural conditions in the ocean adjacent to public beach parks.

Your Committee has amended this bill by changing the sunset date of Act 190, Session Laws of Hawaii 1996, to June 30, 2003.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 160, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 160, S.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Tanaka, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Hamakawa, Lee, Auwae.

Managers on the part of the House.

Representative Takumi did not sign the report.

Conf. Com. Rep. No. 84 on H.B. No. 161

The purpose of this bill is to allow a government entity to recover costs of a search or rescue operation.

Your Committee finds that government entities should seek reimbursement from persons whose intentional acts or omissions cause the need for a search or rescue operation.

Your Committee has amended this bill by:

- (1) Changing the defined terms as follows:
 - (A) From "governmental entity" to "government entity"; and
 - (B) From "official warnings or notices" to "warning or notice";
- (2) Amending the definitions of "government entity", "warning or notice", and "search and rescue expenses";
- (3) Changing the titles of sections -2 and -3 from "search and rescue costs" to "reimbursement", and from "reimbursement" to "action", respectively;
- (4) Adding persons from whom a government entity may seek reimbursement;
- (5) Specifying that reimbursement shall be allowed only if the need for search or rescue was caused by any act or omission by the person searched for or rescued, constituting intentional disregard for the person's safety;
- (6) Deleting the provision allowing reimbursement for violations of law; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 161, 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. 161, H.D. 1, S.D. 2, C.D. 1.

Senators Kawamoto, Matsunaga, Bunda, Slom.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

Representatives Oshiro, P., Saiki, Lee, Luke, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 85 on H.B. No. 165

The purpose of this bill is to subject political parties to the same contribution limits applicable to other persons and entities. In addition, the bill reduces the maximum allowable contribution to a political party to \$25,000.

Your Committee finds that thoughtful campaign spending laws are vital to reduce abuses and preserve the integrity of public elections. This bill will prevent the use of any local political party to circumvent contribution limits by individuals or other entities to candidates for elective office.

Your Committee further finds that political parties serve a vital role in the elections process. The importance of party building, voter registration and educational and organizational activities are necessary ingredients to ensure the health of the electoral process.

Your Committee has amended this bill by:

- (1) Including within the definition of "contribution" for election campaign purposes:
 - (A) Gifts to committees for political purposes; and
 - (B) The payment by a political party or other entity of compensation for services rendered at no charge or at an unreasonably low charge for political purposes;
- (2) Inserting a definition of "political committees established and maintained by a national political party"; and

- (3) Allowing the above mentioned entities to contribute an aggregate contribution amount up to \$50,000 to a political party in any two year election period.

This bill modifies the existing law in ways that will help to curb abuses in the area of contributions. Under the current law an individual can contribute up to \$50,000 to the state party per election cycle. The provisions of this bill lower that amount to \$25,000. To further ensure that a state party is not utilized as a conduit for transferring funds that circumvent the spirit of contribution limits, this bill substantially reduces the amount the state party can contribute to a candidate.

These changes allow the national party to provide vital financial support to local parties. With new restrictions in place regarding the expenditure of such funds by the local party, the use of a political party to circumvent the campaign spending contribution limits to individual candidates is effectively removed.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 165, 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. 165, H.D. 1, S.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara, Sakamoto.
Managers on the part of the Senate.

Representatives Oshiro, P., Chang, Hamakawa.
Managers on the part of the House.

Representative Takumi did not sign the report.

Conf. Com. Rep. No. 86 on H.B. No. 177

The purpose of this bill is to clarify the basis for granting temporary restraining orders in District Court harassment cases, and to make it an offense if a person, with the intent to harass, annoy, or alarm any other person, repeatedly makes "electronic transmissions" without purpose of legitimate communication.

Your Committee finds that harassment is a serious issue of growing concern in the community. The provisions of this bill will streamline and clarify the procedures in the issuance of temporary restraining orders in cases involving harassment.

Your Committee has amended this bill by:

- (1) Specifying that temporary restraining orders granted under Section 604-10.5, Hawaii Revised Statutes, shall remain in effect for a period not to exceed 90 days from the date the order is granted; and
- (2) Deleting Part II, Section 2 of the bill, which proposed to revise Section 711-1106, Hawaii Revised Statutes, by making it an offense to repeatedly make "electronic transmissions" without purpose of legitimate communication, but with an intent to harass, annoy, or alarm any other person.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 177, 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. 177, H.D. 1, S.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Hamakawa, Kaho'ohalahala, Lee, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 87 on H.B. No. 955

The purpose of this bill is to make it a felony to take sexual photographs or videotapes of a person without that person's consent and when the person expects privacy. This bill also makes it a misdemeanor to knowingly possess such materials. This bill also removes the administrative cap placed on the crime victim compensation commission and creates an offense for concealing runaway minors.

Your Committee on Conference amended this bill by:

1. Requiring the knowing state of mind for the offense of Violation of Privacy in the First Degree;
2. Requiring that the prosecution for Violation of Privacy in the Second Degree be for instances other than those involving another person in a stage of undress or sexual activity; and
3. Deleting the provisions that penalize persons who conceal runaway minors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 955, 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. 955, H.D. 1, S.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Suzuki, Kaho'ohalahala, Nakasone, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 88 on H.B. No. 1496

Your Committee on Conference finds that particular attention needs to be given to butterfly knives by setting them apart from other deadly or dangerous weapons. In particular, the prohibitions against butterfly knives should be similar to that of switchblade knives.

A review of the case In re: John Doe, born August 3, 1977, 73 Haw. 89 (1992), indicates that the Hawaii Supreme Court has held that a butterfly knife does not have a blade that opens automatically by operation of inertia, gravity, or both; therefore, it is not a switchblade knife under Section 134-52, Hawaii Revised Statutes (HRS).

Upon close inspection of the switchblade prohibitions of section 134-52, HRS, your Committee on Conference finds that inclusion of butterfly knives into section 134-52, HRS, is hampered by the definition of switchblade knives contained within section 134-52, HRS, which inadequately describes butterfly knives. The prohibitions against butterfly knives contained within section 134-51, HRS, do not define butterfly knives.

Your Committee on Conference has amended this bill by:

1. Creating prohibitions against butterfly knives that are similar to those against switchblade knives, including:
 - a. Making it a misdemeanor offense for the knowing manufacture, sale, transfer, possession, or transport of a butterfly knife; and
 - b. Making it a class C felony for the knowing or intentional use or threatened use of a butterfly knife while engaged in the commission of a crime;
2. Defining butterfly knife as a knife having a blade encased in a split handle that manually unfolds with hand or wrist action with the assistance of inertia, gravity or both; and
3. Making a technical nonsubstantive revision to conform to drafting style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1496, 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. 1496, H.D. 1, S.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Anderson.
Managers on the part of the Senate.

Senator Tanaka did not sign the report.

Representatives Oshiro, P., Hamakawa, Kaho'ohalahala, Lee, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 89 on H.B. No. 1497

The purpose of this bill is to heighten penalties for habitual violent and sexual offenders.

Your Committee on Conference finds that repeat violent and sexual offenders deserve some degree of enhanced sentencing.

Your Committee on Conference has amended this bill by:

1. Deleting the purpose section;
2. Combining the provisions relating to habitual violent offenders and repeat sexual offenders into a single section which mandates an extended term of imprisonment for multiple offenses; and
3. Inserting amendments to section 706-661, Hawaii Revised Statutes, which make the extended term of imprisonment for murder in the second degree an indeterminate life imprisonment without the possibility of parole.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1497, 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. 1497, H.D. 1, S.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Chun Oakland, Anderson.

Managers on the part of the Senate.

Representatives Oshiro, P., Chang, Hamakawa, Hiraki, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 90 on H.B. No. 266

The purpose of this bill is to promote breastfeeding by:

- (1) Disallowing an employer to prohibit an employee from breastfeeding or expressing milk during any meal period or other break period to which the employee is entitled; and
- (2) Amending the definition of "because of sex" to include "breastfeeding or expressing breastmilk";
- (3) Making it a discriminatory practice to restrict or limit the right of a woman to breastfeed a child in a place of public accommodation; and
- (4) Requiring the Hawaii Civil Rights Commission to:
 - (A) Accumulate, compile, and publish data concerning incidences of discrimination involving breastfeeding or expressing breastmilk in the workplace; and
 - (B) Submit a report to the Legislature on its findings no later than twenty days prior to the convening of the 2000 Legislature.

Your Committee on Conference has amended this bill by:

- (1) Deleting reference to "breastfeeding" in the workplace during meal periods or other break periods required by law to be provided by the employer;
- (2) Adding reference to collective bargaining agreements when allowing employees to express breastmilk during meal periods or other break periods;
- (3) Deleting "breastfeeding or expressing breastmilk" from the definition of "because of sex";
- (4) Prohibiting employers or labor organizations from refusing to hire, or from discharging, withholding pay, demoting, or penalizing a lactating woman who breastfeeds or expresses breastmilk in the workplace;
- (5) Deleting the provision making it a discriminatory practice to restrict or limit the right of a woman to breastfeed in a place of public accommodation; and
- (6) Adding a provision which clarifies that nothing in this bill prohibits employers from establishing internal rules and guidelines for employees who may wish to breastfeed or express breastmilk in the workplace.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 266, 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. 266, H.D. 2, S.D. 2, C.D. 1.

Senators Nakata, Matsunaga, Chun Oakland, Anderson.
Managers on the part of the Senate.

Representatives Yoshinaga, Oshiro, P., Catalani, Lee, Pendleton.
Managers on the part of the House.

Conf. Com. Rep. No. 91 on H.B. No. 1622

The purpose of this bill is to permit a liquor manufacturer that holds a manufacturer's license not issued by this State to hold an interest in a wholesale liquor license.

Your Committee on Conference has amended this bill by:

- (1) Deleting its substance and instead allowing a brewer of beer to hold an indirect interest in a beer and wine wholesale dealer's license if the wholesaling is limited to beer; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

The amended bill allows a beer manufacturer to have an indirect corporate relationship with a beer wholesaler. It is not your Conference Committee's intent to preclude the holder of a non-beer class manufacturer's license from maintaining a similar

relationship with a wholesale dealer simply because the relationship is not explicitly permitted by statute as it is for a the holder of a beer-class manufacturer's license.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1622, 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. 1622, H.D. 1, S.D. 1, C.D. 1.

Senators Kawamoto, Chumbley, Matsunaga, Bunda, Ihara.
Managers on the part of the Senate.

Senators Iwase and Slom did not sign the report.

Representatives Menor, Hamakawa, Lee, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 92 on H.B. No. 351

The purpose of this bill is to provide for the comprehensive regulation of the handling and disclosure of medical records that:

- (1) Encompasses the multiple parties that are included in the contemporary relationship between patient and health care provider;
- (2) Protects an individual's constitutional right to privacy of their medical information;
- (3) Accommodates the legitimate interests and needs of health care providers, hospitals, insurers, and other entities other than the patient, and serves to improve the provision of quality health care; and
- (4) Furthers the interest of society in medical research resulting in new treatments that relieve suffering and save lives.

Your Committee on Conference has made amendments to this measure that include, among other things:

- (1) Amending the definition of "insurer" to include health maintenance organizations, mutual benefit societies, group insurance policies issued by these organizations, and individual health policies;
- (2) Adding definitions of "educational institution" and "entity" for purposes of clarity and brevity;
- (3) Providing individuals who are refused access to their health information for safety and other reasons, an alternative procedure for further review of their requests;
- (4) Strengthening the notice provisions; and
- (5) Specifying that any civil penalties collected for violation of the law shall be deposited into the general fund.

Your Committee on Conference has further amended this bill by removing language in the bill providing immunity from liability under the common law, for entities making disclosures permitted under the measure. However it is your Committee on Conference's intent that the new chapter established by this bill provide guidance to courts dealing with lawsuits concerning the disclosure of medical information brought under common law tort theories, such as invasion of privacy. Additionally, compliance with this new law is intended to provide strong evidence that medical information was properly handled and disclosed. Thus, your Committee on Conference believes that this measure will encourage proper confidentiality practices with regards to medical information, and discourage litigation.

Finally, your Committee on Conference has removed language providing that the Office of Information Practices shall be responsible for the enforcement of the new chapter, and retaining language providing for rule adoption by the Office of Information Practices to implement the new law. Instead, your Committee on Conference believes that further discussion regarding the most appropriate agency to enforce this law is necessary, and has added a provision requesting that the Legislative Reference Bureau to examine the question and report its recommendations to the 2000 Legislature.

Your Committee on Conference finds that this bill is in large part the product of the dedicated and collaborative efforts of an informal task force representing the range of parties included in the contemporary health care relationship. Your Committee on Conference further finds that this bill represents a workable balance between the interests of those parties that will provide protections where needed, and benefit society by establishing clearcut guidelines facilitating the appropriate transmission and beneficial use of medical information.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 351, 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. 351, H.D. 2, S.D. 1, C.D. 1.

Senators Chun Oakland, Chumbley, Matsunaga, Kanno.
Managers on the part of the Senate.

Senator Anderson did not sign the report.

Representatives Santiago, Menor, Hamakawa, Garcia, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 93 on H.B. No. 1115

The purpose of this bill is to improve the quality of foster care homes by:

- (1) Allowing foster boarding homes to care for six or more children to accommodate sibling groups; and
- (2) Requiring criminal history checks of foster boarding homes for the first two years of certification and annually or biennially thereafter depending on the certification status of the home.

Your Committee on Conference has amended this bill by making:

- (1) A technical amendment to broaden the definition of "criminal history record check" with regard to name inquiries into the State Criminal History Record Files; and
- (2) Technical, nonsubstantive amendments to the definition of "foster boarding home" for style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1115, 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. 1115, H.D. 2, S.D. 1, C.D. 1.

Senators Chun Oakland, Matsunaga, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Menor, Kahikina, Morita, Stegmaier, Halford.
Managers on the part of the House.

Conf. Com. Rep. No. 94 on H.B. No. 1117

The purpose of this bill is to conform Hawaii law with the federal Adoption and Safe Families Act of 1997, which seeks to expedite permanency for children in foster care.

Among other things, this bill:

- (1) Provides a definition for "abandoned infant";
- (2) Clarifies the definition of "aggravated circumstances" to include torture or abandonment of the child;
- (3) Clarifies service of summons on an out-of-state party;
- (4) Reduces the time period that triggers a show cause hearing, when the child's family home has been determined to be unsafe, from eighteen months to twelve consecutive months in which the child has been residing outside the family home;
- (5) Requires the court to set the case for a show cause hearing within thirty days if the court determines that aggravated circumstances are present;
- (6) Requires the court, at a review hearing, to set the case for a show cause hearing: within thirty days if the court determines that aggravated circumstances are present; or if the child has been residing outside the family home for twelve consecutive months;
- (7) Requires the Department of Human Services to file a motion to set the matter for a permanent plan hearing if the child has been residing outside of the family home for an aggregate of fifteen out of the most recent twenty-two months; and
- (8) Reduces from three years to two the time in which it is presumed reasonably foreseeable that a safe family home can be provided to the child by the legal mother or father, or natural father for purposes of a permanent plan hearing.

Your Committee on Conference has amended this bill by:

- (1) Including language in the definition of "abandoned infant" to include not only the presumed or alleged non-adjudicated father but the mother as well; and
- (2) Making technical, nonsubstantive revisions for the purpose of style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1117, 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. 1117, H.D. 3, S.D. 2, C.D. 1.

Senators Chun Oakland, Chumbley, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Oshiro, P., Saiki, Lee, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 95 on H.B. No. 1088

The purpose of this bill is to change the date by which a child must have a birthday to attend kindergarten in the public schools from December 31 of the school year to the first day of the school year, unless the child meets readiness standards determined by the Board of Education.

Setting the kindergarten age in statute raises a number of complex issues and competing perspectives. A comprehensive review of these issues and perspectives should be completed before making a decision on this matter.

Your Committee on Conference has amended the bill by deleting its substance and replacing it with a study by the Board of Education, with a report to be submitted to the Legislature prior to the Regular Session of 2000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1088, 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. 1088, H.D. 2, S.D. 2, C.D. 1.

Senators Ige, D., Fukunaga, Levin, Sakamoto, Anderson.
Managers on the part of the Senate.

Representatives Ito, Kawakami, Saiki, Stegmaier, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 96 on H.B. No. 1183

The purpose of this bill is to:

- (1) Authorize beach restoration;
- (2) Create a Beach Restoration Special Fund and appropriate funds for beach restoration; and
- (3) Appropriate funds to conduct an engineering design and analysis of beach restoration at the designated shorelines of Honokowai, Kaaawa, and Sacred Falls.

Your Committee finds that loss of sandy beaches is a major environmental, social, and economic problem. Nearly 25 percent or 17 miles of sandy beaches on Oahu have been lost or severely narrowed over the past 70 years. Similar losses have occurred on Maui, and to a lesser extent, Kauai and Hawaii. To reverse this loss, the Department of Land and Natural Resources and the University of Hawaii Department of Geology and Geophysics developed the Coastal Erosion Master Plan (COEMAP) in 1997, which made technical and policy recommendations for shore and beach management and protection.

Subsequently, the Department of Land and Natural Resources established the Coastal Lands Program to implement the COEMAP recommendations. The Coastal Lands Program, in order to fully carry out its mission, requires statutory authorization and funding.

Your Committee on Conference revised the bill by:

- (1) Amending the definition of coastal lands to include all lands within the the State Coastal Zone Management Area; provided that any leasing or development of public lands shall be limited to all fast lands up to one mile mauka of the shoreline and all submerged lands;
- (2) Changing "public lands within the state coastal zone management area" to "public coastal lands" in the provisions relating to authority to lease lands, development of lands, and the sources of moneys for the Beach Restoration Special Fund;
- (3) Limiting lease income for the Beach Restoration Special Fund to income from the lease of existing seawalls or revetments;
- (4) Designating the amount of \$250,000 for both appropriations from the Special Land and Development Fund and the Beach Restoration Special Fund;
- (5) Removing appropriations for beach restoration at Honokowai Beach Park, Kaaawa Beach Park, and the Sacred Falls shoreline;
- (6) Changing the effective date to July 1, 1999; and
- (7) Making technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1183, 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. 1183, H.D. 2, S.D. 2, C.D. 1.

Senators Hanabusa, Inouye, Levin, Buen, Nakata, Tanaka, Anderson.
Managers on the part of the Senate.

Representatives Cachola, Takumi, Schatz, Kanoho, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 97 on H.B. No. 1119

The purpose of this bill is to improve child welfare services by:

- (1) Adding two Child Protective Services (CPS), line staffers to the CPS Reform Coordinating Committee and providing that the committee members be appointed by the Director of Human Services; and
- (2) Allowing the Department of Human Services to share information with the "neighborhood places" established by the Child Protective and Diversion Services Pilot Project; and
- (3) Extending the Committee for three years.

Your Committee on Conference has amended the bill by:

- (1) Creating a two-year demonstration project to assist and support social workers to improve the delivery of child welfare services; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1119, 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. 1119, H.D. 1, S.D. 1, C.D. 1.

Senators Chun Oakland, Chumbley, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Kawakami, Kahikina, Stegmaier, Pendleton.
Managers on the part of the House.

Conf. Com. Rep. No. 98 on H.B. No. 377

The purpose of this bill is to encourage the growth of Hawaii's high technology industry to stimulate economic development.

In particular, this bill:

- (1) Consolidates the State's high technology agencies, divisions, and offices, under the coordination of a special advisor for technology development, and creates a Governor's special advisory council for technology development to assist the advisor;
- (2) Offers tax incentives for technology training or job creation, investments in qualified high technology businesses, and investments in high technology research;
- (3) Exempts from the general excise tax and income tax amounts received as royalty income from the sale or licensing of intellectual property developed for use in a qualified high technology business;
- (4) Authorizes the issuance of special purpose revenue bonds to the Ohana Foundation for the construction of facilities for research, development, technology development, and technology support;
- (5) Integrates high technology with Hawaii's tourism and marketing industries;
- (6) Prohibits the imposition of taxes on internet access and commerce;
- (7) Establishes the Hawaii internet exchange to serve as a catalyst for the development of internet-focused businesses;
- (8) Focuses work force development programs to ensure a pool of technology professionals; and
- (9) Accelerates high speed access to the internet for the University of Hawaii and the public schools, and establishes educational technology programs within public schools.

Your Committee finds that there is a need to support the growth and development of high technology industries in Hawaii. Recent advances in information technology and telecommunications, combined with the explosive growth of the internet, have opened

significant new opportunities for the diversification of the State's economy. Your Committee believes that the State must take advantage of its unique geographic location and encourage the development of Hawaii's high technology industry to help to rebuild Hawaii's economy for the twenty-first century.

Your Committee has amended this bill by deleting its contents except for part IV of the bill, which authorizes the issuance of special purpose revenue bonds in an amount not exceeding \$100,000,000, to the Ohana Foundation, a Hawaii not-for-profit corporation, for the construction of facilities to assist the high technology industry including facilities for research, development, technology development, and technology support.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 377, 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. 377, H.D. 2, S.D. 2, C.D. 1.

Senators Ige, D., Inouye, Fukunaga, Levin, Sakamoto, Tam, Slom.
Managers on the part of the Senate.

Representatives Morihara, Takamine, Chang, Luke, Ito, Nakasone, Suzuki, Halford, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 99 on H.B. No. 154

The purpose of this bill is to transfer the assets of the Hawaii Public Broadcasting Authority (HPBA) to the Hawaii Public Television Foundation (HPTF), a private nonprofit agency.

Your Committee has amended the bill by:

- (1) Clarifying that the transfer of assets from HPBA to HPTF is contingent upon the transfer of the broadcast license;
- (2) Clarifying that HPBA shall transfer the assets to HPTF;
- (3) Adding other items to be transferred;
- (4) Specifically excluding employment contracts and collective bargaining contracts from the items to be transferred;
- (5) Not making the requirement for HPBA to continue to function until July 1, 2000, contingent upon the transfer of the broadcast license; and
- (6) Making technical, nonsubstantive revisions for style and clarity.

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

Senators Ige, D., Fukunaga, Chumbley, Sakamoto, Slom.
Managers on the part of the Senate.

Representatives Takai, Kawakami, Ahu Isa, Stegmaier, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 100 on H.B. No. 307

The purpose of this bill is to establish a college savings program within the Department of Budget and Finance to enable families to save for college tuition and other expenses.

A qualified state tuition program in accordance with section 529 of the Internal Revenue Code will enable participants of the program to obtain federal tax benefits.

Your Committee on Conference has amended the bill by:

- (1) Authorizing the Director of Finance to enter into a contract of up to ten years with a financial organization;
- (2) Specifying the percentages and the amount that are exempt from application to the satisfaction of a money judgment as follows:
 - (A) 100 percent of moneys in an account established in connection with a scholarship program;
 - (B) 100 percent of moneys in an account where the judgment debtor is the account owner and the designated beneficiary of the account is a minor; and

- (C) An amount not exceeding \$10,000 in an account, or in the aggregate for more than one account, where the judgment debtor is the account owner of the account or accounts;

and

- (3) Making technical, nonsubstantive revisions for style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 307, 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. 307, H.D. 2, S.D. 1, C.D. 1.

Senators Ige, D., Fukunaga, Levin, Bunda, Slom.
Managers on the part of the Senate.

Representatives Takai, Kanoho, Schatz, Suzuki, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 101 on S.B. No. 798

The purpose of this measure is to clarify state and county jurisdiction over noise control.

Your Committee on Conference finds that the Department of Health (DOH) regulates noise primarily in the areas of construction, stationary noise source, agricultural, or industrial activities. At this time, DOH does not have the resources to address other noise issues that may be generally classified as a public nuisance.

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

- (1) Amending the section regarding regulation of certain public nuisances to clearly exempt noise rules adopted by DOH from the proviso governing conflicts between a statute, rule, or ordinance; and
- (2) Deleting the amendment to the section regarding convention center district rules.

This measure, as amended, establishes and clarifies a standard for noise control in section 46-17, Hawaii Revised Statutes, in which a county ordinance would yield jurisdiction to a noise rule promulgated by the DOH under the authority of chapter 342F, Hawaii Revised Statutes. This clarification provides clear guidance that the counties can regulate noise when not addressed by a DOH rule.

With these amendments, chapters 46 and 342F, Hawaii Revised Statutes, work in conjunction rather than in conflict, thereby, giving clear guidance with regard to jurisdiction over noise issues.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 798, 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. 798, S.D. 2, H.D. 2, C.D. 1.

Senators Nakata, Chun Oakland, Fukunaga, Ige, M., Ihara, Anderson.
Managers on the part of the Senate.

Representatives Morita, Hamakawa, Kanoho, Cachola, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 102 on S.B. No. 1256

The purpose of this bill is to appropriate funds for the purpose of matching \$3,000,000 from the Federal Transit Administration to be expended for establishing an interisland ferry system between the islands of Maui and Molokai.

Your Committee on Conference has amended this bill by specifying that \$750,000 shall be appropriated out of the harbor special fund revenues for the purposes of this bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1256, 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. 1256, S.D. 2, H.D. 1, C.D. 1.

Senators Kawamoto, Fukunaga, Levin, Buen, Bunda, Slom.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

Representatives Hiraki, Goodenow, Fox.
Managers on the part of the House.

Representative Okamura did not sign the report.

Conf. Com. Rep. No. 103 on S.B. No. 223

The purpose of this bill is to establish a canine corps within the Department of Public Safety to be used for correctional and other authorized purposes.

Your Committee finds that the Department of Public Safety is responsible for the operation of five community correctional centers and three correctional facilities, many of which have been plagued with insufficient staffing ratios due to overcrowding and lack of qualified personnel. Your Committee agrees that establishing a canine corps is a cost-effective method for enhancing security and safety within our correctional centers and facilities. Your Committee further notes that the canine corps may also serve as a valuable tool to assist the department in other law enforcement efforts.

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

- (1) Deleting the appropriation section; and
- (2) Changing the effective date to upon approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 223, 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. 223, S.D. 2, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Levin, Sakamoto, Anderson.
Managers on the part of the Senate.

Representatives Garcia, Kanoho, Catalani, Kaho'ohalahala.
Managers on the part of the House.

Representative Pendleton did not sign the report.

Conf. Com. Rep. No. 104 on S.B. No. 889

The purpose of this measure, as received by your Committee, is to increase fees and mileage paid to persons serving as jurors.

Your Committee is aware that most citizens agree to serve as jurors out of their sense of civic duty, despite the disruption it may have on their daily work and family responsibilities. Thus, your Committee agrees that enhanced juror remuneration would support and encourage citizen participation. Due to the State's serious fiscal constraints, in order to support enhanced juror remuneration, additional sources of revenue must be identified. Your Committee believes that increasing the fee from \$25 to \$50 for the issuance of penal summons upon persons who fail to appear on traffic citations will generate additional revenues to assist in supporting enhanced juror fees. Despite this additional revenue source, your Committee does not anticipate that sufficient funds will be generated to support increased juror fees, which has an estimated fiscal impact of \$500,000, nor an increase in mileage fees, which has an estimated fiscal impact of \$70,000.

Therefore, upon further deliberation, your Committee has amended this measure by:

- (1) Deleting the increases in juror fees and mileage fees paid to jurors;
- (2) Inserting a provision to define good cause consideration by the court in making a determination on whether a person under a temporary restraining order should be permitted to possess firearms or ammunition;
- (3) Inserting a provision to increase the assessment for issuance of penal summons from \$25 to \$50; and
- (4) Making technical, non-substantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 889, 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. 889, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Levin, Fukunaga, Anderson.
Managers on the part of the Senate.

Senator Tanaka did not sign the report.

Representatives Oshiro, P., Saiki, Hamakawa, Luke, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 105 on S.B. No. 921

The purpose of this bill is to provide another avenue for the courts to regulate their own proceedings in an expeditious and appropriate manner by creating a procedure for the issuance of summons and bench warrants where any person fails to pay a monetary assessment for a traffic violation.

Your Committee on Conference finds a compelling need to assure that violators of decriminalized traffic offenses will comply with district court orders of default judgment for payment of fines.

Your Committee has amended this measure by:

- (1) Providing that when a person fails to pay a monetary assessment for any traffic infraction, the court shall issue a penal summons;
- (2) Providing that when a person fails to pay the assessments and fails to appear before the court at the specified time and place, then the court shall issue a bench warrant; and
- (3) Providing that if a person refuses to pay the assessments or fails to pay within a specified period of time, the monetary assessments shall be considered delinquent and subject to collection by the Department of the Attorney General.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 921, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 921, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Ihara, Sakamoto, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Goodenow, Hamakawa, Saiki, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 106 on S.B. No. 1158

The purpose of this bill is to provide funds for the Crime Victim Compensation Commission which helps to compensate victims of crimes.

Your Committee on Conference finds that the Crime Victim Compensation Commission (CVCC) is the only state agency that provides compensation to victims of violent crimes in Hawaii. Last year, the CVCC provided compensation to over 1,000 crime victims and their families. The CVCC is a payer of last resort that provides compensation for medical treatment and therapy costs, lost wages, funeral and burial expenses, and pain and suffering. Your Committee further finds that if the CVCC does not have sufficient funding to pay crime victim compensation claims, forty percent of federal matching funds will be lost for every dollar that the CVCC is unable to pay in compensation.

Therefore, your Committee has amended this measure by appropriating \$1,127,025 for fiscal year 1999-2000, and \$1,127,025 for fiscal year 2000-2001, for the crime victim compensation special fund.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1158, 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. 1158, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Fukunaga, Chun Oakland, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Kanoho, Schatz, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 107 on S.B. No. 1274

The purpose of this measure is to address a variety of public safety issues by:

- (1) Transferring the responsibility of the administration of the night security programs for selected public schools from the Department of Public Safety to the Department of Education; and
- (2) Providing that the community partnering process shall include a community hearing for the purpose of soliciting community input when discussing all aspects of building a correctional facility.

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

- (1) Deleting sections 7 through 23 which provided for the continuation of a comprehensive schedule of intermediate alternatives to incarceration;
- (2) Deleting section 4 which authorized the governor to use public or private funds, including certificates of participation, for the development of a private in-state correctional facility;

- (3) Deleting the provision that allowed a private developer to include schematic plans and a fixed dollar amount dedicated to improvements in the total development package;
- (4) Adding a severability clause;
- (5) Specifying that the bill take effect upon approval; and
- (6) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1274, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1274, H.D. 1, C.D. 1.

Senators Ige, D., Chumbley, Fukunaga, Levin, Bunda, Slom.
Managers on the part of the Senate.

Representatives Garcia, Hamakawa, Ito, Saiki, Suzuki.
Managers on the part of the House.

Representative Pendleton did not sign the report.

Conf. Com. Rep. No. 108 on S.B. No. 238

The purpose of this measure is to simplify, streamline, and clarify the State's real estate licensing laws. Under this measure:

- (1) A limited liability company registered with the State may hold a real estate license;
- (2) The Real Estate Commission is authorized to issue a preliminary advisory decision on a license application;
- (3) The requirements for a real estate broker's license are clarified;
- (4) The license examination requirement may be waived under certain circumstances; and
- (5) The registration requirement for a real estate broker's site office is repealed.

Additionally, the measure makes other changes to chapter 467, Hawaii Revised Statutes (HRS), intended to provide for a more efficient administration of the real estate licensing laws.

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

- (1) Provide in section 1 that the purpose of the measure, among other things, is to:
 - (A) Facilitate the review and understanding of the continuing education laws, rather than to simplify and deregulate the certification of real estate continuing education instructors;
 - (B) Require the registration of real estate branch offices, rather than to deregulate the branch offices; and
 - (C) Repeal the requirement that real estate site offices be registered, rather than the registration of real estate site offices;
- (2) Add a new section to chapter 467, HRS, that consolidates the laws relating to the Real Estate Commission's authority regarding continuing education for real estate salespersons and brokers, and the requirements relating to continuing education providers, instructors, and courses;
- (3) Repeal, rather than amend the definition of "continuing education"; and
- (4) Make technical, stylistic, and formatting changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 238, 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. 238, S.D. 1, H.D. 2, C.D. 1.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.

Representatives Menor, Suzuki, Cachola, Nakasone, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 109 on S.B. No. 1124

The purpose of this measure is to facilitate interstate branching in Hawaii by removing restrictions on and establishing requirements for the establishment or acquisition of interstate branches in the State by out-of-state banks.

Upon careful consideration, your Committee on Conference has amended this measure by changing its effective date from June 1, 2010, to January 1, 2001.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1124, 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. 1124, S.D. 2, H.D. 1, C.D. 1.

Senators Kanno, Taniguchi, Fukunaga, Levin, Ihara, Inouye, Slom.
Managers on the part of the Senate.

Representatives Menor, Suzuki, Garcia, Yamane, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 110 on S.B. No. 1294

The purpose of this measure is to improve the cost-effectiveness of the Hawaii Public Employees Health Fund (Health Fund) by:

- (1) Requiring the State and the several counties to pay the Health Fund a monthly contribution of \$43.80 for voluntary medical insurance coverage for each employee-beneficiary; and
- (2) Requiring that eligible employee-beneficiaries of the Health Fund and their spouses enroll in the federal Medicare Part B medical insurance plan, with exceptions to be determined by the Health Fund Board of Trustees.

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

- (1) Deleting the \$43.80 cap on the Medicare Part B reimbursement for voluntary medical insurance coverage for each employee-beneficiary; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee finds that requiring eligible employee-beneficiaries of the Public Employees' Health Fund and their spouses to enroll in the Federal Medicare Part B insurance program will result in reduced costs to the Health Fund as well as to public employers.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1294, 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. 1294, S.D. 1, H.D. 2, C.D. 1.

Senators Kanno, Taniguchi, Fukunaga, Levin, Slom.
Managers on the part of the Senate.

Representatives Yoshinaga, Takamine, Goodenow, Nakasone, Suzuki, Moses.
Managers on the part of the House.

Conf. Com. Rep. No. 111 on S.B. No. 450

The purpose of this bill is to continue the on-going work to privatize government services by:

- (1) Specifying the tasks that the committee charged with developing a managed process for public-private competition must complete; and
- (2) Specifying deadlines by which the committee must complete a draft and a final draft of the managed process, and a report of its findings, plans, implementations, and recommendations for statutory changes to civil service laws to the legislature.

Your Committee on Conference finds that article 16, section 1, Hawaii State Constitution, requires the employment of civil servants to be governed by the merit principle. While recognizing that civil service laws and certain merit principles must be upheld, your Committee on Conference does not intend that the merit principle as interpreted under Konno v. County of Hawaii, 85 Haw. 61, 937 P.2d 397 (1997), be an impediment to contracting out under a managed process system under this Act.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that the committee monitor and review the managed process;
- (2) Deleting the repeal of merit principles as a factor the committee should consider when developing a managed process that ensures civil service laws are not violated;
- (3) Repealing the June 30, 2001, sunset date for those provisions related to the managed process, including the committee created to develop, monitor, and review the managed process, and public-private competition for government services; and

- (4) Amending the effective date of this measure to take effect upon approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 450, 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. 450, S.D. 1, H.D. 2, C.D. 1.

Senators Tam, Fukunaga, Levin, Chun, Anderson.
Managers on the part of the Senate.

Representatives Yoshinaga, Takamine, Kanohe, Nakasone, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 112 on S.B. No. 1518

The purpose of this measure is to:

- (1) Close the Hawaii State Hospital;
- (2) Authorize the Director of Health to privatize the Hawaii State Hospital's current functions; and
- (3) Create a joint legislative committee to oversee the efforts to address Hawaii State Hospital, Hawaii Revised Statutes.

Upon further consideration, your Committee on Conference has amended the measure by deleting its substance and inserting therefor, provisions that:

- (1) Allow for the use of excess investment earnings of the Employees' Retirement System by state and county employers to provide funding for retroactive pay raises and other necessary items;
- (2) Provide that this use of excess investment earnings of the Employees' Retirement System shall be a one-time only provision and shall be effective only until July 1, 2001;
- (3) Specify that the savings realized by the State and counties shall be used for funding retroactive cost items for contracts expiring on June 30, 1999;
- (4) Prohibit enactment of any future law that applies excess actuarial investment earnings of the Employees' Retirement System against the amounts contributed by employers under section 88-123, Hawaii Revised Statutes; and
- (5) Appropriate funds to the counties for the retroactive cost items; and
- (6) Require all departments and agencies to identify their goals, objectives, and policies to provide a basis for determining priorities and allocating limited public funds and human resources.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1518, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1518, H.D. 1, C.D. 1.

Senators Tam, Levin, Fukunaga, Kanno, Taniguchi, Chun Oakland, Ige, D., Anderson.
Managers on the part of the Senate.

Senators Chun and Nakata did not sign the report.

Representatives Takamine, Nakasone, Suzuki.
Managers on the part of the House.

Representatives Yoshinaga and Moses did not sign the report.

Conf. Com. Rep. No. 113 on S.B. No. 816

The purpose of this measure is to:

- (1) Combine the convention center capital special fund with the convention center operations special fund;
- (2) Extend the sunset date of the convention center authority from June 30, 1999, to June 30, 2001; and
- (3) Appropriate funds from the consolidated special fund to the convention center authority.

Your Committee on Conference has amended this measure to:

- (1) Add a purpose section;

- (2) Amend four additional sections in the Hawaii Revised Statutes to combine the two special funds;
- (3) Authorize the authority to waive or substantially discount any payment of the convention center for a specific event whenever the authority determines that the waiver or discount is in the best interest of the convention center facility or the State by attracting new tourist markets or conventioners;
- (4) Specify that reimbursement of the general fund for debt service on general obligation bonds or reimbursable general obligation bonds for the Hawaii convention center be in accordance with a schedule determined by the director of finance, with the approval of the governor, in the best interest of the State;
- (5) Extend the sunset date of the convention center authority from June 30, 1999, to June 30, 2000;
- (6) Require the Auditor to continue to audit and monitor the progress of the convention center authority in resolving various outstanding issues, with a report to the legislature by February 28, 2000;
- (7) Clarify the effective dates of the respective sections of the Act; and
- (8) Make a technical, nonsubstantive amendment to conform to preferred drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 816, 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. 816, S.D. 1, H.D. 2, C.D. 1.

Senators Inouye, Fukunaga, Ige, D., Taniguchi, Slom.
Managers on the part of the Senate.

Representatives Chang, Takamine, Ahu Isa, Suzuki, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 114 on S.B. No. 1129

The purpose of this measure is to:

- (1) Establish continuing education requirements for insurance licensees;
- (2) Establish a single fund for the operations of the insurance division; and
- (3) Provide the Hawaii Employers' Mutual Insurance Company, Inc., with a partial exemption from the levy imposed on insurers who insure employers.

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

- (1) Deleting the provision granting exemptions to agents licensed as of July 1, 1999;
- (2) Deleting the provisions relating to the insurance licensing administration special fund, as licensing fees and penalties will be placed into the insurance regulation fund;
- (3) Clarifying that a licensee whose license was inactivated must show proof of continuing education credit hours completed and pay any required fees and penalties;
- (4) Amending sections 36-27 and 36-30, Hawaii Revised Statutes, to exempt the insurance regulation fund from the requirements contained in those sections;
- (5) Adding the patients' compensation fund to the list of funds exempted from inclusion into the insurance regulation fund since this fund is technically still in existence;
- (6) Clarifying the assessment authority of the insurance commissioner;
- (7) Providing that the provisions relating to license renewal prerequisites and continuing education recordkeeping shall become effective on January 1, 2000, rather than July 1, 1999;
- (8) Clarifying the effective date of the continuing education program and the abolishment of the motor vehicle insurance administration revolving fund and the insurance examiners revolving fund;
- (9) Clarifying that the sums transferred to the insurance regulated fund may be expended by the commissioner to carry out the purposes of Title 24, Hawaii Revised Statutes; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1129, 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. 1129, S.D. 2, H.D. 2, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Levin, Hanabusa, Ihara, Anderson.
Managers on the part of the Senate.

Representatives Menor, Garcia, Yamane, Halford.
Managers on the part of the House.

Representative Takamine did not sign the report.

Conf. Com. Rep. No. 115 on S.B. No. 1235

The purpose of this measure is to require the adjutant general to adopt hurricane resistant shelter criteria.

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

- (1) Deleting references to hurricane shelter; and
- (2) Inserting language relating to the creation of a temporary two-year governor's task force on alternative medicine.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1235, 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. 1235, S.D. 1, H.D. 1, C.D. 1.

Senators Chun Oakland, Kanno, Taniguchi, Fukunaga, Levin, Chun, Slom.
Managers on the part of the Senate.

Senator Bunda did not sign the report.

Representatives Menor, Yamane, Chang, Goodenow, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 116 on S.B. No. 1238

The purpose of this measure is to:

- (1) Repeal the regulation of real estate collection servicing agents;
- (2) Require the Auditor to conduct a sunset review of the regulatory programs for barbering, beauty culture, and speech pathology and audiology; and
- (3) Require the Legislative Reference Bureau to conduct a study of the state-constructed dental licensing examination used by the Board of Dental Examiners.

Your Committee on Conference has amended this measure by correcting its title.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1238, 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. 1238, S.D. 2, H.D. 2, C.D. 1.

Senators Kanno, Taniguchi, Ige, D., Fukunaga, Slom.
Managers on the part of the Senate.

Representatives Menor, Ahu Isa, Herkes, Yamane, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 117 on S.B. No. 1157

The purpose of this measure is to allow the Board of Education to appoint the State Librarian without regard to state residency provisions and for a term of up to four years. In addition, this measure allows the State Librarian to receive additional compensation from private sources.

Your Committee has amended this measure by deleting the provision which allows the State Librarian to receive additional compensation from private sources. In so doing, this measure sets the salary of the State Librarian at \$85,302. Additionally, the effective date was changed to July 1, 1999.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1157, 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. 1157, S.D. 1, H.D. 1, C.D. 1.

Senators Ige, D., Fukunaga, Levin, Sakamoto, Slom.
Managers on the part of the Senate.

Representatives Ito, Saiki, Morihara, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 118 on S.B. No. 1499

The purpose of this measure is to allow the State Committee of Blind Vendors (Vendors) to hire outside counsel and to establish financial procedures to increase the flexibility of Vendors to expend moneys in the Randolph-Sheppard revolving account (Account).

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

- (1) Adding a purpose section;
- (2) Clarifying the provision allowing the Vendors to hire outside attorneys by:
 - (A) Inserting "Notwithstanding section 28-8.3"; and
 - (B) Adding that in some instances a court must first determine that representation by the attorney general is directly adverse to another client or to the attorney general;
- (3) Adding a conforming amendment to section 28-8.3, Hawaii Revised Statutes, relating to specifying state agencies that can hire outside counsel;
- (4) Clarifying that income from vending operations, such as operations at an airport, shall be deposited into the Account;
- (5) Inserting an amount of \$30,000 that the Vendors can spend each year from the Account;
- (6) Deleting the proviso prohibiting the use of the \$30,000 to hire private attorneys;
- (7) Clarifying that the transfer of the \$30,000 shall not affect the expenditure of funds from the Account by the Department of Human Services; and
- (8) Making an appropriation of \$30,000 from the Account to the subaccount, to be expended for purposes of the Account.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1499, 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. 1499, S.D. 1, H.D. 2, C.D. 1.

Senators Chun Oakland, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Kahikina, Goodenow, Stegmaier.
Managers on the part of the House.

Representative Pendleton did not sign the report.

Conf. Com. Rep. No. 119 on S.B. No. 1501

The purpose of this measure is to define "New Century Charter Schools" as schools that utilize an alternate educational framework and are governed by an independent governing board. In addition, this measure creates a process whereby New Century Charter Schools may be established.

Your Committee acknowledges the growing national and state interest in charter schools because they provide a truly flexible, self-defining alternative for public school reform, and allow students, teachers, and administrators the opportunity for innovation and increased autonomy to achieve their academic goals. Hawaii currently has a process whereby existing schools may become student-centered schools (sections 302A-1123, 302A-1123.5, and 302A-1123.6, Hawaii Revised Statutes), but this process is difficult to follow and the provisions of the school are not adequately identified. Hawaii is in need of a comprehensive charter school measure which will explicitly detail a process that will enable and allow both existing schools and new schools to meet the educational demands of the twenty-first century -- to become New Century Charter Schools.

This measure is intended to be comprehensive charter school legislation that establishes the process for the creation of a charter school, either from a new school, an existing school, a school-within-a-school, or a new school comprised of parts and programs of existing schools. Your Committee has diligently worked to formulate a measure which not only facilitates the process to create New Century Charter Schools, but also ensures that the New Century Charter Schools will be held accountable for the academic performance of their students. By working with current charter school officials, the Department of Education, the Office of the

Governor, and employee representatives, your Committee has created a measure that it strongly believes is groundbreaking in its definitive step towards complete educational reform in this State.

Your Committee has amended this measure by:

- (1) Clarifying the process for the Board of Education to designate a school as a New Century Charter School (sections 302A-B and 302A-C);
- (2) Charging the Auditor with the responsibility to determine the appropriate Department of Education funding allocation to the New Century Charter Schools, taking into consideration the advice of the Superintendent of Education, and including, if necessary, an appropriate small school allotment;
- (3) Clarifying the entire funding section (section 302A-E) to distinguish the supplemental funds which can be spent at the discretion of the local school board of the New Century Charter School;
- (4) Making fiscal accountability a factor in the evaluation of New Century Charter Schools (section 302A-F); and
- (5) Making technical nonsubstantive amendments for the purposes of style and clarity.

Your Committee expressly notes that anyone in the community can initiate a request to establish a New Century Charter School, including the University of Hawaii, the counties, or the Chamber of Commerce. New Century Charter Schools will also have the flexibility to negotiate entirely new contracts, establish new procedures for selection of personnel, and the authority to define and establish new positions. In addition, this measure includes a mandate for the Board of Education and the Department of Education to support the formation of New Century Charter Schools.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1501, 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. 1501, S.D. 3, H.D. 3, C.D. 1.

Senators Ige, D., Fukunaga, Levin, Chumbley, Chun Oakland, Sakamoto, Slom.
Managers on the part of the Senate.

Representatives Ito, Arakaki, Santiago, Yoshinaga, Takamine, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 120 on S.B. No. 131

The purpose of this measure is to require a study by the Joint Legislative Committee on Long-Term Care (JLC) to conduct a study on whether to adopt the July 1998 Model Long-Term Care Insurance Model Act and Model Regulations, and to make an appropriation for a universal long-term care study.

Upon further consideration, and with the input and concurrence of stakeholders, your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section to more accurately reflect the provisions of the conference draft;
- (2) Deleting the study by the JLC on the adoption of the model act and model regulation;
- (3) Enacting provisions of the July 1998 Long-Term Care Insurance Model Act and Model Regulation;
- (4) Revising Act 339, Session Laws of Hawaii 1997, to provide that the JLC shall cease to exist upon introduction of legislation, if any, for the Regular Session of 2000;
- (5) Adding provisions relating to universal availability of long-term care insurance, including employer-related guidelines;
- (6) Clarifying the obligations of mutual benefits societies that offer long-term care insurance;
- (7) Clarifying the actuarial study provision to enumerate specific models and making an appropriation for expenses for the study;
- (8) Deleting the regulatory funding for the Insurance Division;
- (9) Deleting the managed long-term care demonstration project, as this is included in H.B. No. 100, relating to the state budget; and
- (10) Adding an appropriation for the JLC for expenses to conduct public briefings on the findings and recommendations of the actuarial study.

This measure, as amended, is an outgrowth of the work of the JLC, established by Act 339, Session Laws of Hawaii 1997. The JLC undertook an eighteen month study to develop a sound financial plan to address a problem of compelling state interest, the current

and future long-term care needs of the people of Hawaii. This measure represents a major component of a financial plan. An actuarial study is included in this measure to study the feasibility and advisability of establishing a state-sponsored universal program of long-term care that offers comprehensive, protective coverage to the largest numbers of people. A universal program would complement an insurance-based long-term care program that is established in this measure.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 131, 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. 131, S.D. 3, H.D. 3, C.D. 1.

Senators Chun Oakland, Kanno, Taniguchi, Fukunaga, Levin, Kawamoto.
Managers on the part of the Senate.

Senators Bunda, Chun and Slom did not sign the report.

Representatives Arakaki, Santiago, Menor, Yoshinaga, Kawakami.
Managers on the part of the House.

Representative Fox did not sign the report.

Conf. Com. Rep. No. 121 on S.B. No. 1452

The purpose of this measure is to strengthen the provisions of the Hawaii Patient Bill of Rights by adopting the recommendations of the Patient Rights and Responsibilities Task Force ("Task Force").

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

- (1) Adopting the federal "prudent layperson" standard with respect to "emergency services" in section 431:10C-103, Hawaii Revised Statutes ("HRS"), rather than in section 432E-1, HRS;
- (2) Deleting the definition of "mutual benefit society" as it does not apply to motor vehicle accidents;
- (3) Amending section 432E-6, HRS, by clarifying that:
 - (A) The independent medical evidence is exempt from the requirements of section 91-9(g), HRS, rather than chapter 91, HRS; and
 - (B) At the commissioner's discretion, the enrollee may recover reasonable attorney's fees and costs;
- (4) Deleting the provisions relating to a health insurance revolving fund and appropriating the moneys therefrom, as an insurance regulation fund is being established in other related legislation;
- (5) Referencing the insurance regulation fund, rather than the health insurance revolving fund, to reflect the above; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference believes that this measure will strengthen the protection of consumer rights of patients receiving health care in this State.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1452, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1452, H.D. 3, C.D. 1.

Senators Taniguchi, Kanno, Chun Oakland, Levin, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Menor, Takamine, Chang, Halford.
Managers on the part of the House.

Conf. Com. Rep. No. 122 on S.B. No. 1583

The purpose of this measure is to spur economic development and foster the growth of knowledge-based industries in Hawaii via tax incentives, special purpose revenue bonds, and other incentives. More specifically, this measure:

- (1) Consolidates the State's high technology agencies, divisions, and offices under the coordination and direction of a special advisor for technology development and creates a governor's special advisory council for technology development to assist the advisor;
- (2) Offering a tax incentive for investment in new high technology businesses;
- (3) Integrating technology with Hawaii's tourism and marketing industries;

- (4) Prohibiting the imposition of taxes on Internet commerce;
- (5) Focusing work force development programs to ensure a pool of technology professionals;
- (6) Accelerating high speed access to the Internet for the University of Hawaii and the public schools, and establishing educational technology programs within public schools;
- (7) Exempting stock options from qualified high technology businesses from income taxation;
- (8) Assisting Ohana Foundation and its not-for-profit affiliates in financing or refinancing costs related to the development of a high technology park in Kakaako;
- (9) Exempting royalties from qualified high technology businesses and other sources from gross income for tax purposes; and
- (10) Creating tax credits for high technology companies that invest in high technology businesses and increase research activities.

Due to the State's current economic condition, your Committee recognizes the necessity of fostering the development of the high technology industry in Hawaii. High technology spans a variety of fields--from cutting edge bioengineering research, to the explosive growth of Internet commerce, to the development of advanced computer software. Because of this, high technology promises to be the major industry of the future, fast growing and enhancing our everyday lives in more ways than can be imagined. Your Committee's commitment to fostering high technology growth and development in this State will ensure Hawaii's prominent role as a mecca for high technology companies and a world-renowned center for innovation and invention.

Your Committee has amended this measure to:

- (1) Specify that the Governor's Special Advisor for Technology Development, the Governor's Special Advisory Council for Technology Development, the Millennium Work Force Development Training Program, and the Department of Education's E Academy programs shall seek and utilize any available funding sources, including grant moneys, in carrying out their duties;
- (2) Delete the specific tax credit for financial institutions to invest in high technology businesses;
- (3) Clarify the provisions of the Hawaii Internet Tax Freedom Act (section 9);
- (4) Acknowledge the University of Hawaii's role in the development of a high technology workforce by appropriating funds to the University of Hawaii to implement programs pursuant to the workforce development training program;
- (5) Delete the appropriation for the establishment of a University of Hawaii teleconferencing center in California's Silicon Valley;
- (6) Delete the authorization for the issuance of special purpose revenue bonds for Ohana Foundation, as this provision is addressed in H.B. No. 377, H.D. 2, S.D. 2, C.D. 1;
- (7) Clarify the provisions for tax exemptions for stock options from high technology businesses, and royalties from high technology businesses, including the deletion of the requirement that these business must operate solely in Hawaii, and the addition of computer software development companies to the definition of "qualified high technology businesses" (sections 20 and 22);
- (8) Clarify the provisions for tax credits for investment in high technology businesses and increasing research activities, including the addition of computer software development companies to the definition of "qualified high technology businesses", and the allowance of financial institutions and insurance companies to utilize the tax credits for high technology investment (sections 24, 25, 26, and 27); and
- (9) Make technical nonsubstantive changes for the purposes of clarity and style.

It is the intent of you Committee that the tax credits and exemptions provided for in this measure be applied to a broad range of high technology businesses, including Internet based businesses. Your Committee urges the Department of Taxation to consider this intention in the authorization of these tax incentives.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1583, 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. 1583, S.D. 2, H.D. 2, C.D. 1.

Senators Ige, D., Inouye, Nakata, Fukunaga, Levin, Slom.
Managers on the part of the Senate.

Representatives Takamine, Luke, Morihara, Ito, Nakasone, Suzuki, Halford, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 123 on S.B. No. 646 (Majority)

The purpose of this measure is to improve various aspects of the functioning of State government including:

- (1) Authorizing the Attorney General to charge state agencies for the collection of delinquent accounts;
- (2) Changing the fee for copying government records that is charged to the public;
- (3) Authorizing the Barbers Point Naval Air Station Redevelopment Commission to arrange for or provide interim infrastructure services to the owners of properties being conveyed by the Navy;
- (4) Creating a structure for managing the Kapolei Recreational Sports Complex and makes the Stadium Authority responsible for managing it;
- (5) Exempting sales to foreign diplomats from the general excise tax and accommodations furnished to foreign diplomats from the transient accommodations tax;
- (6) Establishing the Hawaii Performance Partnerships Board to develop community outcomes of well-being and to increase the use of performance measurement;
- (7) Authorizing fees, fines, and other administrative charges collected in the management of public lands to be deposited in the Special Land and Development Fund;
- (8) Providing additional security to lenders on land or interest covered by a lease, patent, license, agreement, or other instruments, and provides flexibility to the Department of Land and Natural Resources to assign or transfer leases based on current industry standards;
- (9) Exempting the counties from the public notice requirements of Chapters 103D and 103F, Hawaii Revised Statutes, until December 31, 2000;
- (10) Authorizing the Director of Finance to invest state funds in federal Agricultural Mortgage Corporation notes and bonds rather than joint stock farm loan bonds;
- (11) Exempting the construction of air cargo operations facilities from the general excise tax and use tax; and
- (12) Establishing a structure for a special savings account program known as the Individual Development Account Program.

Your Committee on Conference finds that currently the county charters require public notices to be published daily. In 1998, the expectation of the counties prior to the procurement for the publishing of public notices was that the contract would be awarded to a daily publication. Due to the fact that the procurement of public notices for the State and counties was based on total circulation rather than how often the periodical was published, the contract was awarded to a weekly publication. Your Committee on Conference finds that this measure is needed in order to give the counties time to change their county charters to weekly publication.

Your Committee on Conference has amended this measure by:

- (1) Deleting the section authorizing the Attorney General to charge state agencies for the collection of delinquent accounts;
- (2) Amending the section on costs of copying government records as follows:
 - (A) Designating the minimum cost of copying government records and other data to five cents per page; and
 - (B) Deleting amendments to the section on the cost of copies of any tax return filed with the State;
- (3) Deleting specific county positions from the Barbers Point Naval Air Station redevelopment commission and replacing them with four county department directors appointed by the mayor;
- (4) Deleting the section on the lost and found money or property at the Kapolei recreational sports complex;
- (5) Deleting the section exempting sales to foreign diplomats from the general excise tax and accommodations furnished to foreign diplomats from the transient accommodations tax;
- (6) Amending the section on the special land and development fund as follows:
 - (A) Adding language on designated uses of the special land and development fund that allows moneys from the fund to be used for permanent or temporary staff positions for the planning and management of all lands under the Board of Land and Natural Resources; and

- (B) Adding language that requires the director of finance to transfer the unexpended balance of the industrial park special fund as of the close of business on June 30, 1999 to the credit of the special land and development fund;
- (7) Amending the publication of notice section by:
- (A) Adding the language, "Notwithstanding any other statute, law, charter provision, ordinance, or rule to the contrary";
- (B) Adding language that requires the Comptroller to follow chapter 103D, Hawaii Revised Statutes, when determining publication of notices for all government agencies; and
- (C) Deleting the language that exempts counties from the provisions of section 1-28.5, HRS, until December 31, 2000;
- (8) Deleting the section exempting the construction of air cargo operations facilities from the general excise tax and use tax;
- (9) Amending the section on Individual Development Accounts by:
- (A) Designating five project years as the time an applicant may apply for funding if the State lacks the resources to fund an individual development account project;
- (B) Limiting grant money to each individual development account program to five years; and
- (C) Adding language that requires the Department of Taxation to submit proposed legislation establishing a tax credit for individual development accounts to the legislature no later than the convening of the regular session of 2000;
- (10) Amending current law regarding the interagency federal revenue maximization revolving fund by:
- (A) Deleting the June 30, 1999, sunset date in section 15 of Act 11, Special Session Laws of Hawaii 1995; and
- (B) Appropriating funds out of revenues of the interagency federal revenue maximization revolving fund for expenses, including the creation and hiring of temporary staff, related to the recovery of federal fund reimbursements under section 29-24, HRS; and
- (11) Making technical, nonsubstantive changes for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 646, 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. 646, S.D. 2, H.D. 3, C.D. 1.

Senators Tam, Fukunaga, Levin, Hanabusa, Ige, D., Kawamoto, Matsunaga.
Managers on the part of the Senate.

Senator Anderson did not concur.

Representatives Cachola, Yoshinaga, Oshiro, P., Kanoho, Saiki, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 124 on S.B. No. 951

The purpose of this measure is to authorize the University of Hawaii and the Department of Education to establish custodial accounts for their employees and to make periodic salary withholdings for deposit into those accounts. In addition, this measure shields the University of Hawaii, the Department of Education, and the State of Hawaii from liability for the results of any investment.

Your Committee intends for this measure to be implemented at no cost to the State.

Your Committee has amended this measure by:

- (1) Deleting the Department of Education from the provisions regarding the establishment of custodial accounts;
- (2) Changing its effective date from January 1, 2001, to January 1, 2000; and
- (3) Making technical nonsubstantive changes for the purposes of style and clarity.

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

Senators Ige, D., Fukunaga, Levin, Sakamoto, Slom.
Managers on the part of the Senate.

Representatives Morihara, Ito, Yoshinaga, Catalani, Leong.

Managers on the part of the House.

Conf. Com. Rep. No. 125 on S.B. No. 1635

The purpose of this measure is to facilitate the resolution of public land trust issues by:

- (1) Establishing a joint committee to study and make recommendations on all outstanding anticipated public land trust issues;
- (2) Requiring the Auditor to coordinate the resolution of public land trust issues;
- (3) Requiring the joint committee and the Legislative Auditor to submit progress reports to the Legislature prior to the 2000 Regular Session and final reports to the Legislature prior to the 2001 Regular Session; and
- (4) Appropriating funds for activities relating to the resolution of the public land trust issues.

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

- (1) Deleting the provisions that establish the joint committee to oversee the resolution of the public land trust;
- (2) Requiring that the inventory be completed in one year;
- (3) Amending section 10-13.3, Hawaii Revised Statutes, to provide interim revenue to the Office of Hawaiian Affairs in the amount of \$16,060,000;
- (4) Stating that the revenues paid under section 10-13.3, Hawaii Revised Statutes, shall be credited against any amount settled upon between the State and the Office of Hawaiian Affairs to resolve public land trust controversies; and
- (5) Appropriating \$16,060,000 for fiscal year 1999-2000 to be transferred to the Office of Hawaiian Affairs.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1635, 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. 1635, S.D. 2, H.D. 2, C.D. 1.

Senators Hanabusa, Fukunaga, Levin, Chun, Ige, D., Kanno, Kawamoto, Tanaka, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Suzuki, Kaho'ohalahala, Kanoho, Saiki, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 126 on H.B. No. 294

The purpose of this bill is to prohibit the distribution of:

- (1) Sample tobacco products in or on any public street, sidewalk, or park, or within 1,000 feet of any school attended by minors; and
- (2) Tobacco promotional materials within 1,000 feet of any school attended by minor.

After much discussion, your Committee on Conference has amended this bill by:

- (1) Prohibiting the distribution of coupons redeemable for cigarette or tobacco products in or on any public street, sidewalk, or park, or within 1,000 feet of any elementary, middle or intermediate, or high school;
- (2) Prohibiting the distribution of coupons redeemable for cigarette or tobacco promotional materials within 1,000 feet of any elementary, middle or intermediate, or high school; and
- (3) Making technical nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 294, 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. 294, H.D. 1, S.D. 2, C.D. 1.

Senators Chun Oakland, Chumbley, Matsunaga, Sakamoto, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Yamane, Kahikina, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 127 on H.B. No. 635

The purpose of this bill is to:

- (1) Authorize the issuance of \$15,000,000 in special purpose revenue bonds to assist the Hilo Residency Training Program, Inc., a not-for-profit Hawaii corporation, that provides health care facilities; and
- (2) Establish a Hospital and Medical Facilities (HMF) Special Fund in the Department of Health;
- (3) Establish a State Health Planning and Development (SHPD) Special Fund in the State Treasury to be administered by the State Health Planning and Development Agency;
- (4) Amend section 321-11.5, Hawaii Revised Statutes (HRS), to require the Director of Health to adopt rules to set fees for licensure or certification for certain facilities, and to require those fees to be deposited into the HMF Special Fund; and
- (5) Amend section 321-27(a), HRS, to allow certain fees to be deposited into the HMF Special Fund.

After careful consideration, your Committee on Conference has amended this bill by deleting all provisions relating to the HMF and SHPD Special Funds.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 635, 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. 635, H.D. 2, S.D. 1, C.D. 1.

Senators Chun Oakland, Levin, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Takamine, Kawakami, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 128 on H.B. No. 661

The purpose of this bill is to provide a mechanism for regulating and funding phase I and phase II wireless enhanced 911 service. Specifically, this bill:

- (1) Establishes a twelve-member Wireless Enhanced 911 Board (Board) within the Department of Health;
- (2) Establishes outside the state treasury the Wireless Enhanced 911 Fund (Fund) for the purpose of ensuring adequate cost recovery for the deployment of wireless enhanced 911 service in Hawaii;
- (3) Requires the Board to establish a monthly wireless enhanced 911 surcharge on each commercial mobile radio service connection if a public safety answering point requests wireless enhanced 911 service from a provider of commercial mobile radio service;
- (4) Allows providers of commercial mobile radio service to request reimbursement from the Fund for incurred wireless enhanced 911 commercial mobile radio service costs;
- (5) Requires providers of facilities-based commercial mobile radio service and resellers of commercial mobile radio service to be audited to ensure that the wireless enhanced 911 surcharge recovers only legitimate costs and expenses directly related to the provision of phase I and phase II wireless enhanced 911 service;
- (6) Prohibits the disclosure of proprietary information submitted to the Board, a third party employed by the board, or a public safety answering point;
- (7) Imposes an unspecified civil penalty, in an amount of which has yet to be determined, if proprietary information identified by statute or rule is disclosed to an unauthorized person;
- (8) Limits the liability of providers of facilities-based commercial mobile radio service and public safety answering points to damages caused by gross negligence, wanton and wilful misconduct, or bad faith;
- (9) Deems commercial mobile radio service location information obtained by a public safety answering point or public safety agency for public safety purposes not to be a government record open to disclosure;
- (10) Allows providers of facilities-based commercial mobile radio service, resellers of commercial mobile radio service, and public safety answering points to resolve disputes with the Board through final and binding arbitration; and
- (11) Exempts the Fund from assessments for central service expenses and departmental administrative expenses.

After much discussion, your Committee on Conference has amended this bill by:

- (1) Specifying that the "Federal Communications Commission Order" means not only the original order issued in the Federal Communications Commission Docket No. 94-102 (governing wireless enhanced 911 service), but also any other Federal Communication Commission orders related to the provision of wireless enhanced 911 services;
- (2) Specifying that the chair of the Board may retain outside counsel only with the approval of the Board;
- (3) Specifying that the Board shall select an independent third party to conduct audits;
- (4) Deleting penalties and fines for violations of board rules;
- (5) Deleting liability for actions conducted "in bad faith" by providers of facilities-based commercial mobile radio service and public safety answering points;
- (6) Amending section 37-51, Hawaii Revised Statutes (HRS), to exempt the Fund from legislative and executive budgetary control in the same manner as the general fund;
- (7) Amending section 37-53, HRS, to exempt from transfer to the general revenues of the State all or any portion of moneys in the Fund determined to be in excess of fiscal year requirements; and
- (8) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 661, 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. 661, H.D. 3, S.D. 2, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Levin, Slom.
Managers on the part of the Senate.

Representatives Santiago, Menor, Kawakami, Souki, Halford.
Managers on the part of the House.

Conf. Com. Rep. No. 129 on H.B. No. 743

The purpose of this bill is to require coverage and equitable reimbursement for services provided by advanced practice registered nurses (APRNs) in all health insurance policies, contracts, plans, and agreements, including workers' compensation coverage.

Your Committee on Conference has amended this bill by:

- (1) Requiring reimbursement by mutual benefit societies for health plan-covered services, rather than requiring coverage and reimbursement;
- (2) Including the services provided by APRNs among the required coverages and reimbursements under accident and sickness insurance policies, rather than creating a new section in that chapter;
- (3) Including the services provided by APRNs in the definition of "medical care," "medical services," or "medical supplies" for purposes of the Workers' Compensation chapter, rather than including APRNs in the definition of "health care provider"; and
- (4) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 743, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 743, H.D. 3, S.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Levin, Chun Oakland, Slom.
Managers on the part of the Senate.

Representatives Santiago, Menor, Yamane, Kawakami, Lee, Moses.
Managers on the part of the House.

Conf. Com. Rep. No. 130 on H.B. No. 895

The purpose of this bill is to allow the Department of Health (DOH) to provide emergency aeromedical services as part of its required emergency medical services by:

- (1) Defining "emergency aeromedical services";
- (2) Requiring DOH to support interagency dispatch policies and procedures for aeromedical transports;
- (3) Requiring DOH to establish and maintain an emergency aeromedical medical services information system with specified elements; and

- (4) Requiring DOH to establish an emergency aeromedical services quality improvement advisory committee with specific membership requirements.

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

- (1) Adding a tenth member to the emergency aeromedical services quality improvement advisory committee;
- (2) Ensuring representation on the committee from fixed-wing and rotor-wing aeromedical services; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 895, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 895, H.D. 2, S.D. 2, C.D. 1.

Senators Chun Oakland, Levin, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Yamane, Kahikina, Souki, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 131 on H.B. No. 122

The purpose of this measure is to establish penalties for failure of a contractor to pay a subcontractor promptly for a public contract and prohibit the State from procuring with unlicensed privately-operated group living facilities.

Your Committee on Conference has amended this measure by:

- (1) Deleting the graduated penalties section for failure to pay subcontractor promptly and inserting language that requires the Comptroller to adopt rules necessary to implement this measure, including establishing a system of graduated penalties with monetary fines, payment of interest, and debarment for noncomplying contractors, by the convening of the 2000 regular session;
- (2) Deleting the language on licensed group living facilities and replacing it with language that:
 - (A) Allows for a public informational hearing, pursuant to chapter 91, Hawaii Revised Statutes, prior to the procurement for services for group living facilities in communities where group living facilities are located;
 - (B) Requires State contracts for the procurement of group living facilities to contain operational standards to be monitored by the contracting agency; and
 - (C) Changes the effective date of the group living facilities section to January 1, 2000; and
- (3) Making technical, nonsubstantive changes for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 122, 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. 122, H.D. 2, S.D. 1, C.D. 1.

Senators Tam, Hanabusa, Anderson.
Managers on the part of the Senate.

Representatives Herkes, Arakaki, Nakasone, Suzuki, Rath.
Managers on the part of the House.

Conf. Com. Rep. No. 132 on H.B. No. 850

The purpose of this bill is to:

- (1) Delete the conviction for driving without a valid motor vehicle insurance policy as a basis for automatic license suspension; and
- (1) Extend the amnesty period for uninsured motorists to June 30, 2000.

Your Committee on Conference has amended this bill by amending the amnesty period from June 30, 2000, to December 31, 1999.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 850, 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. 850, H.D. 1, S.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Inouye.
Managers on the part of the Senate.

Representatives Menor, Hamakawa, Saiki, Lee, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 133 on H.B. No. 460

The purpose of this bill is to establish stronger consumer protections regulations on the check cashing industry by:

- (1) Establishing fee caps for check cashing;
- (2) Requiring posted and written notices of fees to consumers;
- (3) Specifying other prohibited acts with regard to check cashing; and
- (4) Making violations of the check cashing law an unfair or deceptive act or practice and wilful violations punishable by a fine of up to \$500 and 30 days imprisonment.

Your Committee on Conference has amended this bill by:

- (1) Limiting the face amount of deferred deposit checks to \$300;
- (2) Exempting fees for deferred deposit of personal checks from chapter 478, Hawaii Revised Statutes, which regulates usury;
- (3) Repealing the bill on July 1, 2001; and
- (4) Making technical, nonsubstantive amendments for style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 460, 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. 460, H.D. 2, S.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Slom.
Managers on the part of the Senate.

Representatives Menor, Nakasone, Ahu Isa, Lee, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 134 on H.B. No. 1361

The purpose of this bill is to protect consumers who make advance purchases from charter tour operators against the risk of loss resulting from the failure of these businesses.

Specifically, this bill imposes statutory regulations on travel agencies operating charter tours by requiring:

- (1) Licensure;
- (2) Evidence of financial ability to perform contractual obligations; and
- (3) Periodic financial reporting.

After much discussion, your Committee on Conference has amended this bill by:

- (1) Requiring a charter tour operator applicant to state whether the applicant intends to operate 16 or more charter tours during any 12 months or shorter period of the registration period;
- (2) Amending the required bond coverage or irrevocable letter of credit a travel agency wishing to engage in the business of a charter tour operator is required to carry;
- (3) Deleting the requirement that a charter tour operator's required quarterly report must be prepared by an independent certified public accountant; and
- (4) Making technical, nonsubstantive revisions for purposes of consistency and style.

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

Senators Inouye, Kanno, Taniguchi, Buen, Ige, M., Slom.
Managers on the part of the Senate.

Representatives Herkes, Hiraki, Menor, Yamane, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 135 on H.B. No. 252

The purpose of this bill is to prohibit unaccredited institutions from issuing degrees and conducting business in Hawaii unless they comply with certain standards.

Your Committee on Conference finds that there has been a significant increase in the number of unaccredited institutions conducting business in Hawaii, who are merely "diploma mills" or "mail drops", as other States have clamped down on these non-legitimate, unaccredited institutions. This legislation will prevent "diploma mills" or "mail drops" from continuing their activities in Hawaii by:

- (1) Enacting more comprehensive disclosures;
- (2) Prohibiting the issuance of certain types of degrees;
- (3) Creating a mechanism for service of process; and
- (4) Requiring an operational level of physical presence.

Your Committee on Conference has amended this bill by:

- (1) Requiring the office to be located in Hawaii;
- (2) Requiring the employee to reside in Hawaii;
- (3) Deleting the residency requirement for the student and, instead, requiring them to enroll in Hawaii;
- (4) Deleting the requirement that the students and employee be full-time;
- (5) Providing an exemption for a limited period under specific conditions stated in the law;
- (6) Making this measure effective upon approval; and
- (7) Making technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 252, 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. 252, H.D. 3, S.D. 2, C.D. 1.

Senators Ige, D., Kanno, Taniguchi, Sakamoto, Slom.
Managers on the part of the Senate.

Representatives Morihara, Menor, Ahu Isa, Kawakami, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 136 on H.B. No. 1660

The purpose of this bill is to appropriate an unspecified amount for utilities of the University of Hawaii (University) system.

Your Committee on Conference has amended the bill by:

- (1) Deleting the appropriation;
- (2) Authorizing the University carry over unexpended funds from one fiscal period to the next; and
- (3) Making technical, nonsubstantive revisions for style and clarity.

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

Senators Ige, D., Fukunaga, Levin, Bunda, Slom.
Managers on the part of the Senate.

Representatives Morihara, Schatz, Ito, Yamane, Marumoto.

Managers on the part of the House.

Conf. Com. Rep. No. 137 on H.B. No. 1085

The purpose of this bill is to make an emergency appropriation of an unspecified amount for operating expenses required to fulfill the conditions of the Felix v. Cayetano consent decree.

Your Committee on Conference has amended the bill by:

- (1) Inserting the amount appropriated to fulfill the Felix consent decree;
- (2) Adding emergency appropriations for books and equipment for Kapolei Middle School and Keaau High School; and
- (3) Making technical, nonsubstantive revisions for style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1085, 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. 1085, H.D. 1, S.D. 1, C.D. 1.

Senators Ige, D., Fukunaga, Levin, Sakamoto, Slom.
Managers on the part of the Senate.

Representatives Ito, Santiago, Kawakami, Saiki, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 138 on H.B. No. 988

The purpose of this bill is to provide emergency funding for the testing, modification, and support of the State's computer system for Year 2000 compliance.

Your Committee has amended this bill by appropriating \$1,040,000 to be used in support of the State's Year 2000 compliance efforts.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 988, 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. 988, H.D. 2, S.D. 2, C.D. 1.

Senators Ige, D., Fukunaga, Levin, Sakamoto, Anderson.
Managers on the part of the Senate.

Representatives Hamakawa, Takamine, Kaho'ohalahala, Kawakami, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 139 on H.B. No. 1471

The purpose of this bill is to:

- (1) Establish an elections review program and require assessment of the performance of the Chief Election Officer;
- (2) Change the name of the Elections Appointment Panel to the Elections Appointment and Review Panel;
- (3) Allow appointment of four members of the Elections Appointment and Review Panel by the leadership of the majority and minority parties of each house of the legislature;
- (4) Assign the Office of Elections and the Elections Appointment and Review Panel to the Department of Accounting and General Services for administrative purposes; and
- (5) Make an appropriation of \$5,000 to support the purposes of this bill.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provision which would require the Elections Appointment and Review Panel to review complaints filed against the operation of any election or the performance of the Chief Election Officer;
- (2) Deleting the establishment of advisory subcommittees to assist the panel;
- (3) Keeping the Office of Elections attached to the Office of the Lieutenant Governor instead of the Department of Accounting and General Services;;

- (4) Clarifying that the terms for all members of the Elections Appointment and Review Panel expire six years and four years respectfully, from the date the first member is appointed;
- (5) Requiring that any holdover member not remain in office longer than six months after the member's term has expired;
- (6) Requiring that the findings and recommendation for the biennial performance evaluation to the legislature be submitted not less than twenty days prior to the convening of each regular session held in odd-numbered years;
- (7) Deleting the \$5,000 appropriation; and
- (8) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1471, 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. 1471, H.D. 1, S.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Fukunaga, Ihara, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Kanoho, Ahu Isa, Hamakawa, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 140 on H.B. No. 100

The purpose of this bill is to appropriate operating and capital improvements program funds to the executive branch for the 1999-2001 biennium.

OVERVIEW

Over the past few years, your Committee sought ways in which to help stabilize and energize the State's fragile economy with the understanding that this could not be accomplished overnight. Two years ago, your Committee took the first steps towards economic recovery and committed State resources to tax incentives intended to foster new business opportunities and revitalize existing businesses. Last year, the focus was income tax relief for Hawaii residents through the development of a progressive tax structure that was fair and equitable. This year, your Committee is focused on assisting small businesses and stabilizing the economy.

Your Committee believes that small business is the backbone of our economic base and must be supported and nurtured in order for it to thrive. As such, your Committee reviewed and prioritized numerous tax incentive measures and determined that the depyramiding of the general excise tax would yield the greatest positive impact on the business community, both large and small---crossing all industries. As such, your Committee strongly supports the depyramiding of the general excise tax on services and the exemption of exported services and the taxation imported services, thus levelling the playing field for Hawaii service providers. These measures are intended to encourage economic recovery by reducing the level of taxation and freeing dollars for reinvestment in Hawaii.

Your Committee has also provided for tax incentives for investment capital, call centers, the health industry, technology, and other businesses. In addition, your Committee has provided incentives for hotel construction and remodeling in order to inject vitality into a maturing industry.

Your Committee believes that this tax relief package, in conjunction with the budget proposed by your Committee will be the necessary catalyst towards economic viability.

CURRENT FISCAL BACKDROP

As required by the State Constitution, the Council on Revenues (Council) estimates economic growth based on various factors such as tourism statistics, construction growth, and inflation. These projections are the guidelines by which the biennium budget is crafted. The Council notes that Hawaii has been in the midst of a deflationary period in the past year and while financial recovery has not reached the anticipated levels in Asia, the United States economy remains strong. As a result, the Council on Revenues moderately reduced it's growth rate of general fund tax revenues for fiscal year 1999 by 0.5%, but retains its optimistic growth rates in the remaining forecast horizon.

The general fund appropriation authorized in the operating budget consists of \$3.10 billion for FY 1999-2000 and \$3.12 billion for FY 2000-2001. The general fund appropriation for FY 1999-2000 represents a -2.69 per cent decrease over the executive request. Including other means of financing, the total operating budget consists of \$5.95 billion for FY 1999-2000 and \$6.01 billion for FY 2000-2001.

Capital improvement funds authorized in this bill consist of \$723,000,000 for FY 1999-2000 and \$466,000,000 for FY 2000-2001. Of these sums, \$262,000,000 in FY 1999-2000 and \$139,000,000 for FY 2000-2001 would be financed through the issuance of general obligation bonds.

ECONOMIC DEVELOPMENT

Your Committee recognizes the continued importance of the tourism industry and provided for the expenditure of up to \$60 million in each fiscal year for the Hawaii Tourism Authority to strategically plan, coordinate and develop the tourism marketing initiatives.

In support of the business community, your Committee provided funds to continue the deregulation initiatives of the small business task force on regulatory relief. Furthermore, your Committee is committed to enhanced outreach to the small business community and further simplification and automation of all aspects of business registry.

Your Committee recognizes the development of new research and commercial development in energy, aquaculture, and marine biotechnology at the Natural Energy Laboratory of Hawaii (NELHA) by providing additional resources to expand its operational capacity. Your Committee is encouraged that the activities of the tenants at NELHA resulted in an economic benefit of \$29 million in 1998.

To support further economic diversification, funds have also been provided for research in aquaculture disease management, Forest Stewardship projects that protect endangered species and diversify the economy, tropical flower research, Hawaii Agriculture Research Center and the Agribusiness Development Corporation.

Finally, efforts are being made to broaden the State's economic base by enhancing forest watersheds and producing, improving, and assisting in the production of high quality, high yield forest production that will create job opportunities in rural areas.

EDUCATION

Lower Education

Your Committee finds that providing all children with the services required to prosper as students is of utmost importance. In this regard, achieving compliance with the Felix consent decree has become a focal point within the department and requires greater resources during this fiscal biennium. Your Committee has provided funds to meet this task by upgrading departmental personnel and implementing the comprehensive student support system (CSSS).

Your Committee finds that the financial resources necessary to comply with the requirements of the Felix consent decree are growing at a seemingly exponential pace. Your Committee is alarmed that the Department of Education (DOE) is unable to provide an accurate accounting of the funds currently provided for Felix cases. Consequently, to ensure efficient utilization of resources and greater accountability, your Committee created a new program, Comprehensive School Support Services, EDN 150, that is intended to consolidate and identify all resources dedicated to resolving the Felix consent decree.

Reduction in class size continues to be a priority of the DOE. The opening of new facilities, including Konawaena Elementary School, Kauai Middle School, and Kapolei High School will help to alleviate the problem. Funds have also been provided to fulfill the basic requirements of textbooks and equipment for the new schools.

Your Committee continues to be concerned with the lack of accountability in the DOE and has thus provided funds to revise and implement the Hawaii Content and Performance Standards as a systemic means of measuring performance.

In addition, your Committee understands that teachers are overburdened by large class sizes due to the current policy of the Department of Education to not include special education students in the class ratio formula. Your Committee feels that this is an unfair burden for educators and has therefore provided funds to support the inclusion of special education students in the class ratio as a means of effectuating relief for teachers.

Your Committee continues to support the educational system with the full understanding that Hawaii's future rests in the hands of our children. Therefore, the DOE was spared from much of the reductions that were required to balance the State budget. During such lean times, education continues to be a top priority, however, your Committee has taken appropriate action to ensure greater accountability and fiscal responsibility within the DOE.

Felix Consent Decree

Your Committee agrees that the individualized education plan (IEP) process should be reviewed with regard to the composition of the IEP team and the process by which services are authorized. Private service providers are now a major part of the team that develops the IEP for Felix youths. Your Committee is concerned that some of these same providers are also involved in determining the level of mental health services in the IEP process. Your Committee believes that an inherent conflict of interest exists and there is an immediate need to eliminate this conflict. Furthermore, appropriate changes to the IEP process are needed to ensure that necessary services are identified and provided for in the most efficient and effective manner possible. Given the importance and urgency of the decree, these issues must be resolved swiftly by the Department of Education in collaboration with the Department of Health to meet its responsibilities in complying with the Felix Consent Decree.

Higher Education

Your Committee continues to support the University of Hawaii as it begins its first full year of autonomy. Your Committee fully understands that difficult decisions must be made by the Board of Regents in order to achieve self-sufficiency. However, your

Committee believes that the University has the potential to be an economic force in the State. Furthermore, the University must be responsible for the development of a qualified workforce to meet the changing needs of a global society and technological advances.

HEALTH

Your Committee has made every effort towards full compliance with the law with respect to children with special needs, especially those in the Felix class. As such, quality health and educational services to aid in the educational development for these individuals remain a priority of your Committee.

Your Committee understands the necessity of the safety net provided by rural health care services and has provided funds to such programs as Molokai General Hospital, Kahuku Hospital, Hana Medical Center, Waianae Coast Comprehensive Health Clinic and 24-hour aeromedical services on Hawaii and emergency medical services statewide.

HUMAN SERVICES

Despite limited resources, your Committee is fully committed to providing assistance to those that lack sufficient resources or simply cannot take care of themselves. Of particular concern are the children of Hawaii. As such, your Committee has provided funds for the following:

1. Children's Health Insurance Program - provides access to health care for uninsured children.
2. Child Placement Board and Related Client Payments - helps children in danger of abuse and neglect find placement in foster care homes or other types of placements.
3. Child Care Payments Program - consolidates all payments for child day care into one program; allows low-income families remain self-sufficient by allowing both parents to retain employment.
4. Child Care Payment Processing Contract - allows overburdened child care administrators and social workers address pressing areas of concern such as licensing and renewal of licensing for child care facilities.

Your Committee also continues to provide support for the aged, blind and disabled; uninsured and underinsured populations in rural areas; and First-To-Work contracts which serve welfare clients who must meet work requirements in order to retain assistance.

WORKFORCE DEVELOPMENT

Labor and Industrial Relations

In an effort to become more proactive in the employment field, the Department of Labor and Industrial Relations (DLIR) developed a new Workforce Investment Act (WIA) system that will allow the State to receive improved employment opportunities and training for customers by July 1, 2000. Your Committee supports DLIR's efforts with regard to the workforce development program as it continues to promote apprenticeship opportunities for women, veterans, disabled, disadvantaged, offenders and immigrants.

TRANSPORTATION

Your Committee understands that a safe, reliable, and efficient transportation infrastructure plays a crucial role in the State economy as well as the overall well being of the population. Presently, the Department of Transportation (DOT) is the only entirely self-sufficient department and in the current fiscal climate, your Committee appreciates the department's independence from the state general fund.

Your Committee is aware that repair and maintenance is a necessity for public infrastructure and has provided special funds in the amounts of \$61.6 million in FY 2000 and \$59.8 million in FY 2001 exclusively for the purposes of special repair and maintenance projects.

Your Committee is cognizant of the traffic problems occurring during peak hours on State highways and has provided funds to continue the vanpool pilot project. Your Committee supports the DOT's efforts in promoting ridesharing as a way to reduce the use of fuel, save wear and tear on the highways, reduce air pollution and the need for parking facilities.

Special funds are also provided to market an innovative initiative, the "Aloha Spirit" program at the five major airports. As part of the Airports cultural master plan, the program offers visitors the opportunity to experience a multi-faceted Hawaii through exposure to exhibits and live performances focusing on the Hawaiian culture. Your Committee is aware that it is critical to create a positive first and last impression of Hawaii and is captivated by the potential of this volunteer program.

GOVERNMENT-WIDE SUPPORT

Accounting and General Services

With the turn of the century approaching, the Department of Accounting and General Services (DAGS) is preparing the State to be Y2K compliant. Your Committee has provided funds to support resolution of this issue. With eight months remaining in the year, the Information Processing Service Program continues to upgrade computer systems, as well as assisting other agencies in achieving compliance.

Budget and Finance

In recognition of the spiralling cost of debt service to the State, your Committee has maintained a responsible schedule of capital improvement projects for the upcoming fiscal biennium.

Commerce and Consumer Affairs

During this biennium, the Department of Commerce and Consumer Affairs (DCCA) continues its movement toward fiscal self-sufficiency and insurance regulation reform. To support these efforts, your Committee has provided funds for the following initiatives:

1. Consolidation of special funds to allow the department greater flexibility in the management of its funds.
2. Realignment of positions within the various operating programs to facilitate better fiscal management and oversight; and
3. Development of new sources of revenue to enable regulatory programs to be self-supporting. Of particular note is the Insurance Division's effort to strengthen insurance regulation with the implementation of the continuing education for insurance agents program, the health insurance revolving fund and the long term care revolving fund.

Taxation

In FY1999-2001, the priority of the Department of Taxation (TAX) is the implementation of the Integrated Tax Information Management System (ITIMS). With this complete overhaul of the department's computer system, the Department of Taxation expects that when fully implemented, the project will facilitate a more timely collection of taxes due the state; reduce the amount of "leakage" from the tax base of revenue that is due the state but not collected; provide more flexibility in accommodating tax law changes and initiatives to improve tax administration; and an overall improvement in services provided to the public.

CAPITAL IMPROVEMENT

Your Committee remains cautious about managing the state's debt limit in future fiscal years and has proposed lower expenditures for Capital Improvement Projects in the amount of \$200 million in each year of the biennium. Your Committee believes that this a prudent approach while still providing for various projects, including DOE projects totalling over \$161 million.

CONCLUSION

After much deliberation, your Committee has developed a budget that preserves current services while providing for the basic requirements of health, safety and education. In particular, your Committee has fully funded the mental health services mandated by the Felix vs. Cayetano consent decree.

While crafting H.B. 100, H.D.1, S.D.1, C.D. 1, your Committee was mindful of the need to balance the services provided by government through the executive budget with the equally critical need to stimulate the economy. In doing so your Committee presents you with a budget that is affordable and a tax package intending to improve the business climate, stimulate the development of new industries, encourage investment in Hawaii and provide relief for existing businesses.

Your Committee realizes that its work is not over and that there is much left to be done. However, your Committee is committed to the direction set forth in this document and the accompanying bills.

Your Committee on Conference is in accord with the intent and purpose of H.B. 100, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. 100, H.D. 1, S.D. 1, C.D. 1.

Senators Levin, Fukunaga, Buen, Chun, Chun Oakland, Ige, D., Ige, M., Kawamoto, Tam, Taniguchi, Anderson.
Managers on the part of the Senate.

Senators Iwase and Nakata did not sign the report.

Representatives Takamine, Ahu Isa, Catalani, Kawakami, Luke, Nakasone, Saiki, Schatz, Suzuki, Yamane, Fox, Marumoto, Meyer, Moses.
Managers on the part of the House.

Representatives Goodenow, Kahikina, Kanoho did not sign the report.

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of and capital improvements for the Judiciary Branch for the fiscal biennium 1999-2001.

In light of the current fiscal situation, your Committee was unable to provide all funding requested by the Judiciary. However, your Committee was able to fund the Judiciary's most critical needs to ensure the timely and efficient administration of justice and protection of our community's most vulnerable citizens. Funding for many of these crucial programs was made possible by revenue enhancement measures identified by the Judiciary that are implemented in other measures. As such, your Committee appreciates the Judiciary's positive efforts to identify new general fund revenues to support critical governmental services.

Your Committee would like to highlight three areas within the scope of funding for the Judiciary:

HAWAII DRUG COURT PROGRAM

In 1995, the Hawaii Drug Court Program was established on a temporary basis to address the growing drug offender problem. The program has proved to be a cost-effective alternative for diverting drug offenders by saving between \$678,000 and \$854,000 a year while attaining a client recidivism rate of six per cent as compared to other criminal justice programs where recidivism ranges between forty and sixty per cent. This measure solidifies your Committee's support for the Hawaii Drug Court Program by converting 14 temporary positions to permanent status.

FAMILY COURTS

Our community's concerns about addressing child abuse, neglect and domestic violence in a timely manner have prompted your Committee to support the establishment of two new judgeships in the Family Courts.

In the First Circuit, an additional circuit-level judge and support staff is provided in the second year of the biennium to intensify Family Court case resolution, to ensure the safety and welfare of family members victimized by family violence, and to allow greater emphasis on preventing instances of family violence.

An additional District Family Court judge and support staff for the Third Circuit in Hilo is also provided. The backlog of domestic violence cases in the Third Circuit Family Court is near crisis levels with a 1,800 case backlog or four months of cases waiting to be heard. This additional judgeship will help ensure timely resolution of these cases and enable the court to implement a one-judge, one-family approach for child abuse and neglect cases as recommended by the Department of Human Services, Department of the Attorney General and the National Center for State Courts.

ATTORNEY AND GUARDIAN AD LITEM FEES FOR FAMILY COURT IN THE SECOND AND THIRD CIRCUITS

State law mandates that the Courts appoint a Guardian Ad Litem for children and legal counsel for parents involved in child protection cases. Due to an increase in caseload, additional services are required for both the Second and Third Circuits. Accordingly, your Committee provides \$161,000 in both years of the biennium for the Third Circuit.

CAPITAL IMPROVEMENT PROJECTS

Your Committee provides \$33,870,000 for capital improvement projects to the Judiciary which includes the sum of \$30,795,000 for the development of the new Kauai judiciary complex. Other projects include the following:

- (1) \$225,000 for Ho'okele Court Navigation Project, statewide;
- (2) \$500,000 for remodeling and upgrading Judiciary buildings, statewide; and
- (3) \$1,350,000 for Architectural barrier removal for Judiciary buildings, statewide.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1450, 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. 1450, H.D. 1, S.D. 2, C.D. 1.

Senators Levin, Fukunaga, Chumbley, Buen, Chun Oakland, Ige, D., Ige, M., Kawamoto, Anderson.
Managers on the part of the Senate.

Senators Matsunaga, Chun, Iwase, Nakata, Tam and Taniguchi did not sign the report.

Representatives Takamine, Ahu Isa, Goodenow, Kahikina, Kawakami, Luke, Nakasone, Saiki, Schatz, Suzuki, Yamane, Fox, Marumoto, Meyer, Moses.
Managers on the part of the House.

Representatives Catalani and Kanoho did not sign the report.

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of Office of Hawaiian Affairs (OHA), for the fiscal biennium 1999-2001.

In view of the fiscal constraints facing the State, your Committee found it necessary to reduce the request submitted by the Office of Hawaiian Affairs. Accordingly, your Committee has amended this bill by providing \$6,599,046 in fiscal year 1999-2000 and \$6,536,529 in fiscal year 2000-2001 for OHA to operate in each fiscal year of the biennium. Your Committee highlights \$62,517 in fiscal year 1999-2000 to fund the Comprehensive Hawaiian Master Plan. The plan is intended to incorporate the ideas and goals of Hawaiian organizations, identify service areas in the community, reduce duplicated services and implement accountability measures for short and long term goals.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 700, 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. 700, H.D. 1, S.D. 2, C.D. 1.

Senators Levin, Fukunaga, Hanabusa, Buen, Chun, Chun Oakland, Ige, D., Ige, M., Kawamoto, Tam, Anderson.
Managers on the part of the Senate.

Senators Iwase, Nakata and Taniguchi did not sign the report.

Representatives Takamine, Ahu Isa, Goodenow, Kahikina, Luke, Nakasone, Saiki, Schatz, Suzuki, Yamane, Marumoto.
Managers on the part of the House.

Representatives Catalani, Kanoho, Kawakami, Fox, Meyer and Moses did not sign the report.

Conf. Com. Rep. No. 143 on H.B. No. 86

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

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

Your Committee has amended this bill by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 86, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 86, S.D. 1, C.D. 1.

Senators Fukunaga, Levin, Buen, Chun, Chun Oakland, Ige, D., Ige, M., Anderson.
Managers on the part of the Senate.

Senators Iwase, Kawamoto, Nakata, Tam and Taniguchi did not sign the report.

Representatives Takamine, Kawakami, Nakasone.
Managers on the part of the House.

Representative Marumoto did not sign the report.

Conf. Com. Rep. No. 144 on H.B. No. 333

The purpose of this bill is to appropriate funds for research and development of various agricultural commodities.

Your Committee has amended this bill by:

- (1) Making the appropriation apply only to agricultural research and development to be performed by the Hawaii Agriculture Research Center (HARC) and to only the 1999-2000 fiscal year;
- (2) Inserting the appropriation sum of \$700,000 for fiscal year 1999-2000 for HARC; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 333, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 333, H.D. 2, S.D. 1, C.D. 1.

Senators Inouye, Levin, Ige, M., Slom.
Managers on the part of the Senate.

Representatives Abinsay, Takamine, Saiki, Suzuki, Rath.
Managers on the part of the House.

Conf. Com. Rep. No. 145 on H.B. No. 336

The purpose of this bill is to protect the State from the importation of microorganisms, which could pose a threat to agriculture, horticulture, animals or the public by establishing a list of:

- (1) Microorganisms approved for importation;
- (2) Restricted microorganisms that may be imported only by permit; and
- (3) Microorganisms prohibited entry that can only be imported for medical or scientific research and under strict conditions.

After careful consideration, your Committee on Conference has amended the measure by:

- (1) Adding a new part in place of the new section delineating the requirements for listing and permitting importation of prohibited microorganisms under specific and limited circumstances. The new part also establishes the Microorganism Import Certification Revolving Fund and limits its maximum balance, uses, and funding sources;
- (2) Appropriating \$0 from the general revenues for each year of the fiscal biennium 1999-2001 for the development, administration, and operation of the microorganism Import Certification Program;
- (3) Appropriating \$100,000 from the Microorganism Import Certification Revolving Fund for each year of the fiscal biennium 1999-2001 for the development, administration, and operation of the Microorganism Import Certification Program; and
- (4) Changing the effective date to July 1, 1999.

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

Senators Inouye, Levin, Buen, Ige, D., Slom.
Managers on the part of the Senate.

Representatives Abinsay, Saiki, Morihara, Suzuki, Rath.
Managers on the part of the House.

Conf. Com. Rep. No. 146 on H.B. No. 978

The purpose of this bill is to encourage private lenders to provide financing for diversified agriculture by authorizing the Department of Agriculture to guarantee loans made to qualified farmers and cooperatives.

Your Committee on Conference has amended this bill to include the requirements of Section 155-13, Hawaii Revised Statutes, among the limitations on the guaranteed loans.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 978, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 978, S.D. 1, C.D. 1.

Senators Inouye, Fukunaga, Buen, Slom.
Managers on the part of the Senate.

Representatives Abinsay, Takamine, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 147 on H.B. No. 1280

The purpose of this bill is to support the continued redevelopment of the State's agricultural industry by:

- (1) Changing the composition of the Board of the Agribusiness Development Corporation (ADC Board) to include persons with expertise in banking, real estate, and promotion, and provide more flexibility with regard to county representation on the ADC Board;
- (2) Appropriating funds for:
 - (a) Four positions and other operating expenses relating to the ADC; and

- (b) The planning, design, and construction of an agricultural subdivision in the Hamakua district of the island of Hawaii;
- (3) Requiring ADC to allot financial and human resources to plan, design, and construct an agricultural subdivision in the Hamakua district; and
- (4) Requiring the ADC Board to submit annual reports to the Legislature with regard to:
 - (a) Development of the Hamakua agricultural subdivision;
 - (b) Technical support to small, start-up farming operations;
 - (c) Farm credit from public and private sources;
 - (d) New, start-up farming operations;
 - (e) Tax incentives and their effects on diversified agricultural operations; and
 - (f) Transport and distribution programs.

Your Committee on Conference has amended this bill by deleting all provisions in the bill except for:

- (1) Retaining the provision that changes the composition of the ADC Board to include persons with expertise in banking, real estate, and promotion, and provide more flexibility with regard to county representation on the ADC Board; and
- (2) Adding provisions that:
 - (a) Enable ADC to develop, promote, assist, and market export crops and other crops for local markets without the approval of the Board of Agriculture (BOA);
 - (b) Specify that members of the ADC Board consist of the members of the BOA, effective July 1, 2001; and
 - (c) Appropriate the sum of \$400,000 for fiscal year 1999-2000 for the expenses incurred in the performance of the duties of the ADC Board.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1280, 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. 1280, H.D. 2, S.D. 2, C.D. 1.

Senators Inouye, Levin, Buen, Taniguchi, Slom.
Managers on the part of the Senate.

Representatives Abinsay, Takamine, Chang, Saiki, Halford.
Managers on the part of the House.

Conf. Com. Rep. No. 148 on H.B. No. 20

The purpose of this bill is to:

- (1) Amend the service retirement laws to correlate years on the bench with retirement benefits; and
- (2) Increase judicial salaries over a two-year period.

Your Committee on Conference has amended this bill by:

- (1) Deleting language in the purpose clause of the measure that compares judges compensation with private sector attorneys;
- (2) Increasing judicial salaries by 13 per cent over a two-year period;
- (3) Appropriating \$4,121,073 to fund the salary increases for fiscal year 1999-2000 and \$2,121,413 for fiscal year 2000-2001; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 20, 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. 20, H.D. 2, S.D. 2, C.D. 1.

Senators Chumbley, Matsunaga, Taniguchi, Fukunaga, Levin, Ihara, Anderson.
Managers on the part of the Senate.

Representatives Oshiro, P., Takamine, Lee, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 149 on H.B. No. 1095

The purpose of this bill is to restart the four-year cycle for the process to review the salaries for the trustees of the Office of Hawaiian Affairs.

Your Committee finds that Act 358, Session Laws of Hawaii 1993, originally set forth a scheme in which a salary commission for the trustees would be appointed by the Governor by November 30, 1996, and every four years thereafter. The commission would then submit recommendations regarding salary increases during the next regular session of the Legislature. Unfortunately, the salary commission was never appointed.

Your Committee has amended this bill by:

- (1) Inserting a new date for the deadline to appoint the salary commission; and
- (2) Requiring a report to be made to the Legislature by the twentieth day of the regular session of 2000 and every four years thereafter.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1095, 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. 1095, H.D. 1, S.D. 2, C.D. 1.

Senators Hanabusa, Levin, Chun, Kanno, Anderson.
Managers on the part of the Senate.

Senators Nakata and Tanaka did not sign the report.

Representatives Oshiro, P., Kanohe, Hamakawa, Kahikina, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 150 on H.B. No. 1111

The purpose of this bill is to provide protection for persons who make commercially reasonable efforts to find solutions for potential year 2000 errors in computer systems and to set standards and provide guidance as to what steps must be undertaken as part of commercially reasonable efforts.

Your Committee on Conference has amended this bill by:

- (1) Adding non-economic damages under the blanket protections;
- (2) Deleted the two year limitations on actions;
- (3) Clarifying that upon a finding that the respondent failed to engage in commercially reasonable efforts, the respondent is liable for all economic damages directly caused by the year 2000 error;
- (4) Adding the requirement that a credit reporting agency or a creditor not report negative credit information about a consumer if the credit reporting agency or creditor knew or should have known that the consumer was unable to meet financial obligations due to a year 2000 error;
- (5) Clarifying that the manufacturer or contractor who provided or serviced a government computer system or the computer software used by the system is liable to persons harmed by year 2000 errors to the same extent the person would be liable had this measure not existed;
- (6) Adds definitions for the terms "contractor" and "manufacturer of a government computer system or the computer software";
- (7) Clarifies that the chapter does not apply to any claim for physical injury or death;
- (8) Changing the effective date to be effective upon approval; and
- (9) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1111, 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. 1111, H.D. 2, S.D. 2, C.D. 1.

Senators Ige, D., Taniguchi, Chumbley, Matsunaga.
Managers on the part of the Senate.

Senator Kanno and Sakamoto did not sign the report.

Representatives Hamakawa, Nakasone, Catalani, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 151 on S.B. No. 953

The purpose of this measure is to establish a stewardship and partnering program within the office of environmental quality in order to improve the protection of natural and cultural resources.

Your Committee on Conference believes that this landmark measure creates the mechanism within state government for a creative and innovative program. The Stewardship and Partnering Program addresses the need to downsize government by encouraging the development of public and private partnerships to preserve Hawaii's natural and cultural resources.

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

- (1) Clarifying that any hiring by the administrator be approved by the council;
- (2) Changing the reference from "state resources" to "public resources";
- (3) Adding a definition of "natural and cultural resources";
- (4) Deleting the protocol fund provisions within the environmental special fund;
- (5) Adding a section to the new chapter to set out the conditions for acquisition of real property;
- (6) Exempting the program from grants and subsidies law;
- (7) Deleting the provision directing the council to adopt rules regarding the projects, operations, properties, and facilities of the program;
- (8) Amending Session Laws 1997 and 1998 to retain amendments to certain fund exemptions when those funds are reenacted;
- (9) Removing the appropriation section; and
- (10) Making technical amendments to conform to preferred drafting style.

Recognizing that current economic conditions preclude the immediate ability of the State to directly fund this program, your Committee on Conference has deleted the provisions that appropriate funds from the general revenues of the State to the Environmental Special Fund. However, it is the intent of your Committee on Conference that this shall not in any way adversely impact the program's implementation with contributions to the Environmental Special Fund from private sources.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 953, 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. 953, S.D. 2, H.D. 2, C.D. 1.

Senators Nakata, Inouye, Hanabusa, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Morita, Nakasone, Garcia, Schatz, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 152 on S.B. No. 1470

The purpose of this measure is to make an appropriation to fund salary increases and other cost adjustments for certain excluded legislative officers and employees.

Upon further consideration, your Committee on Conference has amended this measure by inserting the appropriate dollar amounts for the salary increases.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1470, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1470, H.D. 2, C.D. 1.

Senators Nakata, Fukunaga, Levin, Ige, D., Ige, M.
Managers on the part of the Senate.

Senator Slom did not sign the report.

Representatives Yoshinaga, Takamine, Kanoho, Kawakami, Moses.
Managers on the part of the House.

Conf. Com. Rep. No. 153 on S.B. No. 102

The purpose of this measure is to require the Department of Health to develop a statewide rural health plan and to establish a wireless enhanced 911 advisory board and fund.

Your Committee on Conference has amended this measure by:

- (1) Deleting references to an enhanced 911 system; and
- (2) Adding a provision relating to payment methodology for QUEST.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 102, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 102, S.D. 3, H.D. 2, C.D. 1.

Senators Chun Oakland, Fukunaga, Levin, Chun, Ige, D., Kawamoto, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Menor, Kawakami, Souki, Halford.
Managers on the part of the House.

Conf. Com. Rep. No. 154 on S.B. No. 513

The purpose of this measure is to establish guidelines for the establishment of family childcare homes in apartments, condominiums, and townhouses, to provide immunity from liability for townhouse associations that have properly established family child care homes, and to clarify zoning, land court registration, and real property covenant laws to allow for properly established family childcare homes.

Your Committee on Conference has amended this measure by:

- (1) Revising the definitions, as follows:
 - (A) Adding a definition of "Apartment";
 - (B) Clarifying the definition of "Association";
 - (C) Clarifying the definition of "Common elements";
 - (D) Clarifying the definition of "Family child care home" as a private residence, including an apartment, unit, or townhouse, where care may be provided for three to no more than six children, who are unrelated to the caregiver by blood, marriage, or adoption at any given time;
 - (E) Adding a definition of "Planned community"; and
 - (F) Clarifying the definition of "Townhouse";
- (2) Requiring that the family child care home operate on the ground floor unit with a ground floor entry;
- (3) Clarifying the requirements for giving notice;
- (4) Allowing an association to authorize a family child care home in an apartment;
- (5) Clarifying the conditions that an association may impose;
- (6) Clarifying the provisions relating to immunity from liability for the association; and
- (7) Making conforming amendments to provisions relating to zoning, land court registration, real property covenant laws, and licensing of family child care homes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 513, 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. 513, S.D. 2, H.D. 2, C.D. 1.

Senators Chun Oakland, Kanno, Taniguchi, Fukunaga.
Managers on the part of the Senate.

Senator Bunda did not sign the report.

Representatives Arakaki, Menor, Hamakawa, Kawakami, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 155 on S.B. No. 1032

The purpose of this measure is to establish procedures for the administration of involuntary psychoactive medication.

Upon further consideration, your Committee on Conference has amended this measure by deleting its contents and inserting a task force study on the administration of psychoactive medication to involuntarily committed persons who refuse to take prescribed medication.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1032, 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. 1032, S.D. 1, H.D. 2, C.D. 1.

Senators Chun Oakland, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Oshiro, P., Yamane, Garcia, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 156 on S.B. No. 1034

The purpose of this measure is to establish a Hawaii tobacco settlement special fund.

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

- (1) Deleting the definition of "Fund";
- (2) Adding a definition of "Tobacco settlement moneys";
- (3) Specifying percentage allocations of tobacco settlement moneys, as follows:
 - (A) Forty per cent to the emergency and budget reserve fund;
 - (B) Thirty-five per cent to the department of health for health related programs, including the children's health insurance program; and
 - (C) Twenty-five per cent to the Hawaii tobacco prevention and control trust fund;
- (4) Deleting references to a report by the Director of Finance on the condition of the emergency and budget reserve fund;
- (5) Creating a tobacco prevention and control advisory board;
- (6) Requiring the Director of Health to convene an advisory body for strategic planning and development of health related programs;
- (7) Exempting the Hawaii tobacco settlement special trust fund and emergency budget reserve fund from assessments for central services and administrative expenses; and
- (8) Making appropriation for dollar amounts to effectuate the allocation and transfer of moneys.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1034, 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. 1034, S.D. 1, H.D. 2, C.D. 1.

Senators Chun Oakland, Fukunaga, Levin, Chun.
Managers on the part of the Senate.

Representatives Santiago, Takamine, Kawakami, Suzuki, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 157 on S.B. No. 1229

The purpose of this measure is to establish a special fund for homeless assistance.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1229, 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. 1229, S.D. 1, H.D. 3, C.D. 1.

Senators Chun Oakland, Fukunaga, Levin, Tam, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Cachola, Yamane, Garcia.
Managers on the part of the House.

Representatives Kahikina and Pendleton did not sign the report.

Conf. Com. Rep. No. 158 on S.B. No. 844

The purpose of this measure is to establish the Hawaii equal insurance task force to study the financial and social implications of mandated equal mental health and substance abuse insurance coverage in Hawaii.

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

- (1) Adding a definition of "Serious mental illness";
- (2) Clarifying that the provision relating to covered benefits shall not be construed to limit serious mental illness benefits;
- (3) Prohibiting a health insurance plan from imposing rates, terms, and conditions if measures are not applied for other medical or surgical conditions, and providing for exemptions
- (4) Revising the membership of the task force;
- (5) Clarifying the duties of the task force; and
- (6) Changing the time the task force is to report from the 2000 Session to the 2001 Session.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 844, 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. 844, S.D. 2, H.D. 2, C.D. 1.

Senators Chun Oakland, Kanno, Taniguchi, Bunda, Slom.
Managers on the part of the Senate.

Representatives Santiago, Menor, Herkes, Leong.
Managers on the part of the House.

Representative Kawakami did not sign the report.

Conf. Com. Rep. No. 159 on S.B. No. 830

The purpose of this measure is to require health insurers, mutual benefit societies, and health maintenance organizations to reimburse providers and patients within a specified time period.

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

- (1) Deleting the findings paragraph in section 1;
- (2) Adding dental service corporations under chapter 423, Hawaii Revised Statutes, to the providers covered by this measure;
- (3) Specifying that unless shorter payment timeframes are otherwise specified in a contract the entity must reimburse an uncontested claim within thirty calendar days of receiving the claim;
- (4) Specifying that the entity notifies the healthcare provider in writing or electronically if a claim is contested or denied;
- (5) Adding the provision that any interest accrued on delayed claims is added to the amount of the unpaid claim;
- (6) Deleting language that authorizes the Insurance Commissioner to suspend the accrual of interest on untimely claims payments if the failure to pay a claim was necessary to protect the solvency of the insurer;
- (7) Making the effective date July 1, 2000, and repealing the measure on July 1, 2002; and
- (8) Making technical, nonsubstantive changes for the purpose of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 830, 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. 830, S.D. 1, H.D. 2, C.D. 1.

Senators Taniguchi, Kanno, Bunda, Ihara.

Managers on the part of the Senate.

Representatives Lee, Nakasone, Garcia, Suzuki, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 160 on S.B. No. 1082

The purpose of this measure is to provide for more efficient operations by the Bureau of Conveyances (Bureau) by:

- (1) Replacing the Bureau of Conveyances Equipment Modernization Special Fund with the Bureau of Conveyances Special Fund (Bureau Special Fund);
- (2) Authorizing the Bureau to change the fees charged for microfilm duplication;
- (3) Providing for the deposit of a portion of recordation fees received at the Bureau into the general fund;
- (4) Providing for the deposit of the remainder of recordation fees and other fees received at the Bureau into the Bureau Special Fund;
- (5) Directing the Bureau to pay for equipment, software, administrative costs, personnel, and improvements necessary for modernization of the recording system out of the Bureau Special Fund; and
- (6) Making an appropriation out of the Bureau Special Fund to be expended by the Department of Land and Natural Resources for the purposes of the Bureau Special Fund.

Upon further consideration, your Committee on Conference has amended the measure by requiring that the Bureau expend the funds in the newly created Bureau Special Fund for the purposes as specified in this measure.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1082, 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. 1082, S.D. 2, H.D. 2, C.D. 1.

Senators Hanabusa, Fukunaga, Levin, Kanno, Kawamoto, Taniguchi, Anderson.
Managers on the part of the Senate.

Representatives Cachola, Takamine, Garcia, Kanoho, Kawakami, Moses.
Managers on the part of the House.

Conf. Com. Rep. No. 161 on S.B. No. 1127

The purpose of this measure is to assess the health insurance industry for the costs incurred by the State in regulation of the industry by establishing a health insurance revolving fund.

Your Committee on Conference recognizes that an insurance regulation fund consolidating most of the Insurance Division's ("Division") special and revolving funds is being established in S.B. No. 1129, S.D. 1, H.D. 3, which will allow the Division to attain self-sufficiency, primarily through assessments and collection of fees.

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

- (1) Deleting the provisions relating to the health insurance revolving fund, since the insurance regulation fund is being established as stated above;
- (2) Providing a means of assessing most of the health care industry for the costs of regulating the industry, whereby the plans are assessed on a pro rata basis;
- (3) Establishing an assessment schedule where:
 - (A) For the fiscal biennium 2000-2002, a flat rate of \$10,000 for the first 70,000 private, nongovernment members and an additional assessment on a pro rata basis for any membership over 70,000; and
 - (B) For each year thereafter, on a pro rata basis;
- (4) Establishing a ceiling of \$1 million on the annual assessment;
- (5) Allowing the insurance commissioner ("commissioner") to suspend any assessment if the commissioner determines that the assessment may cause an entity to reach insolvency or other financial difficulty; and
- (6) Referencing the insurance regulation fund, rather than the health insurance revolving fund, to reflect the above.

Your Committee on Conference has provided the Insurance Division with a \$1 million ceiling to cover the actual costs of regulation and other general administrative duties. It is your Committee's intent that if the Insurance Division does not use the entire amount in any given year, the remainder shall be used to reduce the following year's assessment to reach the \$1 million ceiling.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1127, 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. 1127, S.D. 1, H.D. 3, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Senator Matsuura did not sign the report.

Representatives Santiago, Menor, Takamine, Chang, Moses.
Managers on the part of the House.

Conf. Com. Rep. No. 162 on S.B. No. 1144

The purpose of this measure is to provide that an unspecified portion of the franchise tax revenues shall be dedicated to the Financial Institution Examiners' Revolving Fund.

Upon careful consideration, your Committee on Conference has amended this measure to provide that:

- (1) The sum of \$2,500,000 shall be dedicated from the franchise tax revenues by June 30 of each fiscal year to the credit of the Compliance Resolution Fund; and
- (2) This measure shall become effective upon its approval.

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

Senators Kanno, Taniguchi, Levin, Bunda, Nakata.
Managers on the part of the Senate.

Representatives Menor, Takamine, Herkes, Kawakami, Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 163 on S.B. No. 1279

The purpose of this measure is to ensure the viability of universal telecommunications service in the State by precluding the use of moneys in the Universal Service Fund for purposes other than those related to the provision of universal telecommunications service. Specifically, the measure:

- (1) Establishes the Universal Service Fund as a special fund outside of the State treasury;
- (2) Exempts the Universal Service Fund from general fund assessments and administrative surcharges;
- (3) Authorizes a temporary loan from the Public Utilities Commission Special Fund to the Universal Service Fund; and
- (4) Appropriates \$800,000 out of the Universal Service Fund to fund the Universal Service Program.

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

- (1) Clarifying that the \$800,000 appropriation is for the Public Utilities Commission to carry out the purposes of the universal service program; and
- (2) Providing that the Universal Service Fund shall repay moneys borrowed from the Public Utilities Commission Special Fund when sufficient funds have been collected in the Universal Service Fund.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1279, 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. 1279, S.D. 2, H.D. 2, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Anderson.
Managers on the part of the Senate.

Representatives Herkes, Menor, Luke, Chang, Rath.
Managers on the part of the House.

Conf. Com. Rep. No. 164 on H.B. No. 162

The purpose of this measure is to enhance public service by agencies of the legislative branch by clarifying the scope of legislative powers and improving the functioning of legislative agencies.

Specifically, the measure:

- (1) Clarifies subpoena powers of state and county legislative bodies by removing obsolete references to the loyalty oath that was a part of the repealed Chapter 85, Hawaii Revised Statutes;
- (2) Provides funds to the public access room to increase its capability to provide public access, education, and support to citizens;
- (3) Funds a legislative media streaming pilot project to allow public access to legislative hearings on the Internet;
- (4) Transfers responsibility for statutory publications from the Lieutenant Governor to the Legislature to increase public access to these publications;
- (5) Funds replacement of the antiquated computer system of the Office of the Ombudsman to better service citizen complaints;
- (6) Provides initial funding for the Office of the Legislative Analyst to begin conducting a review and analysis of state economic conditions and fiscal matters; and
- (7) Providing funds to the Legislative Reference Bureau to study the feasibility of establishing and fostering a biotechnology and high technology industry in Hawaii.

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

- (1) Deleting the section that appropriates funds to move the Public Access Room;
- (2) Deleting the section that appropriates funds for the Legislative Reference Bureau to conduct a biotechnology feasibility study;
- (3) Clarifying that the Legislature has sole jurisdiction over all publications of the Hawaii Revised Statutes;
- (4) Adding provisions to ensure the smooth and efficient transition of control of legislative publications from the Office of the Lieutenant Governor to the Legislature; and
- (5) Appropriating specific amounts to fund the projects contained in the measure.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 162, 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. 162, H.D. 1, S.D. 2, C.D. 1.

Senators Chumbley, Fukunaga, Ige, D., Ihara, Anderson.
Managers on the part of the Senate.

Representatives Kanoho, Hamakawa, Ahu Isa, Halford.
Managers on the part of the House.

Representative Takamine did not sign the report.

Conf. Com. Rep. No. 165 on H.B. No. 1454

The purpose of this bill, as received by your Committee, is to clarify that a single, uniform fee of \$100 is to be applied to all probate actions involving a decedent's estate. Additionally, this bill increases the fee for civil district court filings from \$75 to \$100, and adds new fees to be assessed for administrative costs associated with processing of traffic offense citations.

Your Committee finds that the provisions of this bill will provide for the just administration of decedent's estates.

Your Committee further finds that the provisions of this bill will ensure that the costs of certain government operations will be borne by the users of services arising out of those operations. Your Committee finds that the provisions of this bill will generate additional revenue to fund needed judiciary services. Your Committee finds that it is not the intent of the legislature to have persons pay processing fees for traffic offense citations, when they are determined "not guilty" of those offenses.

Your Committee has amended this bill by:

- (1) Deleting the purpose section;

- (2) Adding language allowing an exception to the increased District Court civil filing fee, for temporary restraining order petitions filed under Section 604-10.5, Hawaii Revised Statutes;
- (3) Amending the proposed language regarding processing fees for traffic citations to clarify that those fees will not be assessed where an individual is determined "not guilty" of an offense for which they were cited, and to clarify that even traffic citations which do not require or result in arrest, are included in the types of citations for which processing fees will be assessed;
- (4) Adding a provision giving judges discretion to recover the actual cost of issuing a bench warrant by assessing a \$50 fine upon the person for whom the warrant is issued; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1454, 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. 1454, H.D. 2, S.D. 2, C.D. 1.

Senators Chumbley, Matsunaga, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Senator Ihara did not sign the report.

Representatives Hamakawa, Yamane, Hiraki, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 166 on H.B. No. 1138

The purpose of this bill is to:

- (1) Allow the Department of Health (DOH) to update its ability to investigate significant causes of illness which threaten the public health and safety; and
- (2) Appropriate funds to DOH to conduct soil testing for Village Park and West Loch Fairways as a part of an epidemiologic investigation to determine if physical and learning disabilities of children are caused by the soil.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$220,000 for DOH to conduct a response action, which shall include soil testing at Village Park and West Loch Fairways; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1138, 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. 1138, H.D. 1, S.D. 2, C.D. 1.

Senators Chun Oakland, Chumbley, Matsunaga, Levin, Kanno.
Managers on the part of the Senate.

Representatives Santiago, Menor, Kawakami, Garcia, McDermott.
Managers on the part of the House.

Conf. Com. Rep. No. 167 on H.B. No. 1146

The purpose of this bill is to:

- (1) Repeal the sunset date of Act 216, Session Laws of Hawaii 1997;
- (2) Increase from \$1 to \$3 the fee amount to be deposited into the Vital Statistics Improvement Special Fund (Special Fund);
- (3) Increase from \$4 to \$6 additional copies of certified birth, marriage, divorce, or death certificates; and
- (4) Require that copies of certificates be provided by the Department of Health free of charge to native Hawaiians, if provided directly to the Department of Hawaiian Home Lands or the Office of Hawaiian Affairs in connection with a claim or an entitlement.

Your Committee on Conference has amended this measure by:

- (1) Deleting fee increases into the Special Fund and for additional copies of certificates; and

- (2) Deleting the requirement that copies of certificates be provided free of charge to native Hawaiians if the certificates are to be used in connection with a claim or an entitlement.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1146, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1146, S.D. 2, C.D. 1.

Senators Chun Oakland, Fukunaga, Levin.
Managers on the part of the Senate.

Senator Anderson did not sign the report.

Representatives Santiago, Takamine, Leong.
Managers on the part of the House.

Conf. Com. Rep. No. 168 on H.B. No. 170

The purpose of this bill is to create a state income tax credit for long-term care insurance premiums.

Your Committee on Conference has agreed to the language in the H.D. 2 version of this bill and has amended this bill accordingly by:

- (1) Including a legislative findings and purpose section;
- (2) Including a provision to further conform the Hawaii income tax law to the federal income tax law which will allow taxpayers to deduct the cost of unreimbursed long-term care services and long-term care insurance premiums subject to the current floor of 7.5% of adjusted gross income; and
- (3) Deleting the tax credit for long-term care insurance premiums.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 170, 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. 170, H.D. 2, S.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Santiago, Menor, Kawakami.
Managers on the part of the House.

Representatives Suzuki and Whalen did not sign the report.

Conf. Com. Rep. No. 169 on H.B. No. 172

The purpose of this bill is to increase the availability of quality hospice care services by:

- (1) Requiring health insurers to cover hospice care services;
- (2) Allowing hospice homes in areas zoned for residential use; and
- (3) Authorizing the Department of Health to license and regulate hospice service agencies.

Your Committee on Conference has amended this bill by:

- (1) Requiring health insurers to reimburse costs of hospice room and board, as well as referral visits, rather than establishing a certain amount for reimbursement of room and board expenses;
- (2) Changing the content requirements and timing of the notice of hospice care coverage required to be sent by health insurers to their members and policyholders;
- (3) Moving the new definition of "hospice home" to section 321-15.1, Hawaii Revised Statutes; and
- (4) Making nonsubstantive, technical revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 172, 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. 172, H.D. 1, S.D. 2, C.D. 1.

Senators Chun Oakland, Fukunaga, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Lee, Kawakami, Kahikina, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 170 on H.B. No. 260

The purpose of this bill is to ensure that all of Hawaii's children will be safe, healthy, and ready to succeed in school by improving the affordability, accessibility, quality, and coordination of early childhood services.

With the passage of time, issues evolve, approaches to addressing issues are revised, and terminology changes. As education for young children has become more important, what was once known as "child care" is now commonly known as "early childhood education and care." However, state statutes and departmental rules may continue to use the obsolete term.

Your Committee on Conference urges the Department of Human Services (DHS) to review the Hawaii Revised Statutes (HRS) and its administrative rules during the legislative interim to identify inappropriate references to "child care." DHS is subsequently urged to change these references in its administrative rules to "early childhood education and care"; provided the changes do not jeopardize federal funding. In addition, DHS is requested to recommend prior to the 2000 Regular Session the necessary amendments to HRS in bill form to update the terminology.

Your Committee on Conference has amended this measure by deleting all appropriations provisions and inserting a means for early childhood screening when a child reaches the age of three.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 260, 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. 260, H.D. 2, S.D. 1, C.D. 1.

Senators Chun Oakland, Fukunaga, Levin, Chun, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Santiago, Kawakami, Kahikina.
Managers on the part of the House.

Representative Pendleton did not sign the report.

Conf. Com. Rep. No. 171 on H.B. No. 274

The purpose of this bill is to improve Hawaii's child protective system by:

- (1) Mandating training for foster parents of licensed foster homes and guardians ad litem;
- (2) Providing for protective custody of a child without a court order;
- (3) Requiring reporting of child abuse and neglect to police and the prosecuting attorney;
- (4) Establishing new provisions for permanent place hearings for children residing outside the family home for extended periods of time;
- (5) Establishing a medical case management procedure for medical oversight of children in the child protective services system; and
- (6) Appropriating funds for fiscal year 1999-2000 and fiscal year 2000-2001 for foster parent training.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that the Department of Human Services (DHS) develop a medical and health case management procedure of managing medical and health needs of children in the foster care system;
- (2) Requiring DHS to establish a procedure governing the timely enrollment of foster children into an appropriate health insurance program;
- (3) Requiring that new special licensed or relative foster home care providers complete foster parent training within the first year following placement of the first child into the new special licensed or relative foster home;
- (4) Removing the requirement that DHS inform the Office of the Prosecuting Attorney of all child abuse and neglect reports received by DHS;
- (5) Providing that the name of the person who reports a case of child abuse may be released to the police department or the Office of the Prosecuting Attorney with the person's consent;
- (6) Deleting the requirement that all guardians ad litem successfully complete training;

- (7) Deleting additional provisions relating to proceedings for permanent plan hearings for children residing outside the family home for extended periods of time;
- (8) Deleting appropriations for fiscal year 1999-2000 and fiscal year 2000-2001 for foster parent training; and
- (9) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 274, 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. 274, H.D. 3, S.D. 2, C.D. 1.

Senators Chun Oakland, Chumbley, Matsunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Hamakawa, Saiki, Lee, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 172 on H.B. No. 326

The purpose of this bill is to require health insurance coverage for medical foods and low-protein modified food products for the treatment of inborn metabolic diseases.

Among other things, this measure allows public assistance recipients and their dependents medical assistance coverage for medical foods and low-protein modified food products.

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

- (1) Deleting coverage of medical foods and low-protein modified food products for dependents of public assistance recipients; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 326, 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. 326, H.D. 1, S.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Chun Oakland, Slom.
Managers on the part of the Senate.

Representatives Santiago, Arakaki, Menor, Yamane, McDermott.
Managers on the part of the House.

Conf. Com. Rep. No. 173 on H.B. No. 547

The purpose of this bill is to increase the supply of organs for transplant recipients by expanding educational efforts on organ donation and improving organ referrals between hospitals and the local organ procurement organization.

Your Committee on Conference has amended this bill by:

- (1) Setting out a legislative finding that a grant to the Organ Donor Center of Hawaii is for a public purpose;
- (2) Authorizing counties to retain up to \$0.20 of each donated \$1 to pay for administrative costs related to collecting the fee;
- (3) Postponing the effective date of the sections relating to voluntary donations collected by the county departments of motor vehicle licensing and deposited in the Hawaii Organ and Tissue Education Fund to allow the counties sufficient time to prepare new forms and processes to administer the program; and
- (4) Inserting an appropriation in the amount of \$250,000 for fiscal year 2000-2001 as a grant to the Organ Donor Center of Hawaii for the purposes set forth in the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 547, 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. 547, H.D. 3, S.D. 2, C.D. 1.

Senators Chun Oakland, Chumbley, Matsunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Menor, Hamakawa, Marumoto.
Managers on the part of the House.

Representative Yamane did not sign the report.

Conf. Com. Rep. No. 174 on H.B. No. 1594

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the EV Community Development Corporation in financing the development and construction of an intergenerational care center at Kulana Malama, Ewa Villages.

Your Committee on Conference has amended this measure by:

- (1) Changing the appropriation in section 2 to \$15,000,000;
- (2) Providing that the bonds may also be used for the acquisition of the center; and
- (3) Providing that the bonds may be used for refinancing the costs of acquisition, development and construction of the center.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1594, 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. 1594, H.D. 1, S.D. 1, C.D. 1.

Senators Chun Oakland, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Kawakami, Kahikina.
Managers on the part of the House.

Representative Fox did not sign the report.

Conf. Com. Rep. No. 175 on H.B. No. 1663

The purpose of this bill, as received, is to:

- (1) Conduct soil testing for Village Park and West Loch Fairways to determine whether the soil is a cause of illnesses and the physical and learning disabilities of children and families living in these areas;
- (2) Require the Director of Health to adopt rules to establish an administrative process allowing the involuntary medication of psychiatric patients institutionalized at in-patient psychiatric facilities or the Hawaii State Hospital (HSH) to alleviate mental illness and restore competency while protecting the rights of patients; and
- (3) Require insurers, mutual benefit societies, and health maintenance organizations to pay an indemnity or reimbursement directly to the rural health care facility that provided services, regardless of the facility's participatory status with the insurer's, mutual benefit society's, or health maintenance organization's plan.

Since 1991, the State has been under the jurisdiction of the U.S. District Court to address a number of complex problems with HSH. These problems include clinical, operational, and managerial functions that involve both the hospital staff and administration. More recently, in January of 1999, the State was given a final deadline to improve problem areas at HSH.

By December 20, 1999, the State must show full compliance with a federal court order to comply with federal law relating to people with serious mental illnesses. Your Committee on Conference finds that if this deadline is not met, severe sanctions will be imposed by the federal court, which may include the potential appointment of a special federal master to administer HSH and the State's entire mental health system or fines of up to \$50,000 per day.

The appointment of a federal master will result in the State relinquishing all authority over HSH and the community mental health system. As such, the federal master would have unrestrained authority to require expenditure of State moneys without State input or control.

Your Committee on Conference finds that these recent developments at HSH have forced the Legislature to adopt a completely different approach to the treatment of the seriously mentally ill in Hawaii. Based on the foregoing, your Committee on Conference has amended this bill by deleting its substance and inserting provisions providing for the transition of HSH to a secure psychiatric rehabilitation facility. As amended, the purpose of this bill is to:

- (1) Transition HSH to a secure psychiatric rehabilitation facility for individuals who require intensive therapeutic treatment and rehabilitation, including appropriate acute care services;
- (2) Authorize the Director of Health to privatize functions currently performed at HSH as appropriate to the clinical needs of the population served in the least restrictive setting; and
- (3) Authorize the Department of Health to provide for comprehensive community-based programs and services for individuals discharged from HSH in accordance with this measure or individuals who might otherwise have been admitted to HSH. These programs, services, and individuals shall be reviewed and monitored by the Department of Health.

If the Director of Health decides to privatize the functions currently performed at HSH as authorized by this measure, it is the intent of your Committee that the Director of Health shall comply with the provisions of Act 230, Session Laws of Hawaii 1998.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1663, 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. 1663, H.D. 2, S.D. 2, C.D. 1.

Senators Chun Oakland, Fukunaga, Levin, Chumbley, Ige, D., Anderson.
Managers on the part of the Senate.

Senators Chun and Nakata did not sign the report.

Representatives Santiago, Yoshinaga, Yamane, Arakaki, Kanoho, Leong, Marumoto.
Managers on the part of the House.

Representative Nakasone did not sign the report.

Conf. Com. Rep. No. 176 on H.B. No. 1664

The purpose of this bill, as received by your Committee on Conference, is to strengthen the Hawaii Patient Bill of Rights and Responsibilities Act by implementing the recommendations of the patient rights and responsibilities task force.

After much discussion, your Committee on Conference has deleted the substance of H.B. No. 1664, H.D. 3, S.D. 1, and replaced it with provisions that establish two new special funds.

As amended, this bill:

- (1) Establishes within the Department of Health (DOH) a Hospital and Medical Facilities Special Fund (HMFS Fund) to offset program expenses of DOH's hospital and medical facilities branch;
- (2) Establishes within the State Treasury a State Health Planning and Development Special Fund to offset program expenses of the State Health Planning and Development Agency (SHPDA);
- (3) Amends section 321-11.5, Hawaii Revised Statutes, to require fees paid and collected from facilities seeking licensure or certification by the DOH to be deposited into the HMFS Fund.

Upon further discussion with SHPDA, the State Health Planning and Development Special Fund is expected to receive approximately \$30,000 annually.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1664, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1664, H.D. 3, S.D. 1, C.D. 1.

Senators Taniguchi, Kanno, Chun Oakland, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.

Representatives Santiago, Menor, Takamine, Chang, Halford.
Managers on the part of the House.

Conf. Com. Rep. No. 177 on H.B. No. 1675

The purpose of this measure is to extend the time to process individual Hawaiian home lands trust claims and provide funding to compensate claimants who received favorable judgments from the Hawaiian Home Lands Trust Individual Claims Review Panel.

Specifically, the measure:

- (1) Extends the Hawaiian Home Lands Trust Individual Claims Review Panel and the process to resolve individual claims of breaches of the Hawaiian Home Lands Trust for two more years to the year 2001;
- (2) Adds language that establishes a special account in the Hawaiian Home Lands Trust Fund for the purpose of compensating successful claimants who were awarded a monetary judgment by the Hawaiian Home Lands Trust Individual Claims Review Panel under Chapter 674, Hawaii Revised Statutes;
- (3) Transfers the cash value credit (\$14,498,565) the State sought to obtain from the Department of Hawaiian Home Lands for lands conveyed by Act 95, Session Laws of Hawaii 1996, for settlement payments owed under Chapter 673, Hawaii Revised Statutes, to the special account in the Hawaiian Home Lands Trust Fund;

- (4) Authorizes the issuance of general obligation bonds in the amount of \$1,936,111, to cover the additional amount necessary to compensate successful claimants who were awarded a monetary judgment by the Hawaiian Home Lands Trust Individual Claims Review Panel under Chapter 674, Hawaii Revised Statutes;
- (5) Sunsets the special account on June 30, 2004; and
- (6) States that the awards authorized by the Hawaiian Home Lands Trust Individual Claims Review Panel in either their 1997 or 1999 report and settled under this measure shall not serve as a precedent for any other unresolved claims brought under Chapter 674, Hawaii Revised Statutes.

Your Committee on Conference finds that Chapter 674, Hawaii Revised Statutes, established a process to resolve individual claims of breaches of the Hawaiian Home Lands Trust. The process, as originally conceived, was supposed to be concluded by 1997. Due to complications and the sheer volume of claims to be filed, not all claims could be filed by the original closing date. To remedy these problems the Legislature enacted Act 382, Session Laws of Hawaii 1997, which in part, extended the claims resolution process until December 31, 1999, and required the Attorney General, the Director of Finance, the Chairperson of the Hawaiian Homes Commission, and the Chairperson of the Hawaiian Home Lands Trust Individual Claims Review Panel to convene and establish a revised formula by which to compensate claimants. In 1998, Circuit Court Judge Marie Milks opined that the composition of the group to determine a revised formula had the appearance of bias and, therefore, ruled that the group was unconstitutional, thereby further slowing down the claims resolution process.

Your Committee on Conference believes that justice must prevail for those beneficiaries who have faithfully and patiently waded through the complex claims resolution process only to be put off year after year. Unfortunately, with the recent Circuit Court ruling which has clouded the issue of the amount of compensation owed to claimants, your Committee on Conference believes that a further extension is necessary.

Your Committee on Conference additionally finds that since the enactment of Chapter 674, Hawaii Revised Statutes, the State has fallen on hard financial times. Although your Committee on Conference believes that the Legislature remains committed to resolving past breaches of trust with individual claimants, general revenues to fund such a compensation package are virtually nonexistent.

In order to find innovative alternatives to compensate successful claimants who have been awarded monetary judgments by the Hawaiian Home Lands Trust Individual Claims Review Panel established pursuant to section 674-3, Hawaii Revised Statutes, without adversely impacting on the State's general fund, your Committee has amended the measure by:

- (1) Extending the life of the Hawaiian Home Lands Trust Individual Claims Review Panel for one more year instead of two years;
- (2) Deleting sections 6 through 11 of the measure which provide specific methods of financing to provide compensation to claimants who received favorable judgments from the Hawaiian Home Lands Trust Individual Claims Review Panel;
- (3) Inserting provisions which establish a Hawaiian Home Lands Trust Individual Claims Compensation Commission to develop alternative solutions for compensating claimants; and
- (4) Requiring the Hawaiian Home Lands Trust Individual Claims Compensation Commission to report its recommendations to the Legislature prior to the regular session of 2000.

Your Committee on Conference 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 Final Reading in the form attached hereto as H.B. No. 1675, H.D. 1, S.D. 1, C.D. 1.

Senators Hanabusa, Fukunaga, Levin, Chun, Anderson.
Managers on the part of the Senate.

Senators Nakata and Tanaka did not sign the report.

Representatives Oshiro, P., Saiki, Hamakawa, Yamane, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 178 on H.B. No. 1693

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for Honolulu Neighborhood Housing Services, Inc., a not-for-profit corporation that provides health care facilities.

After much consideration, your Committee on Conference has amended this bill to require developers to share their project plans and to solicit comments and concerns regarding such plans from surrounding residential and business communities.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1693, 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. 1693, H.D. 1, S.D. 1, C.D. 1.

Senators Chun Oakland, Fukunaga, Kawamoto, Anderson.

Managers on the part of the Senate.

Representatives Arakaki, Kawakami, Kahikina.
Managers on the part of the House.

Representative Pendleton did not sign the report.

Conf. Com. Rep. No. 179 on H.B. No. 634

The purpose of this bill is to create a temporary commission to support and coordinate the celebration of the centennial anniversary of the arrival of the Puerto Rican people to Hawaii.

Your Committee on Conference has amended the bill by:

- (1) Deleting the appropriation; and
- (2) Making technical, nonsubstantive revisions for style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 634, 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. 634, H.D. 1, S.D. 1, C.D. 1.

Senators Ige, D., Levin, Anderson.
Managers on the part of the Senate.

Senator Bunda did not sign the report.

Representatives Takai, Schatz, Santiago, Fox.
Managers on the part of the House.

Conf. Com. Rep. No. 180 on H.B. No. 1017

The purpose of this bill is to improve the quality and the availability of housing by:

- (1) Authorizing the issuance of short-term bonds for the repair and maintenance of State-owned public housing;
- (2) Increasing the ceiling of the total amount of bonds that may be issued for the Hula Mae single family mortgage purchase program from \$1,775,000,000 to an unspecified amount; and
- (3) Authorizing the issuance of general obligation bonds of an unspecified sum and appropriating that sum to the Rental Housing Trust Fund (RHTF).

Your Committee on Conference has amended the bill by:

- (1) Specifying the amount of \$2,275,000,000 as the new ceiling for the Hula Mae single family mortgage purchase program;
- (2) Removing the provision authorizing the issuance of short-term bonds for the repair and maintenance of State-owned housing;
- (3) Removing the provision authorizing the issuance of general obligation bonds of an unspecified sum and appropriating that sum to the Rental Housing Trust Fund; and
- (4) Making technical, nonsubstantive revisions for style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1017, 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. 1017, H.D. 1, S.D. 2, C.D. 1.

Senators Tam, Levin, Buen, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Kahikina, Stegmaier, Yamane, McDermott.
Managers on the part of the House.

Conf. Com. Rep. No. 181 on H.B. No. 1575

The purpose of this bill is to ensure the safety and comfort of the delegates of the Millennium Young People's Congress (Congress) by making an appropriation to fund home stays in host family homes for the Congress delegates, and for planning, coordination, transportation, and family support stipends.

Your Committee on Conference has amended this measure by changing the amount of the appropriation to \$

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1575, 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. 1575, H.D. 2, S.D. 1, C.D. 1.

Senators Chun Oakland, Fukunaga, Anderson.
Managers on the part of the Senate.

Representatives Arakaki, Kawakami, Kahikina, Stegmaier, McDermott.
Managers on the part of the House.

Conf. Com. Rep. No. 182 on H.B. No. 522

The purpose of this bill is to improve the school-to-work opportunities pilot project (Project) by:

- (1) Making the school-to-work opportunities executive council (Council) advisory in nature; and
- (2) Transferring management of the school-to-work opportunities staff to the Department of Education (DOE).

Your Committee on Conference has amended the bill by:

- (1) Retaining the governance authority of the Council;
- (2) Changing the process of selecting the executive director from an appointment by the Superintendent to a process by which the Superintendent nominates a candidate and the Council approves or disapproves;
- (3) Deleting the requirement for the DOE to provide staff services for the Council;
- (4) Deleting the requirement for Project staff to provide intermediary services for employers and educational institutions;
- (5) Requiring the Council and the Superintendent to develop a transition plan and to agree upon it by July 1, 1999;
- (6) Deleting the appropriation for the operations of the Project; and
- (7) Making technical, nonsubstantive revisions for style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 522, 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. 522, H.D. 3, S.D. 2, C.D. 1.

Senators Nakata, Ige, D., Fukunaga, Chun Oakland, Taniguchi, Slom.
Managers on the part of the Senate.

Representatives Ito, Yoshinaga, Catalani, Goodenow, Moses.
Managers on the part of the House.

Conf. Com. Rep. No. 183 on H.B. No. 854

The purpose of this bill is to reduce the maximum amount of general excise tax revenues that must be deposited into the state educational facilities improvement special fund, from \$90,000,000 per fiscal year, to an unspecified amount.

Your Committee on Conference has amended this measure to reduce the maximum amount that must be deposited into the state educational facilities fund, to \$45,000,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 854, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 854, S.D. 1, C.D. 1.

Senators Ige, D., Fukunaga, Levin, Sakamoto.
Managers on the part of the Senate.

Representatives Takamine, Kawakami, Meyer.
Managers on the part of the House.

Conf. Com. Rep. No. 184 on H.B. No. 765 (Majority)

The purpose of this bill is to:

- (1) Increase the rental motor vehicle surcharge tax from \$2 a day to an unspecified amount for the period of January 1, 2000, to December 31, 2001;

- (2) Exempt individuals renting a vehicle to replace a vehicle of the lessee that is being repaired from the rental motor vehicle surcharge tax for the period of January 1, 2000, to December 31, 2001;
- (3) Increase the tour vehicle surcharge tax to unspecified amounts;
- (4) Direct the Department of Taxation to deposit rental motor vehicle surcharge and tourist vehicle surcharge taxes to the credit of the state general fund in July 1, 1999;
- (5) Promote understandable and nondeceptive disclosure of airport concession rents and service permit fees paid to the Department of Transportation for access to public airports, while requiring U-drive lessors to provide annual reports showing how such expenses were computed and stating their total amounts; and
- (6) Allow the motor vehicle rental industry to receive commissions calculated in part from the sale of collision damage waivers.

Your Committee on Conference has amended this bill by:

- (1) Increasing the rental motor vehicle surcharge tax from \$2 to \$3 for a eight-year period;
- (2) Exempting persons renting a vehicle to replace a vehicle being repaired, provided that the repair order for the vehicle is retained by the lessor for four years for verification purposes;
- (3) Deleting the tour vehicle surcharge tax increase;
- (4) Deleting the provision depositing rental motor vehicle surcharge and tourist vehicle surcharge taxes to the credit of the state general fund;
- (5) Deleting the collision waiver provisions;
- (6) Designating state highway fund moneys to be deposited into the state general fund for fiscal biennium 1999-2001;
- (7) Making the effective date take effect upon approval; and
- (8) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 765, 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. 765, H.D. 1, S.D. 2, C.D. 1.

Senators Taniguchi, Kanno, Fukunaga, Levin, Kawamoto.
Managers on the part of the Senate.

Senator Bunda did not sign the report.

Representatives Hiraki, Menor, Takamine, Goodenow, Suzuki.
Managers on the part of the House.

Representative Whalen did not concur.

Conf. Com. Rep. No. 185 on H.B. No. 1198

The purpose of this bill is to create a mechanism to fund the Integrated Tax Information Management System by creating a special fund with revenues from the general excise tax.

Your Committee on Conference has amended the bill by:

- (1) Exempting the special fund from central services expenses;
- (2) Making the special fund responsible for its pro rata share of administrative expenses incurred by the Department of Taxation;
- (3) Inserting the appropriation amounts; and
- (4) Making technical, nonsubstantive revisions for style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1198, 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. 1198, H.D. 1, S.D. 1, C.D. 1.

Senators Ige, D., Fukunaga, Levin.
Managers on the part of the Senate.

Senators Sakamoto and Anderson did not sign the report.

Representatives Takamine, Kawakami, Nakasone.
Managers on the part of the House.

Representative Moses did not sign the report.

Conf. Com. Rep. No. 186 on H.B. No. 989

The purpose of this bill is to appropriate funds to:

- (1) Pay claims for judgments, settlements, legislative claims for relief, and other miscellaneous claims against the State;
- (2) Require that claims for legislative relief be made within six years from the date on which the claim for payment matured;
- (3) Require the Attorney General to consult with the Governor before entering into any settlement agreements for awards exceeding \$15,000 that are subject to legislative approval;
- (4) Require the Attorney General to develop and implement a procedure for advising its client agencies on how to avoid future claims; and
- (5) Require future claims for which money is required to satisfy a judgment or settlement agreement to be funded through the agency's departmental allocation and not by general fund appropriations when the agency fails to modify existing practices and procedures.

Your Committee on Conference has amended this bill by:

- (1) Removing the provision requiring certain claims to be paid out of the State Highway Fund and providing for payment of those claims out of the general fund;
- (2) Deleting the provision requiring future claims to be paid from the agency's departmental allocation instead of general funds when the agency fails to modify existing practices and procedures;
- (3) Requiring the Attorney General to consult with the Governor prior to entering into any settlement agreements for amounts exceeding \$75,000;
- (4) Requiring the Attorney General to report to the Speaker of the House of Representatives, the President of the Senate, and the chairs of the House and Senate Judiciary Committees no later than twenty days prior to the convening of each regular legislative session describing the claims and their attendant circumstances and containing the advice for corrective action rendered to the agency;
- (5) Requiring the Attorney General's report to reflect the remedial actions taken by the Attorney General or recommendations for remedial actions that should be taken by the Legislature if an agency fails to take corrective actions as recommended;
- (6) Deeming the Attorney General report confidential to prevent disclosure of confidential or privileged material pursuant to chapter 92F, Hawaii Revised Statutes;
- (7) Correcting a drafting error with respect to the Matsushima v. State settlement to reflect the correct civil case number;
- (8) Adding four additional claims as recommended by the Attorney General; and
- (9) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference believes that requiring the Attorney General to consult with the Governor on claims exceeding \$75,000 will result in greater accountability with respect to the settlement of claims against the State. Your Committee on Conference does not intend for this provision to require the Governor to sit on actual negotiations or settlement conferences but, instead, to merely review and approve those claims prior to the Attorney General's entering into any settlement agreement.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 989, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 989, H.D. 1, S.D. 2, C.D. 1.

Senators Chumbley, Matsunaga, Fukunaga, Sakamoto.
Managers on the part of the Senate.

Representatives Oshiro, P., Takamine, Hamakawa, Kawakami, Auwae.
Managers on the part of the House.

Conf. Com. Rep. No. 187 on H.B. No. 990

The purpose of this bill is to make an emergency appropriation to fund the legal services provided to the Department of Hawaiian Home Lands.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$97,216 to the Department of the Attorney General for legal representation of the Department of Hawaiian Home Lands;
- (2) Changing the effective date to July 1, 1999; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 990, 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. 990, H.D. 1, S.D. 1, C.D. 1.

Senators Hanabusa, Fukunaga, Levin, Chun, Kanno, Anderson.
Managers on the part of the Senate.

Senators Nakata and Tanaka did not sign the report.

Representatives Oshiro, P., Saiki, Hamakawa, Yamane, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 188 on H.B. No. 157 (Majority)

The purpose of this bill is to reduce prison overcrowding by establishing and funding an integrated community sanctions program consisting of:

- (1) Drug treatment programs including making permanent the drug court program within the circuit court of the first circuit;
- (2) Community reintegration programs;
- (3) Residential work-furlough programs;
- (4) The "Halfway In, Halfway Back" program for nonviolent inmates who are within the last six months of their incarceration;
- (5) Early parole programs; and
- (6) Post-release sex offender and substance abuse treatment services.

Your Committee on Conference has amended this bill by deleting all provisions except for the drug court and the "Halfway In, Halfway back" program.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 157, 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. 157, H.D. 2, S.D. 2, C.D. 1.

Senators Chumbley, Matsunaga, Fukunaga, Levin, Chun Oakland.
Managers on the part of the Senate.

Senator Anderson did not sign the report.

Representatives Hamakawa, Garcia.
Managers on the part of the House.

Representative Saiki did not concur.

Representative Pendleton did not sign the report.

Conf. Com. Rep. No. 189 on H.B. No. 1649

The purpose of this bill is to exempt from conveyance tax transfers of real property in connection with:

- (1) A merger or consolidation of entities; or
- (2) The dissolution of a limited partnership to a corporate general partner.

Your Committee on Conference has amended this bill by:

- (1) Limiting the chapters of the Hawaii Revised Statutes referenced in connection with a merger or consolidation to those chapters that specifically authorize mergers and consolidations;
- (2) Changing the effective date of the bill from July 1, 2010, to upon approval; and
- (3) Making technical, nonsubstantive changes to correct typographical errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1649, 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. 1649, H.D. 2, S.D. 1, C.D. 1.

Senators Fukunaga, Levin, Ige, D., Taniguchi.
Managers on the part of the Senate.

Senator Anderson did not sign the report.

Representatives Menor, Takamine, Catalani, Kaho'ohalahala, Souki, Whalen.
Managers on the part of the House.

Conf. Com. Rep. No. 190 on H.B. No. 104

The purpose of this bill is to change the composition of the Employer-Union Trust Concept Committee and to extend the scope of its mandated purpose by:

- (1) Providing that the Governor shall select the retiree member from a list of nominees submitted by the Public Employees Health Fund;
- (2) Clarifying that equal numbers of representatives from public employers and public employee organizations sit on the Committee and that a retired beneficiary of the Public Employees Health Fund be included among the employee members;
- (3) Extends the Committee's term until June 30, 2001; and
- (4) Requires the Committee to submit to the Legislature:
 - (A) Annual progress reports on November 21, 1999, May 15, 2000, and November 21, 2000;
 - (B) Annual action plans on November 1, 1999, and November 1, 2000; and
 - (C) A finalized proposal and implementing legislation no later than 20 days prior to the convening of the 2001 regular session.

Your Committee on Conference has amended this bill by:

- (1) Deleting reference to "employer-union trust concept" and replacing with "alternative concepts";
- (2) Deleting reference to "a suggested trust structure" and replacing with "suggested alternative structures";
- (3) Deleting reference to "trust structure" with "new structure"; and
- (4) Allowing any committee member or group of members to finalize a proposal to replace the existing public employees health fund with a system based on alternative concepts.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 104, 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. 104, H.D. 1, S.D. 2, C.D. 1.

Senators Kanno, Taniguchi, Fukunaga, Levin, Nakata, Slom.
Managers on the part of the Senate.

Representatives Yoshinaga, Catalani, Suzuki, Meyer.
Managers on the part of the House.

Representative Takamine did not sign the report.

Conf. Com. Rep. No. 191 on H.B. No. 499

The purpose of this bill is to amend provisions of the Employees' Retirement System (ERS) law by:

- (1) Allowing a conservation and resources law enforcement (DOCARE) officer to retire without penalty after twenty-five years of service;
- (2) Allowing the trustees of the Office of Hawaiian Affairs (OHA) to become class A contributory members of ERS, including certain qualified former trustees; and
- (3) Conditioning the provision of health fund benefits to the retired former trustees of OHA on OHA's reimbursement to the State for the employer's health fund contributions for such trustees.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provisions regarding OHA and the OHA trustees;
- (2) Authorizing DOCARE officers to convert to class A membership in ERS upon filing an election form with the ERS Board of Trustees;
- (3) Designating as class C members, DOCARE officers who do not elect to become class A members;
- (4) Allowing DOCARE officers to receive reduced retirement benefits after ten years of credited service; and
- (5) Designating all DOCARE officers hired after June 30, 1999, as class A members of ERS.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 499, 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. 499, H.D. 2, S.D. 2, C.D. 1.

Senators Kanno, Taniguchi, Hanabusa, Fukunaga, Levin, Nakata, Anderson.
Managers on the part of the Senate.

Representatives Yoshinaga, Oshiro, P., Takamine, Catalani, Goodenow, Moses.
Managers on the part of the House.

Conf. Com. Rep. No. 192 on H.B. No. 1416

The purpose of this bill is to amend the Employees' Retirement System (ERS) law to:

- (1) Allow deputy sheriffs to retire without penalty after twenty-five years of service;
- (2) Allow qualified contributory class members to convert their membership status to noncontributory and obtain a refund of their contributions in cases of financial hardship; and
- (3) Allow the chairpersons and members of the Public Utilities Commission, the Labor and Industrial Relations Appeals Board, and the Hawaii Labor Relations Board to become class A contributory members of ERS.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provision allowing qualified contributory class members to convert their membership in cases of financial hardship;
- (2) Deleting the provision allowing the chairpersons and members of the Public Utilities Commission, the Labor and Industrial Relations Appeals Board, and the Hawaii Labor Relations Board to become class A contributory members of ERS;
- (3) Authorizing deputy sheriffs to convert to class A membership in ERS upon filing an election form with the ERS Board of Trustees;
- (4) Designating as class C members deputy sheriffs who do not elect to become class A members;
- (5) Allowing a deputy sheriff to receive reduced retirement benefits after ten years of credited service; and
- (6) Designating all deputy sheriffs hired after June 30, 1999 as class A members.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1416, 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. 1416, H.D. 2, S.D. 2, C.D. 1.

Senators Kanno, Taniguchi, Chumbley, Matsunaga, Fukunaga, Levin, Ihara, Slom.
Managers on the part of the Senate.

Representatives Yoshinaga, Takamine, Catalani, Souki, Suzuki, Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 193 on H.B. No. 1038

The purpose of this bill is to appropriate and authorize funds to the Department of Budget and Finance, the Judiciary, and the Hawaii Health Systems Corporation and pay the cost of items negotiated in collective bargaining agreements with the representatives of units 1, 2, 3, 4, 6, 8, 9, 10, and 13, for state officers and employees who are excluded from these units.

Your Committee on Conference has amended this bill by:

- (1) Appropriating funds for FY 1998-1999, FY 1999-2000, and FY 2000-2001 for the purpose of this Act; and
- (2) Deleting appropriations for the Office of the Auditor, the Ethics Commission, the Legislative Reference Bureau, the Ombudsman, and the Hawaii Health Systems Corporation.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1038, 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. 1038, H.D. 1, S.D. 2, C.D. 1.

Senators Nakata, Levin, Fukunaga, Ige, D., Ige, M.
Managers on the part of the Senate.

Senators Kanno and Slom did not sign the report.

Representatives Yoshinaga, Takamine, Kanoho, Kawakami.
Managers on the part of the House.

Representative Moses did not sign the report.

Conf. Com. Rep. No. 194 on H.B. No. 142

The purpose of this bill is to repeal existing public employment laws, specifically those laws relating to civil service, compensation, public service, leaves of absence, hours of work, in-service training programs, and incentive and service awards, upon the adoption of replacement legislation by the Legislature redesigning the civil service system.

Specifically, this bill requires the Director of Human Resources Development to design and effectuate a process for modernizing the civil service system in collaboration with all stakeholders, labor and management included; and to submit draft and recommended model civil service legislation for the modernization of the civil service system to the Legislature.

In addition, as received by your Committee on Conference, this bill:

- (1) Provides a lump sum voluntary severance benefit or a one-time special retirement incentive benefit to a dislocated employee in exchange for the employee's right to exercise any reduction-in-force policy, collective bargaining agreement, rule, and placement and bumping procedure under collective bargaining;
- (2) Abolishes the position held by an employee who is provided a voluntary severance benefit or special retirement incentive benefit upon the termination or retirement of the employee, and reduces the affected agency's personnel count by one full-time equivalent (1.00 FTE) position for each full-time benefit conferred;
- (3) Requires the Legislature to establish the number of positions to be eliminated each fiscal year, requires the Department of Human Resources Development to brief employees on any workforce reduction plan, and requires the State to liquidate the additional actuarial present value of special retirement incentive benefits over a period of five years;
- (4) Allows employees of the Hawaii Public Broadcasting Authority to remain state employees without the loss of employment benefits and privileges upon the transfer of the Authority's licenses, assets, responsibilities, and functions to the Hawaii Public Television Foundation; or to be offered retraining for another position;
- (5) Allows agencies to establish flexible spending accounts in order to operate wage and salary reduction benefit programs that allow employees to reduce their pretax compensation in return for the payment of eligible benefits--or "cafeteria plans", and to hold contributions, earned interest, and forfeited balances in these accounts in trust outside the state treasury; and
- (6) Allows the Department of Human Resources Development, with the consent of the appropriate public employees unions, to conduct demonstration projects to determine whether a specific change in human resource management procedures, methods, policies, or statutes would result in improved human resource management within the State.

Your Committee on Conference has amended this bill to incorporate the many changes agreed to by representatives of labor and management, and by managers on the part of the House and Senate. Most notably, your Committee on Conference:

- (1) Established an advisory panel within the Department of Human Resources Development and assigned to the panel the task of modernizing the civil service system; limited the membership of the advisory panel; and expanded the scope of the panel's discussions;
- (2) Added a provision to allow the recruitment of personnel above the first step of the pay range;
- (3) Added a provision to make salary and wage overpayments the subject of collective bargaining;
- (4) Deleted the provisions relating to voluntary severance benefits and special retirement incentive benefits;
- (5) Deleted the provision relating to employees of the Hawaii Public Broadcasting Authority; and
- (6) Deleted the provision requiring the Legislature to establish the number of positions to be eliminated each fiscal year.

More specifically, your Committee on Conference limited the applicability of the provision relating to flexible spending accounts only to state employees.

Your Committee on Conference wishes to thank the parties involved in crafting this bill for their civility and diplomacy--including their ability to disagree without becoming disagreeable, and for their willingness to compromise on contentious issues for the good of the State.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 142, 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. 142, H.D. 1, S.D. 2, C.D. 1.

Senators Nakata, Fukunaga, Chun Oakland, Ihara, Taniguchi, Anderson.
Managers on the part of the Senate.

Senator Ige, D. did not sign the report.

Representatives Yoshinaga, Takamine, Catalani, Goodenow, Nakasone, Suzuki, Meyer, Moses.
Managers on the part of the House.

Conf. Com. Rep. No. 195 on S.C.R. No. 184

The purpose of this concurrent resolution is to request a study of Hawaii's laws relating to domestic violence.

Your Committee finds that over the past decade, the Legislature has made great progress in its efforts to recognize and prevent domestic abuse. These efforts have included the adoption of mandatory periods of separation between family and household members, mandatory sentencing and fines for domestic abuse convictions, and mandatory offender treatment and intervention. However, in attempting to address the myriad aspects of domestic violence, piecemeal changes have been made to the law resulting in ambiguous interpretations or contradictory application of the law. Therefore, your Committee agrees that a thorough review of Hawaii's laws related to domestic violence is necessary to identify loopholes and inconsistencies in the laws. Your Committee acknowledges that in order to fully comprehend the legal and practical application of these laws, various constituencies should be consulted in conducting the study.

Upon further consideration, your Committee has amended this concurrent resolution by:

- (1) Assigning the responsibility for conducting the study to the Legislative Reference Bureau (Bureau) rather than a task force;
- (2) Requesting that the Bureau consult with the constituencies formerly named as the task force; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.C.R. No. 184, S.D. 1, H.D. 1, as amended herein, and recommends that it be adopted in the form attached hereto as S.C.R. No. 184, S.D. 1, H.D. 1, C.D. 1.

Senators Chumbley, Matsunaga, Chun Oakland.
Managers on the part of the Senate.

Representatives Arakaki, Hamakawa, Kahikina, Pendleton.
Managers on the part of the House.

STANDING COMMITTEE REPORTS

SCRep. 1 Transportation and Intergovernmental Affairs on S.B. No. 65

The purpose of this bill is to deem ineligible for employment with any state or county agency persons who failed to register with the Selective Service System or otherwise comply with the Military Selective Service Act.

Testimony in support of the bill was submitted by the Selective Services System's Local Board No. 5 and the Hawaii State Director of the Selective Service System.

The testimony received by your Committee indicated that several other states and the federal government have passed similar legislation making compliance with the Military Selective Service Act a pre-condition for state employment, federal appointments, and receiving student financial aid.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this bill will increase public awareness of the registration requirements of the Military Selective Service Act and encourage voluntary compliance.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 65 and recommends that it pass Second Reading and be referred to the Committee on Labor and Environment.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 2 Ways and Means on H.B. No. 85

The purpose of this bill is to appropriate funds to provide for the expenses of the legislature, the auditor, the legislative reference bureau, the ombudsman, and the state ethics commission during the 1999 regular session and through the remainder of the 1999-2000 fiscal year.

Your Committee finds that the legislative budget proposed by this bill is the same budget proposed last year. Considering the austere and tentative nature of economic and revenue projections currently forecast for the State, it is incumbent upon the legislature to proceed cautiously with all budget proposals, including its own. Therefore, this bill reflects your Committee's philosophy of cautious optimism with respect to constructing a budgetary plan for the State in the next two years.

Testimony was submitted in favor of this bill by the Hawaii State Ethics Commission, the Office of the Ombudsman, and Common Cause Hawaii.

Your Committee has amended the bill by clarifying the appropriation made in section 10 for the legislative broadcast program with respect to the effective date, expending agency and lapsing date.

As affirmed by the record of votes of the members 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. 85, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 85, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Iwase).

SCRep. 3 (Majority) Economic Development on S.B. No. 23

The purpose of this measure is to convert the two non-voting members of the Hawaii Tourism Authority (HTA) to voting members.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority. The Hawaii Hotel Association and the Maui Hotel Association submitted testimony in opposition.

Your Committee finds the HTA was established by the 1998 Legislature, and the transient accommodations tax was raised by one and one-quarter percent to fund this organization. Tourism accounts for nearly twenty-five percent of the gross state product, with nearly 7,000,000 visitors every year, and provides thirty percent of the civilian jobs in the State.

Your Committee further finds that tourism's enormous impact on the State's economy, as well as government support of the industry, requires adequate voting representation by all members of the HTA board. Current representation from the non-voting members has proven significant in helping to guide the direction of the board, but without voting powers these two members are limited in their participation and decision making. This measure will ensure that the contributions of all members of the board are weighed and considered in guiding the HTA in its efforts to promote Hawaii's tourism industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 23 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 4 (Majority) Economic Development on S.B. No. 459

The purpose of this measure is to require that one of the at-large public voting members of the Hawaii Tourism Authority (HTA) be a representative of the Office of Hawaiian Affairs.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs. The Hawaii Tourism Authority, the Hawaii Hotel Association, and the Maui Hotel Association submitted testimony in opposition.

Your Committee finds the HTA was established by the 1998 Legislature, and the transient accommodations tax was raised by one and one-quarter percent to fund this organization. Currently, four of the ten public voting members represent the counties and the remaining public members are appointed at-large, with two from a list of three names nominated by the President of the Senate, and two from a list of three names nominated by the Speaker of the House of Representatives.

Your Committee also finds that a significant number of tourism activities and programs are based on Hawaii's indigenous culture, that of the Hawaiian people. Despite the importance of Hawaiian cultural history and traditions in attracting visitors to the State, currently there is no requirement to provide for representation from the Hawaiian community to the HTA board.

Your Committee believes this measure addresses the importance of including the Hawaiian community as an active participant in planning and promoting Hawaii's tourism industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 459 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, 2 (Kawamoto, Taniguchi).

SCRep. 5 (Majority) Economic Development on S.B. No. 716

The purpose of this measure is to authorize the Natural Energy Laboratory of Hawaii Authority (NELHA) to include retail or commercial enterprises, and retail, commercial, and tourism activities within its research and technology park.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and the Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that NELHA is one of premier facilities in the world for research, development, and commercialization of aquaculture and natural energy resources. While much of the funding for this work has previously come from the State and federal government, these funds have been greatly reduced and other sources of income must be developed.

Your Committee further finds that NELHA has explored a variety of options to increase private investment in the facility, and that retail concession activities have the potential to generate significant additional revenues and to reduce dependency on public funding.

In addition, your Committee understands that it is the intent of the NELHA to locate these new income producing activities away from the site of the current research facilities. Locating the retail and commercial enterprises on NELHA property near the highway will attract a larger clientele, both residents and tourists, and ensure that these activities do not unduly impact the ongoing research of NELHA.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 716 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 (Ige, M.). Excused, none.

SCRep. 6 (Majority) Economic Development on S.B. No. 816

The purpose of this measure is to extend the sunset date of the Convention Center Authority (CCA) from June 30, 1999, to June 30, 2000.

Your Committee received testimony in support of this measure from the Hawaii Hotel Association. The Department of Business, Economic Development, and Tourism testified in opposition.

Your Committee finds that this measure would provide a transition period needed to assure a smooth transfer of the CCA to the Hawaii Tourism Authority (HTA), which was established by the 1998 Legislature. Extending the CCA for an additional year, will allow the HTA to concentrate on its organization and mandate for marketing Hawaii tourism as a whole.

Your Committee also finds that there remain a number of site specific issues regarding the Convention Center, which the authority is in the process of resolving. Allowing the authority an additional twelve months to complete its monitoring role will ensure that Hawaii continues to have a world class Convention Center.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 816 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Ige, M.). Excused, 1 (Taniguchi).

SCRep. 7 Economic Development on S.B. No. 1071

The purpose of this measure is to authorize the use of Form U-7, a uniform question and answer document developed by the North American Securities Administrators Association, for the prospectus currently required under section 485-10(b)(3), Hawaii Revised Statutes, which will enable small companies to raise up to \$1,000,000 in start-up capital by selling stock directly to the public after registering the shares under a Small Corporate Offerings Registration (SCOR).

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Department of Commerce and Consumer Affairs, and The Hawaii Congress of Small Business.

Your Committee finds that lack of available capital is one of the most frequent reasons for small business failures in Hawaii. Small businesses need infusions of capital at various stages of their development, and the current process of applying for conventional loans or venture capital is both difficult and time consuming.

Your Committee further finds that forty-eight states have successfully adopted the SCOR procedure to make it possible for small businesses to obtain capital in a more efficient and less costly manner. Additionally, with the approval of SCOR the Small Business Administration will allow use of SCOR documents to establish the Angel Capital Electronic Network (ACE-Net) in Hawaii, a nationwide directory of high net worth individuals who are seeking investments in high growth companies.

Your Committee understands that establishment of a SCOR program is one of the ten top priorities of Hawaii's small business owners and operators, and believes this program will attract vital investment opportunities that will benefit both these businesses and the economy as a whole.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1071 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 8 (Majority) Economic Development on S.B. No. 976

The purpose of this measure is to create a construction industry branch within the Department of Business, Economic Development, and Tourism (DBEDT).

Your Committee received testimony in support of the concept of this measure from DBEDT.

Your Committee finds that the construction industry is a vital industry that has been most affected by Hawaii's current economic problems. Because it is closely tied to investment, the industry is extremely important, affecting not only our present economic wellbeing, but our capacity for future growth as well.

Your Committee also finds that the size of the construction industry fluctuates widely, and that data regarding the state of the industry is becoming increasingly difficult to determine on a timely basis.

Your Committee believes this measure will provide DBEDT with the authority to enhance their research, promotion, marketing, and support of this vital industry.

Your Committee has amended this measure to address the concern of DBEDT that the monitoring, investigation of complaints, and enforcement is beyond the scope of the department, by deleting references to those activities. Your Committee has also made a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 976, 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, none.

SCRep. 9 Transportation and Intergovernmental Affairs on S.C.R. No. 3

The purpose of this measure is to request approval of the Ford Island Redevelopment Project package by the United States Congress.

Testimony in support of this measure, was received from the Chamber of Commerce of Hawaii, Hawaii Business Roundtable, Associated Builders and Contractors, Inc., Hawaii Operating Engineers Industry Stabilization Fund, Oahu Economic Development Board, Pacific Resource Partnership, and Plumbers and Fitters Local 675, United Association. Oral testimony in support was presented by the Iron Workers Union.

The testimony received by your Committee indicated that the Ford Island Redevelopment Project will provide desperately needed infrastructure improvements to the Ford Island area by, among other things, building military family and other housing, replacement administrative and operational buildings, a conference center, and an historical and cultural center for the United States Navy in the Pacific. The development will bring over \$600 million to the State of Hawaii and will provide needed jobs for the State's construction industry.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will encourage the United States Congress to approve the Ford Island Redevelopment Project and express the State's total support of the project.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs 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, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 10 Transportation and Intergovernmental Affairs on S.R. No. 3

The purpose of this measure is to request approval of the Ford Island Redevelopment Project package by the United States Congress.

Testimony in support of this measure was received from the Chamber of Commerce of Hawaii, Hawaii Business Roundtable, Associated Builders and Contractors, Inc., Hawaii Operating Engineers Industry Stabilization Fund, Oahu Economic Development Board, Pacific Resource Partnership, and Plumbers and Fitters Local 675, United Association. Oral testimony in support was presented at the hearing by the Iron Workers Union.

The testimony received by your Committee indicated that the Ford Island Redevelopment Project will provide desperately needed infrastructure improvements to the Ford Island area by, among other things, building military family and other housing, replacement administrative and operational buildings, a conference center, and an historical and cultural center for the United States Navy in the Pacific. The development will bring over \$600 million to the State of Hawaii and will provide needed jobs for the State's construction industry.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will encourage the United States Congress to approve the Ford Island Redevelopment Project and express the State's total support of the project.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.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, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 11 Transportation and Intergovernmental Affairs on S.B. No. 58

The purpose of this bill is to require the forfeiture of the motor vehicle being driven at the time the driver commits a third offense of driving under the influence of an intoxicating liquor within five years of two prior convictions or an offense of habitually driving under the influence of an intoxicating liquor or drugs.

Testimony in support of this bill was received from the Governor's Highway Safety Council Impaired Driving Task Force, Department of Transportation, and Mothers Against Drunk Driving.

Testimony in support of the intent of this bill with recommendations was received from the Department of the Prosecuting Attorney of the City and County of Honolulu (Prosecuting Attorney) and the Traffic Division of the Honolulu Police Department, City and County of Honolulu (HPD).

Testimony in opposition to this bill was received from the Office of the Public Defender, State of Hawaii, and the Libertarian Party of Hawaii.

The testimony received by your Committee indicated that in Oregon and California where similar legislation was enacted the alcohol-related motor vehicle accidents, injuries, and fatalities decreased substantially. The Prosecuting Attorney and the HPD recommended that the forfeiture of a motor vehicle be a civil forfeiture only, rather than also a criminal penalty as indicated in the bill.

Opponents expressed concern that the forfeiture of a motor vehicle may be excessive and particularly burdensome on indigents.

Upon consideration of all pertinent issues and testimony presented, your Committee believes that this bill will have a positive affect in reducing the number of alcohol-related accidents, injuries, and deaths in this State. Your Committee amended this bill by making the forfeiture a civil forfeiture subject to chapter 712A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 58, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 12 Transportation and Intergovernmental Affairs on S.B. No. 155

The purpose of this measure is to disallow the use of a driver's social security number on a driver's license issued or renewed after December 31, 1999, and require use of a new identification numbering system for driver's licenses.

Testimony in support of this measure was received from the Department of Transportation and the Office of Information Practices. Comments were received from the Judiciary.

Testimony received by your Committee indicated that because social security numbers have been used in the private sector to identify an individual's interest with financial, educational, credit and medical institutions, as well as marketing, retail, and other consumer-oriented institutions, an unscrupulous person may easily use a social security number to steal a person's identity and use it for illegal purposes. Currently, a person's social security number may be obtained from a Hawaii driver's license.

Further testimony indicated that implementation by the Judiciary and the Department of Transportation of the necessary changes to the affected computer systems by December 31, 1999, may not be possible and that more time would be needed.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that removing the social security numbers from driver's licenses and implementing a new identification numbering system will further secure the privacy of personal information.

Your Committee has amended this measure by changing the date after which driver's licenses shall no longer include a driver's social security number and when the new numbering system is to be implemented from December 31, 1999, to July 31, 2000, in order to provide state agencies more time to modify the affected computer systems.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 155, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 13 Transportation and Intergovernmental Affairs on S.B. No. 162

The purpose of this measure is to increase the age of a child from age three to age four required to be properly restrained in a child passenger seat when being transported by motor vehicle.

Testimony in support of this measure was received from the Department of Transportation, Department of Health, Police Department of the City and County of Honolulu, Keiki Injury Prevention Coalition, and Mothers Against Drunk Driving.

The testimony received by your Committee indicated that this measure reflects the National Highway Traffic Safety Administration's standards and recommendations and should improve highway safety for children. Under current law, children between the ages of three and four are not required to be restrained in a child passenger seat. Therefore, the children are then restrained by standard motor vehicle seat belts that are generally designed to protect adults.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will provide children under the age of four improved highway safety and protection.

Your Committee has amended this measure by making a technical, nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 162, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Buen, Ige, D., Taniguchi).

SCRep. 14 Transportation and Intergovernmental Affairs on S.B. No. 660

The purpose of this bill is to impose a mandatory minimum consecutive jail sentence and \$500 fine in addition to penalties already provided by law for persons who commit the offense of driving under the influence of intoxicating liquor while having a passenger less than eighteen years of age in the motor vehicle.

Testimony in support of this bill was received from the Department of Transportation, Police Department of the City and County of Honolulu, Keiki Injury Prevention Coalition, Mothers Against Drunk Driving (MADD), and for members of MADD's Hawaii Youth In Action.

The testimony received by your Committee indicated that people who drive under the influence of alcohol put themselves and any passengers, especially minors, riding in the same motor vehicle at risk of injury and even death. Minors are in particular risk due to the fact that minors are subject to the authority of their parents, guardians, or older friends and trust them with their safety and well-being.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this bill will reduce the risk of injury and death to minors by deterring persons from driving while under the influence of an intoxicating liquor with a minor passenger and penalizing that behavior.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 660 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 15 Transportation and Intergovernmental Affairs on S.B. No. 672

The purpose of this measure is to require all children under the age of four to be restrained in a car seat, and all front and back seat passengers under the age of eighteen years to be restrained by a seat belt assembly.

Testimony in favor of this bill was given by the Department of Transportation, Department of Health, Hawaii Insurers Council, Keiki Injury Prevention Coalition, and Mothers Against Drunk Driving.

Your Committee finds that from 1986 through 1996 the average number of rear seat fatalities was 9.1 fatalities per year. There was an average of 28 incapacitating rear seat injuries per year and 232 rear seat nonincapacitating injuries per year for this same period.

Current law requires children under the age of three to be in a car seat, and passengers under age fifteen to use rear seat belts. Your Committee believes that requiring children under age four in rear seats to be restrained by an approved child passenger restraint system and a mandatory front and rear seat belt law for children under the age of eighteen will save lives and reduce injuries.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 672 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 16 Transportation and Intergovernmental Affairs on S.B. No. 685

The purpose of this measure is to repeal the requirement that a specific form be provided by the Director of Finance when registering a vehicle under two names that is not held in joint tenancy.

Testimony in support of this measure was submitted by the City and County of Honolulu.

Your Committee finds that this measure eliminates the requirement that the counties provide a specific form for alternate types of joint ownership, thus clarifying the issue of whether or not the forms currently provided by the counties are legally sufficient. This measure would require proper legal documents to be provided if a vehicle is to be registered in the names of two or more persons that is not owned in joint tenancy.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 685 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 17 Transportation and Intergovernmental Affairs on S.B. No. 687

The purpose of this measure is to establish a graduated licensing procedure for persons under the age of seventeen.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs, Police Department for the City and County of Honolulu, State Farm Insurance Company, Keiki Injury Prevention Coalition, and one individual.

Testimony in support of the intent of the bill was received from the Department of Transportation, Department of Customer Services for the City and County of Honolulu, and Mothers Against Drunk Driving.

Your Committee finds that young people between the ages of 15 and 20 are statistically overrepresented in motor vehicle fatalities nationwide. In Hawaii, from 1993 through 1997, young people between the ages of 15 through 17 years represented over 8 percent of the traffic deaths.

Your Committee further finds that a graduated driver licensing system is designed to teach young drivers how to drive by controlling their progression towards a full licensing privilege. It does this through education, both on and off the roadway; by always having a supervising adult present; and by restricting the time of the day they may drive and who can be in the vehicle with them. This will teach young drivers good judgment and help them to develop experience, adequate driving skills, and responsibility on the roadway.

Your Committee has made technical, nonsubstantive amendments to the bill, and updated one provision to reflect 1998 amendments, to the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 687, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 18 Transportation and Intergovernmental Affairs on S.B. No. 913

The purpose of this measure is to establish a provision for elections by mail in the State. Specifically, this measure provides that any federal, state, or county election held other than on the date of a regularly scheduled primary and general election, may be conducted by mail.

Testimony in support of this measure was received from the Office of Elections, the Coordinating Council on Deafness, the Maui County Council, and Common Cause Hawaii.

Your Committee finds that this measure would allow the State to conduct a special election as an election by mail instead of a polling place election. Because section 11-174.5, Hawaii Revised Statutes, has been amended to provide one hundred-twenty days for a special election, this measure reduces the personnel and logistical problems associated with establishing such an election, thus making it easier to conduct an election within that time frame. Additionally, conducting an election by mail significantly reduces the cost of hiring election day officials and paying polling place fees.

Your Committee further finds that this measure would likely increase voter participation, as voters would be able to make their choices on their own time and at their own leisure. Also, voters with special needs, such as those who are deaf or hard of hearing, will have equal access to the election system, and will not have to deal with the hardship of communicating effectively with the workers at the polling places.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 913 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 19 Transportation and Intergovernmental Affairs on S.B. No. 922

The purpose of this measure is to include the knowing or reckless state of mind to the offense of unauthorized control of a propelled vehicle.

Testimony in support of this measure was submitted by the Honolulu Police Department and the Department of the Prosecuting Attorney. Testimony in support of the intent of this measure with reservations was submitted by the Office of the Public Defender.

Your Committee finds that by adding a knowing or reckless state of mind to this statute, it will greatly enhance the State's ability to effectively prosecute both auto thefts and chop shop operations. This would help to close the loophole many defense attorneys use by simply stating that they did not know the vehicle was stolen. This measure will contribute to the public safety of this State, and provide added protection for all motor vehicle owners.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 922 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Iwase, Taniguchi, Slom).

SCRep. 20 Transportation and Intergovernmental Affairs on S.B. No. 1164

The purpose of this measure is to authorize the director to enter into a driver's license reciprocity agreement with a foreign jurisdiction, to exempt drivers over age eighteen licensed under that jurisdiction to operate class one, two, or three, or a combination of these categories, from the Hawaii road test requirement.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT).

Your Committee finds that this measure will expedite the procedures for drivers from a foreign jurisdiction, while providing the same expedited service to Hawaii drivers in that jurisdiction, through the use of reciprocal agreements.

Your Committee further finds that any reciprocal agreement will be subject to a review involving the DOT, the counties, and the American Association of Motor Vehicle Administrators, which is forming a work group to study the issue of foreign reciprocal agreements to ensure these agreements do not result in reducing any driver licensing standard.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 21 Transportation and Intergovernmental Affairs on S.B. No. 392

The purpose of this measure is to authorize the issuance of general obligation bonds for the repair, upgrading, and reconstruction of Saddle Road, Hawaii.

Testimony in support of this bill was submitted by the Department of Transportation.

Your Committee finds that the Saddle Road is the most direct route connecting Hilo and Kona, the two urban centers on the island of Hawaii. However, because it was built in the 1940's there are sections of the road that have inadequate sight distances, substandard horizontal and vertical alignment, substandard pavement and shoulder widths, and narrow lateral clearances.

The Federal Highway Administration has assisted the State by conducting studies on improving Saddle Road. These studies respond to many issues including socio-cultural, native Hawaiian, environmental, and technical concerns which have been raised. Because these issues have been addressed, your Committee finds the bill necessary in easing the commuting difficulties on the island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 392 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 22 Transportation and Intergovernmental Affairs on S.B. No. 494

The purpose of this measure is to appropriate \$7,500 to the Department of Defense for fiscal year 1999-2000 as Hawaii's donation to the Women in Military Service for America Memorial at Arlington National Cemetery.

Testimony in support of this measure was submitted by the Advisory Board on Veterans Services, the Office of Veterans Services, the Kauai Veteran's Council, and a concerned citizen.

Your Committee finds that this memorial, which recognizes women who served so honorably and unselfishly during each and every conflict in which our nation has been involved, was long overdue. While women from all fifty states have been honored in this memorial, Hawaii is one of only six states which has not made a donation in support of this effort. This measure demonstrates the State's pride and gratitude for all that the 7,500 servicewomen of this State, and all the servicewomen around the country, have contributed to the protection and promotion of American values and ideals.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 494 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, 2 (Ige, D., Taniguchi).

SCRep. 23 Transportation and Intergovernmental Affairs on S.B. No. 662

The purpose of this measure is to extend the time period in which to record the transfer of ownership of a trailer from twenty to thirty days and increase the fee for failure to comply with the recording of a transfer of ownership from \$5 to \$50.

Testimony in support of this measure was received from the Department of Customer Services, City and County of Honolulu.

The testimony received by your Committee indicated that this measure would conform the transfer of trailer ownership recordation provisions with those relating to motor vehicles.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will encourage timely recordation of the transfer of ownership of a trailer. Your Committee has amended the measure to increase the fee for untimely recordation to \$10 rather than \$50.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 662, 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, 2 (Ige, D., Taniguchi).

SCRep. 24 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 686

The purpose of this measure is to increase the allowable motor vehicle certificate of registration fee that is imposed and used by the counties for highway beautification and abandoned vehicle disposal from \$1 to \$2.

Testimony in support of this measure was received from the Department of Parks and Recreation of the City and County of Honolulu, Kauai County Council, and Na Leo Pahi. The Office of the Mayor for Kauai County and a Kauai County Council member submitted testimony in support of the intent of this measure with suggested amendments. Oral testimony in support of this measure was received from the Department of Customer Services of the City and County of Honolulu.

Testimony in opposition to this measure was received from Catrala-Hawaii.

Your Committee finds that by increasing the motor vehicle certificate of registration fee, the respective county agencies responsible for highway beautification and abandoned vehicle disposal will be provided with the necessary resources to maintain highway beautification efforts and defray the increasing costs associated with abandoned vehicle disposal. However, testimony received from Catrala-Hawaii indicated that motor vehicle rental and leasing businesses would be adversely affected by this measure because it would increase their costs to do business.

Your Committee has amended this measure by increasing the amended fee increase from \$2 to \$3 and exempting U-drive motor vehicles from the fee increase provided in this measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 686, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 25 Transportation and Intergovernmental Affairs on S.B. No. 1166

The purpose of this measure is to build additional ship berths in Honolulu Harbor.

Written testimony in support of this measure was submitted by the Department of Transportation and American Hawaii Cruises. Oral testimony was submitted by Boats/Hawaii Inc.

Your Committee finds that cruise ship services to the Hawaiian Islands are undergoing rapid expansion and the capacity of the newly constructed ships is continuing to grow. It should be anticipated that within the next five years, Honolulu Harbor will regularly see three or more passenger vessels per day as many as thirty-five to forty times.

Additionally, foreign flag operators are continuing to increase their port calls in the Hawaiian Islands, and Honolulu in particular, over the next three to four years. Presently, their total contribution to the states economy is in excess of \$50,000,000 per year, and by the year 2004, this number could double or triple.

Your Committee further finds that dedicated passenger terminal facilities are available only at the Aloha Tower in Honolulu Harbor where two cruise ships can berth.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1166 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, 3 (Iwase, Taniguchi, Slom).

SCRep. 26 Transportation and Intergovernmental Affairs on S.B. No. 1214

The purpose of this measure is to extend the life of the temporary Hawaii Maritime Authority Commission and change the deadline for submittal of its report to the legislature from December 20, 1998, to December 20, 1999.

Written testimony in favor of this measure was submitted by the Department of Transportation, Department of Business, Economic Development, and Tourism, Hawaii Community Development Authority, Matson Navigation Company, Chamber of Commerce of Hawaii, and Boats/Hawaii Inc. Written testimony opposed to this measure was submitted by EnviroWatch, Inc. Oral testimony opposed to this measure was given by one individual. Informational testimony was submitted by Hawaii's Thousand Friends.

Your Committee finds that the Temporary Maritime Authority Commission was created by Act 183, Session Laws 1998, to create a temporary port authority to make recommendations to the Legislature as to the needs of the Authority, the role to be played by the Authority, and the functions thereof.

Your Committee further finds that numerous complex issues still need to be addressed by the temporary Commission, including, the type of governance structure that would best suit Hawaii, the amount of autonomy this agency would have, its relationship with the administration including the Governor and state departments, the civil service status of its employees and the financial impact of a port authority. Therefore, an extension of time is needed to extend the life of the temporary Hawaii Maritime Authority Commission.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1214 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, 3 (Iwase, Taniguchi, Slom).

SCRep. 27 Transportation and Intergovernmental Affairs on S.B. No. 665

The purpose of this measure is to allow riders with a valid learner's permit who enroll in a motorcycle education course that has been approved by the Department of Transportation or the commander of any branch of the armed services to qualify for insurance coverage.

Testimony in support of this measure was received from the Department of Transportation, Street Bikers United, Harley Owners Group, Carr's Insurance Agency, and an individual. Testimony in opposition to the measure was received from the Department of Commerce and Consumer Affairs, the University of Hawaii, the Motorcycle Safety Education Program, and two individuals.

Your Committee finds that current law forces those motorcycle or motor scooter riders who are unable to meet the educational requirement to operate their vehicles without liability coverage while learning how to ride. Your Committee has amended this bill by making a technical nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 665, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 665, 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, 2 (Ige, D., Taniguchi).

SCRep. 28 Transportation and Intergovernmental Affairs on S.B. No. 666

The purpose of this measure is to mandate those required to register with the Selective Service system to do so in order to be eligible for admission into any public institution of higher education.

Testimony in support of the intent of this bill was received from the University of Hawaii. Testimony in opposition to this bill was received by the Libertarian Party of Hawaii.

Your Committee understands the importance of complying with registration obligations for the Military Selective Service Act. Those required to register with the Selective Service system play a valuable role in serving our country. Your Committee finds that by making eligibility for admission into any public institution of higher education contingent upon registration with the Selective Service, the service that our young people can provide is ensured.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 666 and recommends that it pass Second Reading and be referred to the Committee on Education and Technology.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 29 Transportation and Intergovernmental Affairs on S.B. No. 663

The purpose of this measure is to extend the time period in which a new motor vehicle with a temporary number plate must be registered from 20 days to 30 days.

Testimony in support of this measure was received from the Department of Customer Services of the City and County of Honolulu.

Your Committee finds that the registration time period under section 286-54, Hawaii Revised Statutes, for an out-of-state motor vehicle is 30 days. This measure provides for consistency with respect to the time periods allotted for registering new and out-of-state motor vehicles.

Your Committee has amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 663, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 30 Transportation and Intergovernmental Affairs on S.B. No. 664

The purpose of this measure is to allow the Director of Finance to discard and permit new applications for inactive special number plates that have not been assigned or registered during the preceding three years.

Testimony in support of this measure was received from the Department of Customer Services, City and County of Honolulu.

The testimony received by your Committee indicated that there are numerous special number plates held in inventory awaiting initial issuance or reissuance. Many motor vehicle records with special number plates have been inactive for a number of years mainly due to the vehicles leaving the State of Hawaii. Under current law, applicants for the same letter-numeral combination of inactive special number plates are unable to obtain the special number plate until the next plate change year.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will facilitate the issuance of special number plates and reduce the inventory of inactive special number plates. Your Committee has amended this bill to include reuse of inactive license plates for antique motor vehicles that have not been assigned or registered during the preceding three years.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 664, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 664, 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, 2 (Ige, D., Taniguchi).

SCRep. 31 Transportation and Intergovernmental Affairs on S.B. No. 667

The purpose of this bill is to permit the use of high occupancy vehicle lanes by all vehicles between the hours of 7:00 a.m. and 8:00 a.m. on Interstate Route H-1 and permit use of the zipper lanes by vehicles carrying three and fewer passengers during specific hours.

Testimony in opposition to this bill was received from the Department of Transportation and one concerned citizen.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this bill allows for full utilization of the high occupancy vehicle and zipper lanes and will facilitate overall traffic flow especially during "rush hour". While your Committee realizes there may be some reduction in the Director of Transportation's discretion, your Committee finds that the amendments proposed in this bill will improve highway operations and traffic.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 32 Transportation and Intergovernmental Affairs on S.B. No. 676

The purpose of this measure is to permit the holder of a Type 3 driver's license to drive a motor vehicle with a gross vehicle weight rating of up to 12,000 pounds.

Testimony in support of this bill was received from the Hawaii Transportation Association, Legislative Information Services of Hawaii, and Ryder Transportation Services.

The testimony received by your Committee indicated that the gross vehicle weight rating increases in this bill are not a serious concern because the weight carrying capacities of currently manufactured vehicles can safely carry heavier loads. Ryder Transportation Services suggested that increasing the gross vehicle weight rating limitation for Type 3 licenses to 15,000 pounds would not compromise safety. The Hawaii Transportation Association concurred.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this bill will help local companies to transport their products efficiently and safely. Your Committee has amended this bill by increasing the gross vehicle weight rating limit for Type 3 driver's licenses to 15,000 instead of 12,000 pounds.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 676, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 33 Transportation and Intergovernmental Affairs on S.B. No. 1216

The purpose of this measure is to provide bicyclists with the option to ride on the edge of roadways, instead of merely requiring bicyclists to ride near to the right hand curb, or on the shoulder off of the roadway.

Testimony in support of this measure was received from the Department of Transportation and the Hawaii Bicycling League. Both supported this measure because it clarifies the areas of the roadway on which bicycles should be operated, and will reduce the hazards for bicycle riders.

Your Committee agrees with the testimony submitted and finds that this measure will be beneficial to both the State and to our bicyclists. Because many of the road shoulders of the State are unsafe and hazardous to bicyclists, this measure provides an alternative riding area. In so doing, the State reduces its liability for injured bicyclists.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1216 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 34 Economic Development on S.B. No. 480

The purpose of this measure is to add three new terms that may be used on the label of raw or processed macadamia nuts grown in Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Food Industry Association and Mauna Loa Macadamia Nut Corporation. The Department of Agriculture submitted testimony in opposition.

Your Committee finds that while the successful macadamia nut industry started in Hawaii, foreign competition is growing. Australia recently surpassed Hawaii as the world's largest producing region, and growers in Central and South America and Africa are expanding as well.

Your Committee further finds that creating a stronger image for Hawaii's macadamia nuts is critical to maintaining market share, and that this measure will provide the industry with additional flexibility in labeling and marketing Hawaii grown products worldwide.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 480 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, 2 (Kawamoto, Taniguchi).

SCRep. 35 Economic Development on S.B. No. 1060

The purposes of this measure are to:

- (1) Include credit unions in the definition of a "private lender";
- (2) Reduce the number of credit denials required for the Department of Agriculture's loan program; and
- (3) Allow the department to jointly service and collect on its portion of participation loans.

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds this measure will streamline the loan process, clarify applicable agricultural loan statutes, and increase the program's flexibility. These amendments will provide better and faster loan services to farmers, as well as increase efficiency and cost savings to the State.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 36 Economic Development on S.B. No. 1061

The purpose of this measure is to assess only cultivatable lands within the irrigation district boundaries.

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds that current assessments are based on total acreage, and do not take into account restrictions on the use of the acreage. More recent environmental laws and resource management regulations, such as Special Management Areas, the Coastal Zone Management Act, conservation district uses, and underground injection line regulations, restrict or prevent cultivation of stream beds, dry gulches, and others.

Your Committee agrees that if the water user cannot derive income from the acreage, the restricted portions should not be included in the assessed revenue base.

Your Committee has amended this measure to make a technical, nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1061, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 37 (Majority) Economic Development on S.B. No. 1064

The purpose of this measure is to appropriate funds out of the agriculture development revolving fund to allow the Agribusiness Development Corporation (ADC) to reimburse the papaya industry for securing patent licenses needed to commercialize the transgenic papaya, and to allow the ADC to carry out its ongoing projects.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation.

Your Committee finds that as a result of devastation to the papaya industry caused by the ringspot virus disease, the ADC authorized a project to assist the industry in securing the patent licenses for a disease-resistant papaya. Reimbursement to the industry for the patent licenses will exceed the sums currently appropriated from the revolving fund to the ADC.

Your Committee further finds that this is a request to increase the spending ceiling of the revolving fund for fiscal year 1998-1999, not a request for additional general funds. Your Committee is in support of this measure to provide critical assistance to the State's papaya industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1064 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 (Ige, M.). Excused, 2 (Kawamoto, Taniguchi).

SCRep. 38 Labor and Environment on S.B. No. 1284

The purpose of this measure is to appropriate funds for cost items in collective bargaining agreements for bargaining units 1 through 11 and 13 for fiscal years 1995 to 1998.

Testimony in support of this measure was received from the Office of Collective Bargaining, the Hawaii State AFL-CIO, the Hawaii Government Employees Association, the Hawaii State Teachers Association, United Public Workers, and an individual. Testimony in support of this measure with amendments was received from the Hawaii Health Systems Corporation.

Your Committee finds that the 1998 Legislature did not make appropriations to fund retroactive and continuing cost items in collective bargaining agreements for bargaining units 1 through 11 and 13 for fiscal years 1995 to 1998. This measure takes effect upon approval, similar to an emergency appropriation, making the funds available for the cost items in fiscal year 1999.

Your Committee has amended this bill to include appropriations for the employees of the Hawaii Health Systems Corporation which were not included in the general fund request. Technical, nonsubstantive amendments were also made.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1284, 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, 2 (Chun Oakland, Slom).

SCRep. 39 Labor and Environment on S.B. No. 1408

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 1.

Testimony in support of this measure was received from the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1408 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, 2 (Chun Oakland, Slom).

SCRep. 40 Labor and Environment on S.B. No. 1409

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 2.

Testimony in support of this measure was received from the Hawaii Government Employees Association and the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1409 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, 2 (Chun Oakland, Slom).

SCRep. 41 Labor and Environment on S.B. No. 1410

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 3.

Testimony in support of this measure was received from the Hawaii Government Employees Association and the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1410 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, 2 (Chun Oakland, Slom).

SCRep. 42 Labor and Environment on S.B. No. 1411

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 4.

Testimony in support of this measure was received from the Hawaii Government Employees Association and the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1411 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, 2 (Chun Oakland, Slom).

SCRep. 43 Labor and Environment on S.B. No. 1412

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 5.

Testimony in support of this measure was received from the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1412 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, 2 (Chun Oakland, Slom).

SCRep. 44 Labor and Environment on S.B. No. 1413

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 6.

Testimony in support of this measure was received from the Hawaii Government Employees Association and the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1413 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, 2 (Chun Oakland, Slom).

SCRep. 45 Labor and Environment on S.B. No. 1414

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 7.

Testimony in support of this measure was received from the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1414 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, 2 (Chun Oakland, Slom).

SCRep. 46 Labor and Environment on S.B. No. 1415

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 8.

Testimony in support of this measure was received from the Hawaii Government Employees Association and the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1415 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, 2 (Chun Oakland, Slom).

SCRep. 47 Labor and Environment on S.B. No. 1416

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 9.

Testimony in support of this measure was received from the Hawaii Government Employees Association and the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1416 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, 2 (Chun Oakland, Slom).

SCRep. 48 Labor and Environment on S.B. No. 1417

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 10.

Testimony in support of this measure was received from the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1417 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, 2 (Chun Oakland, Slom).

SCRep. 49 Labor and Environment on S.B. No. 1418

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 11.

Testimony in support of this measure was received from the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1418 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, 2 (Chun Oakland, Slom).

SCRep. 50 Labor and Environment on S.B. No. 1419

The purpose of this measure is to appropriate funds for the 1999-2001 fiscal biennium to cover cost items contained in the negotiated agreement for bargaining unit 13.

Testimony in support of this measure was received from the Hawaii Government Employees Association and the United Public Workers.

Your Committee finds that negotiations are currently in progress for this bargaining unit. This measure is being reported out of committee in anticipation of the need for a mechanism to fund the cost items in the resulting agreement.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1419 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, 2 (Chun Oakland, Slom).

SCRep. 51 Transportation and Intergovernmental Affairs on S.B. No. 161

The purpose of this measure is to gradually increase the age of minors not allowed to be carried in the bed or load-carrying area of a pickup truck so that by January 1, 2004, all minors under the age of eighteen are prohibited.

Testimony in support of this measure was received from the Department of Transportation, Police Department of the City and County of Honolulu, Hawaii Insurers Council, and Mothers Against Drunk Driving. The Hawaii State Department of Health and the Keiki Injury Prevention Coalition submitted testimony in support of the intention of this measure with recommendations that the ban should also extend to adults.

Currently, minors under the age of thirteen may not be carried in the bed or load-carrying area of a pickup truck. The testimony received by your Committee indicated that passengers, especially minors, are at increased risk of serious injury and death when riding in the bed or load-carrying area of trucks. This measure will help in reducing that risk by applying the ban to older minors.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will improve highway safety for minors and the public in general.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 161 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Buen, Ige, D., Taniguchi).

SCRep. 52 Transportation and Intergovernmental Affairs on S.B. No. 1169

The purpose of this measure is to strengthen the driver's licensing law with respect to minors to promote safety and responsibility.

Specifically, this measure will:

- (1) Establish a driving curfew between the hours of 11 p.m. and 4 a.m. for all minors under the age of eighteen, unless accompanied by a licensed driver over age twenty-one, or when driving is necessary for school or work activities, or the minor is an emancipated minor;
- (2) Require the Director of Transportation to establish and certify a behind-the-wheel driver training program and to require applicants for a driver's license to complete such training;
- (3) Require applicants for a driver's permit to complete a driver education course; and
- (4) Require the courts to revoke the license of any driver under age eighteen, who is convicted of, or found to have committed a traffic infraction, other than parking, standing and equipment offenses, and offenses by pedestrians.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), the Department of Commerce and Consumer Affairs, the Department of Health, the Police Department of the City and County of Honolulu, the Governor's Highway Safety Council, the Keiki Injury Prevention Coalition, Mothers Against Drunk Driving, and Hawaii Youth in Action. The Office of the Public Defender submitted testimony in opposition.

Your Committee finds that in Hawaii, teenage drivers are more than twice as likely to be in a fatal crash as adult drivers. While teenage drivers account for only five percent of all licensed drivers, they account for eleven percent of all drivers involved in fatal crashes, according to a 1997 report by the National Association of Independent Insurers.

Your Committee further finds that the DOT has received extensive community input on traffic safety issues during the Oahu Trans 2K public hearing process and through a community attitude survey conducted in November 1998. In the Oahu Trans 2K hearings, the overwhelming majority of public requests regarding traffic safety were for greater education for new drivers in traffic laws and driving skills. The survey found that seventy-seven percent of statewide respondents supported a mandatory driver education course in order to obtain a learners permit, and seventy percent supported nighttime restrictions on driving.

Your Committee believes that this measure is an effective response to driver safety concerns, ensuring that new drivers have adequate training and making Hawaii's streets safer for both teenage drivers and the public in general.

Your Committee has amended this measure to make technical amendments to conform to standard drafting procedures.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1169, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 53 Transportation and Intergovernmental Affairs on S.B. No. 1186

The purpose of this measure is to suspend the driving privileges of persons, especially minors and persons under the age of twenty-one, who commit an act constituting graffiti and to clarify the definition of graffiti.

Testimony in support of this measure was received from one individual. Testimony in opposition to this measure was received from the Office of the Public Defender.

Testimony indicated that graffiti is a major problem in this State. However, the Office of the Public Defender testified that this measure inequitably punishes minors and persons under the age of twenty-one who highly value driving privileges. This measure would suspend the driving privileges of a sixteen year old minor who committed an act constituting graffiti for five years until the minor reached the age of twenty-one. Persons over the age of seventeen would have their driving privileges suspended for one year.

Your Committee finds that although this measure provides for substantial penalties for persons, especially minors and persons under the age of 21, who commit an act constituting graffiti, these penalties will serve as an effective deterrent against graffiti in this State.

Your Committee has amended this measure by clarifying that these penalties apply to persons and minors who commit acts constituting graffiti.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1186, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Iwase, Taniguchi, Slom).

SCRep. 54 Transportation and Intergovernmental Affairs on S.B. No. 76

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for capital improvement projects for the county of Kauai.

Testimony in support of this measure was received from the Kauai County Council, Transportation Agency of the County of Kauai, Police Department of the County of Kauai (KPD), Kauai Chapter of the State of Hawaii Organization of Police Officers, Contractors Association of Kauai, Textron Systems Kauai, and Poipu Beach Resort Association.

Testimony indicated support for the appropriations in this measure with particular support for a new headquarters for the KPD and civil defense operating center. The current building that serves as headquarters for the KPD is a substandard structure that has leaking roofs, experiences regular flooding, lacks locker facilities for female police officers, and provides inadequate office space and detention facilities. Testimony also indicated that the civil defense operating center was inadequate to handle current operations.

Your Committee finds that the KPD is in need of a new headquarters and the other projects proposed in this measure will improve the safety, security, welfare, and overall quality of life for residents of Kauai County.

Your Committee has amended this measure by deleting the amounts appropriated and deferring this determination to the Committee on Ways and Means. Your Committee also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 76, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 55 Transportation and Intergovernmental Affairs on S.B. No. 959

The purpose of this measure is to redefine "special facility" to include air cargo operations for purposes of issuing special facility revenue bonds and leases for airports.

Testimony in support of this measure was received from Hawaiian Airlines, Inc. and testimony commenting on the measure with suggested amendments was received from the Department of Budget and Finance, and the Airlines Committee of Hawaii.

Testimony in opposition to this measure was received from the Department of Transportation.

Your Committee believes that permitting the issuance of special facility revenue bonds and leases for air cargo facilities and operations will foster economic growth in the State.

Your Committee has amended this measure to further clarify that the term "special facility" includes air cargo facilities and operations, and to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 959, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 959, 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, 3 (Iwase, Taniguchi, Slom).

SCRep. 56 Transportation and Intergovernmental Affairs on S.B. No. 1255

The purpose of this measure is to authorize the issuance of general obligation bonds to build a Hawaii Island veterans memorial center.

Your Committee received testimony in support of this measure from the Office of Veterans Services, the Advisory Board of Veterans Services, the Big Island Veterans Association, the Hawaii Island Veterans Memorial, Inc., the Hawaii Island Veterans Memorial Organization, the Oahu Veterans Council, and two individuals.

Your Committee finds that there are over 14,000 veterans in Hawaii County. After many, many years of planning and working to develop a sound, comprehensive program of services, a suitable site had been identified and is available. When completed, the center will be a one-stop facility, providing counseling, financial assistance, and medical care, as well as a variety of other support services, and space for other veterans organizations.

Your Committee is in full support of this facility and the services it will provide to veterans on the Island of Hawaii. Your Committee has amended this measure to delete specific dollar amounts, and defers to the Committee on Ways and Means for final determination.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1255, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 57 Transportation and Intergovernmental Affairs on S.B. No. 1256

The purpose of this measure is to appropriate funds for the establishment of an interisland ferry system between the islands of Maui and Molokai.

Testimony in support of this measure was received from the Department of Transportation (DOT), County Council for the County of Maui, and Chamber of Commerce of Hawaii.

Testimony indicated that the DOT needs \$3.75 million for the acquisition of a ferry vessel to establish an interisland ferry system between the islands of Maui and Molokai. The DOT is currently pursuing Federal Transit Administration funding for federal fiscal year 2000 in the amount of \$3 million with a local match of \$750,000. The proposed interisland ferry system would provide a vital employment link between the islands of Maui and Molokai by creating a low-cost alternative to travelling by plane between the islands. As a result, an interisland ferry system would have a positive economic impact on both the islands of Maui and Molokai.

Your Committee has amended this measure by inserting \$750,000 as the amount being appropriated and clarifying that the amount appropriated is matching funds for the \$3 million in funds being pursued by the DOT from the Federal Transit Administration.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1256, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 58 Transportation and Intergovernmental Affairs on S.B. No. 808

The purpose of this measure is to add assault to the list of criminal activities that the liquor commission may consider in revocation or suspension of renewal of an existing liquor license.

Your Committee received testimony in support of this measure from the Ala Moana/Kakaako Neighborhood Board No. 11 and two individuals.

Your Committee finds expanding the factors that the liquor commission may consider during license renewals will help to further alleviate problems for residents in neighborhoods where these establishments are located. The measure will give the commission additional controls, and result in a better quality of life for nearby residents.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 808 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 59 Transportation and Intergovernmental Affairs on S.B. No. 1168

The purpose of this measure is to authorize the State to license a driver with a valid and qualified commercial driver's license issued by another state or a Canadian province, without requiring the driver to pass a knowledge or skills test, unless a hazardous materials endorsement is required.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that this amendment will promote consistency within the State in the administration of the commercial driver's license program, while adhering to compliance with the minimum federal standards for commercial driver's licensing.

Your Committee is in support of this measure, and has made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1168, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 60 Transportation and Intergovernmental Affairs on S.B. No. 1194

The purpose of this measure is to permit school buses to utilize high occupancy vehicle and zipper lanes.

Testimony in opposition to this measure was received from the Department of Transportation, Chamber of Commerce of Hawaii, and Leeward Oahu Transportation Management Association.

Testimony in opposition to this measure pointed out that school buses are already permitted in the high occupancy vehicle and zipper lanes provided that those vehicles meet the minimum occupancy requirements.

Your Committee believes that permitting school buses to utilize high occupancy vehicle and zipper lanes, regardless of the number of occupants, will reduce traffic congestion and improve overall traffic flow on the State's highways.

Your Committee has amended this measure to clarify that the inclusion for school buses is a statutory requirement not subject to change by rule or county ordinance. Your Committee also amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1194, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 61 Government Operations and Housing on S.B. No. 290

The purpose of this short form bill is to effectuate the purpose of this Act.

The purpose of this measure, as amended, is to require fifty percent of the expenditures from the Homes Revolving Fund and the Dwelling Unit Revolving Fund to be used for units which are affordable to persons and families with incomes at or below thirty percent of the median income level.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the action to report out S.B. No. 290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 290, S.D. 1, and be recommitted to the Committee on Government Operations and Housing for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 4 (Levin, Matsunaga, Sakamoto, Anderson).

SCRep. 62 Judiciary on Gov. Msg. No. 131

Recommending that the Senate advise and consent to the nomination of the following:

CIRCUIT COURT OF THE FIRST CIRCUIT

REYNALDO D. GRAULTY, gubernatorial nominee to the Circuit Court of the First Circuit, for a term of Ten Years,

Upon review of the background information submitted by the nominee, your Committee finds that Reynaldo D. Graulty holds a Bachelor's degree from the State University of New York at Albany and a J.D. degree from the University of Hawaii Richardson School of Law. Mr. Graulty has seventeen years of legal experience in private practice and served eight years in the Hawaii State

Legislature, first as a State Representative and subsequently as a State Senator. In addition, Mr. Grauly was appointed to serve as the State Insurance Commissioner in 1997. Mr. Grauly has been honored with several awards and recognition, including being named as one of the Five Outstanding Freshmen Legislators from the Twelfth State Legislature by the Honolulu Star Bulletin and awarded "Senator of the Year" for exemplary public service in 1995 by Common Cause Hawaii. Mr. Grauly also serves on the Board of Directors for the Legal Aid Society of Hawaii and is a member of the Juvenile Justice State Advisory Council.

Testimony in support of the nominee was submitted to your Committee by: the Department of Commerce and Consumer Affairs; the Office of the Public Defender; the Chief Deputy Public Defender; Hawaii State Bar Association; twenty-five business and community organizations; sixteen members of the legal community; and eleven private citizens. All testimony unanimously supported the nomination of Mr. Grauly by indicating that he is fair, impartial, compassionate, intelligent, hard working, and possess the highest level of integrity. Further, testifiers acknowledged that Mr. Grauly possesses the legal knowledge and ability, professional experience, judicial temperament, and diligence needed to be qualified as a judge in the First Circuit Court. Testimony was submitted by the Prosecuting Attorney for the City and County of Honolulu, commending the personal attributes of Mr. Grauly but raising concerns regarding the selection of Mr. Grauly over more experienced District Court Judges.

Your Committee members diligently questioned the nominee regarding his legal experience and the concerns expressed by the Prosecuting Attorney. In addition, your Committee questioned Mr. Grauly regarding his views on tort reform and whether he would face potential conflicts as a circuit court judge based upon his years as a legislator crafting these same laws. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 63 Judiciary on S.B. No. 1017

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary provisions.

Your Committee finds that all of the statutory amendments proposed by the measure are of a purely technical nature and either contain no substantive changes to the law, or, if they have any substantive effect, are done simply to correct the types of errors noted in this report.

Your Committee finds the reasons for the respective technical amendments made in the bill are as follows:

Section 1. Section 53-7(1), HRS, makes reference to "paragraphs (10) and (16) of section 53-1". L 1998, c 2, §19, amended §53-1, HRS, by, inter alia, deleting the paragraph designations. Section 53-7(1), HRS, should be amended by deleting "paragraphs (10) and (16) of" to conform to the amendment made to §53-1, HRS, by L 1998, c 2, §19.

Section 2. Section 53-53(1) and (2), HRS, makes reference to "[paragraph] (13) of section 53-1" and "[paragraph] (3) of section 53-1", respectively. L 1998, c 2, §19, amended §53-1, HRS, by, inter alia, deleting the paragraph designations. Section 53-53(1) and (2), HRS, should be amended by deleting "[paragraph] (13) of" and "[paragraph] (3) of", respectively, to conform to the amendment made to §53-1, HRS, by L 1998, c 2, §19.

Section 3. L 1998, c 51, §1, amended §76-28, HRS, by, inter alia, deleting the requirement that appointing authorities file notices of personnel actions, and to require instead that appointing authorities file "necessary forms" of personnel actions. Section 76-28, as amended, does not refer to "notices". The title to §76-28, however, still reads "Notices required of appointing authorities". Section 76-28, HRS, should be amended by amending its title to "Forms required of appointing authorities" to conform to the amendments made to §76-28 by L 1998, c 51, §1.

Section 4. L 1998, c 81, §3, amended §291-11.5(e), HRS, by, inter alia, requiring persons convicted of violating §291-11.5, HRS, for the first time to attend a child passenger restraint system safety class. Paragraphs (2)(C) and (3)(C) of subsection (e), as amended, however, refer to "child passenger system safety class". The omission of the word "restraint" in the reference to the safety class appears to have occurred as a result of a simple oversight. Section 291-11.5(e)(2)(C) and (e)(3)(C), HRS, should be amended by deleting the brackets around the word "restraint" in "child passenger restraint system safety class" to ratify the revisor's addition of "restraint".

Section 5. L 1998, c 145, §1, enacted §291C-133, HRS, regarding a motor vehicle driver's responsibility for removing waste material that falls from the motor vehicle onto a highway or roadway. Section 291C-133's title, as enacted, read "Waste material from motor vehicles". The revisor added the word "falling" after "Waste material" to make the title more clearly reflect the contents of the section. Section 291C-133, HRS, should be amended by deleting the brackets around the section title and the section number to ratify both the revisor's addition of the word "falling" in the title and the revisor's numbering of the section.

Section 6. L 1998, c 257, §1, added a new part to chapter 323D, HRS, which included §323D-82, HRS. As enacted, §323D-82 stated that "A person who has acquired or is engaged in the acquisition of a hospital shall not substantially reduce or eliminate direct patient care services at the hospital...." The remainder of the sentence refers to "reduction or elimination". The word "of" in "substantially reduce or eliminate" is apparently the result of a typographical error. Section 323D-82, HRS, should be amended by deleting the brackets around the word "or" in "substantially reduce or eliminate" to ratify the revisor's replacement of the word "of" with "or". Section 323D-82, HRS, should also be amended by deleting the brackets around the section number to ratify the revisor's numbering of the section.

Section 7. L 1998, c 242, §13, amended §342P-28, HRS, by, inter alia, amending the last sentence of the section to require that fees be deposited to the credit of the asbestos and lead abatement special fund. L 1998, c 311, §20, also amended §342P-28, HRS, by, inter alia, amending the last sentence to require that fees be deposited to the credit of the noise, radiation, and indoor air quality special fund. The revisor added the word "or" in the last sentence of §342P-28 to require that fees be deposited to the credit of the "asbestos and lead abatement special fund or noise, radiation, and indoor air quality special fund", to conform to the amendments made by L 1998, c 242, §13 and c 311, §20. Section 342P-28, HRS, should be amended by deleting the brackets around the word "or" to ratify the revisor's addition of "or".

Section 8. L 1998, c 206, §2, enacted §351-62.6, HRS. Section 351-62.6(a), as enacted, makes reference to the "criminal injuries compensation fund under section 351-62.5". L 1998, c 206, §3, amended §351-62.5, HRS, by, inter alia, renaming the "criminal injuries compensation fund" the "criminal injuries compensation special fund". L 1998, c 240, §7, also amended §351-62.5 by substituting "crime victim compensation fund" for "criminal injuries compensation fund". Thus, as a result of the amendments made to §351-62.5, HRS, by L 1998, c 206, §3 and c 240, §7, the criminal injuries compensation fund was renamed the "crime victim compensation special fund". The revisor replaced the reference to "criminal injuries compensation fund" in §351-62.6(a), HRS, with "crime victim compensation special fund", to conform to the amendments made by L 1998, c 206, §3 and c 240, §7. Section 351-62.6(a), HRS, should be amended by deleting the brackets around "crime victim compensation special fund" to ratify the revisor's replacement of "criminal injuries compensation fund" with "crime victim compensation special fund".

Section 9. L 1998, c 240, §7, amended §351-64.5, HRS, by substituting "crime victim compensation fund" for "criminal injuries compensation fund". The criminal injuries compensation fund is established in §351-62.5, HRS. L 1998, c 206, §3, amended §351-62.5 by, inter alia, renaming the "criminal injuries compensation fund" the "criminal injuries compensation special fund". L 1998, c 240, §7, also amended §351-62.5 by substituting "crime victim compensation fund" for "criminal injuries compensation fund". Thus, as a result of the amendments made to §351-62.5, HRS, by L 1998, c 206, §3 and c 240, §7, the criminal injuries compensation fund was renamed the "crime victim compensation special fund". The revisor replaced the word "fund" in "crime victim compensation fund" in §351-64.5(b), HRS, with "special fund" to conform to the amendments made by L 1998, c 206, §3 and c 240, §7. Section 351-64.5(b), HRS, should be amended by deleting the brackets around "special fund" in "crime victim compensation special fund" to ratify the revisor's replacement of "fund" with "special fund".

Section 10. L 1998, c 240, §7, amended §351-70, HRS, by substituting "crime victim compensation fund" for "criminal injuries compensation fund". The criminal injuries compensation fund is established in §351-62.5, HRS. L 1998, c 206, §3, amended §351-62.5 by, inter alia, renaming the "criminal injuries compensation fund" the "criminal injuries compensation special fund". L 1998, c 240, §7, also amended §351-62.5 by substituting "crime victim compensation fund" for "criminal injuries compensation fund". Thus, as a result of the amendments made to §351-62.5, HRS, by L 1998, c 206, §3 and c 240, §7, the criminal injuries compensation fund was renamed the "crime victim compensation special fund". The revisor replaced the word "fund" in "crime victim compensation fund" in §351-70, HRS, with "special fund" to conform to the amendments made by L 1998, c 206, §3 and c 240, §7. Section 351-70, HRS, should be amended by deleting the brackets around "special fund" in "crime victim compensation special fund" to ratify the revisor's replacement of "fund" with "special fund".

Section 11. L 1998, c 240, §7, amended §351-84, HRS, by substituting "crime victim compensation fund" for "criminal injuries compensation fund". The criminal injuries compensation fund is established in §351-62.5, HRS. L 1998, c 206, §3, amended §351-62.5 by, inter alia, renaming the "criminal injuries compensation fund" the "criminal injuries compensation special fund". L 1998, c 240, §7, also amended §351-62.5 by substituting "crime victim compensation fund" for "criminal injuries compensation fund". Thus, as a result of the amendments made to §351-62.5, HRS, by L 1998, c 206, §3 and c 240, §7, the criminal injuries compensation fund was renamed the "crime victim compensation special fund". The revisor replaced the word "fund" in "crime victim compensation fund" in §351-84(b), HRS, with "special fund" to conform to the amendments made by L 1998, c 206, §3 and c 240, §7. Section 351-84(b), HRS, should be amended by deleting the brackets around "special fund" in "crime victim compensation special fund" to ratify the revisor's replacement of "fund" with "special fund".

Section 12. L 1998, c 240, §7, amended §354D-12, HRS, by substituting "crime victim compensation fund" for "criminal injuries compensation fund". The criminal injuries compensation fund is established in §351-62.5, HRS. L 1998, c 206, §3, amended §351-62.5 by, inter alia, renaming the "criminal injuries compensation fund" the "criminal injuries compensation special fund". L 1998, c 240, §7, also amended §351-62.5 by substituting "crime victim compensation fund" for "criminal injuries compensation fund". Thus, as a result of the amendments made to §351-62.5, HRS, by L 1998, c 206, §3 and c 240, §7, the criminal injuries compensation fund was renamed the "crime victim compensation special fund". The revisor replaced the word "fund" in "crime victim compensation fund" in §354D-12(b)(1), HRS, with "special fund" to conform to the amendments made by L 1998, c 206, §3 and c 240, §7. Section 354D-12(b)(1), HRS, should be amended by deleting the brackets around "special fund" in "crime victim compensation special fund" to ratify the revisor's replacement of "fund" with "special fund".

Section 13. L 1998, c 252, §4, amended §431:14A-103(e) and (f), HRS. Prior to amendment, subsection (f) referred to "insolvency fund, or education and training fund". L 1998, c 252, §4, amended subsection (f), by, inter alia, omitting the words "or

education" before "and training fund" without bracketing or underscoring. The omission of "or education" appears to have occurred as a result of a simple oversight. Section 431:14A-103(f), HRS, should be amended by deleting the brackets around "or education" to ratify the revisor's replacement of "or education" before "and training fund".

Section 14. Section 468M-17, HRS, pertains to the adoption of rules. Section 468M-17, HRS, does not refer to regulations. However, the title of §468M-17 reads "Rules and regulations". Section 468M-17, HRS, should be amended by amending its title to delete "and regulations" to make the title consistent with the contents of the section. Section 468M-17, HRS, should also be amended by deleting the brackets around the section number to ratify the revisor's numbering of the section.

Section 15. L 1998, c 258, §11, amended §485-16, HRS, by, inter alia, adding subsection (b). Section 485-16(b), HRS, makes several references to "principal place of business". However, the beginning of the first sentence of subsection (b) refers to "an investment adviser that maintains its principal place in a state...." The omission of the words "of business" after "principal place" appears to have occurred as a result of a simple oversight. Section 485-16(b), HRS, should be amended by deleting the brackets around the words "of business" to ratify the revisor's addition of the words "of business".

Section 16. Section 571-84, HRS, was amended by L 1997, c 317, §4 and c 318, §3. L 1997, c 317, §4, amended §571-84(a). L 1997, c 318, §3, made several amendments to §571-84. Subsection (e) was amended, inter alia, to include a reference to subsection (j). However, subsection (j) does not exist.

An earlier draft of H.B. No. 106, which later became Act 318, had amended §571-84 to include a new subsection (j) (H.B. No. 106, H.D.1, S.D.1). The final draft of H.B. No. 106 (H.D.1, S.D.1, C.D.1) deleted subsection (j), but did not delete the reference to subsection (j) found in subsection (e). Therefore, §571-84(e), HRS, should be amended to delete the reference to subsection (j).

Section 17. L 1998, c 269, §1, enacted two new sections, one of them §706-646, HRS. Section 706-646(2) makes reference to the "criminal injuries compensation commission". Section 351-11, HRS, establishes the criminal injuries compensation commission. L 1998, c 240, §4 amended §351-11 by renaming the "criminal injuries compensation commission" the "crime victim compensation commission". The revisor replaced "criminal injuries compensation commission" with "crime victim compensation commission" in §706-646(2), to conform to the amendment made by L 1998, c 240, §4. Section 706-646(2), HRS, should be amended by deleting the brackets around "crime victim compensation commission" to ratify the revisor's replacement of "criminal injuries compensation commission" with "crime victim compensation commission".

Section 18. Section 709-906, HRS, is entitled "Abuse of family and household members; penalty". However, the section itself refers to and defines "family or household member". Section 709-906, HRS, should be amended by amending its title to "Abuse of family or household members; penalty" to make the title consistent with the contents of the section. Support for this amendment is also found in the fact that L 1998, c 172, §1, amended §586-1, HRS, by, inter alia, amending the defined term of "Family and household members" to "Family or household member".

Section 19. Section 712A-4, HRS, enumerates the offenses for which property is subject to forfeiture under chapter 712A. L 1998, cc 155 and 307 amended §712A-4. Both acts added new offenses for which property is subject to forfeiture; c 155, insurance fraud and c 307, unauthorized entry into motor vehicle. The amendments were harmonized so that effect was given to each.

L 1997, c 277, §3, amended §712A-4, by adding trademark counterfeiting as an offense for which property is subject to forfeiture.

L 1998, c 155, §4, amended the 1997 version of §712A-4. However, L 1998, c 307, §1, used the pre-1997 version of §712A-4 for amendment, omitting the reference to trademark counterfeiting.

Section 712A-4, HRS, should be amended to delete the brackets around "trademark counterfeiting," to ratify the revisor's replacement of "trademark counterfeiting".

Section 20. The regulation of activity providers was first enacted in 1990 by Act 214 and was scheduled for repeal on June 30, 1991.

In 1991, Act 240 amended L 1990, c 214, to, inter alia, extend the repeal date to June 30, 1993. Act 240 was also conditioned with a repeal date of June 30, 1993 (L 1991, c 240, §4).

The legislature extended and, ultimately, deleted L 1990, c 214's repeal date. (See L 1992, c 231, L 1995, c 174, and L 1998, c 248.) However, L 1991, c 240, §4 was never amended to extend or delete c 240's June 30, 1993 repeal date. Although the lack of amendment to L 1991, c 240, §4, was apparently due to a simple oversight, the fact that the June 30, 1993 repeal date was never extended or deleted may raise ambiguity regarding the validity of the amendments that L 1991, c 240 made to L 1990, c 214.

The legislature's subsequent actions in amending L 1991, c 240, however, clearly indicate that the legislature intended the amendments made by L 1991, c 240 to continue beyond c 240's June 30, 1993 repeal date. L 1991, c 240, §4, should be amended by deleting the June 30, 1993 repeal date.

Section 21. L 1998, c 53, §1, amended §76-56, HRS. The prefatory language in §1 stated that "Section 76-28" was amended. However, §1 set forth and amended §76-56, HRS. The prefatory language in L 1998, c 53, §1, should be amended to state that it is "Section 76-56" that is amended.

Section 22. L 1998, c 78, §3, amended L 1988, c 202, §3. The prefatory language in L 1998, c 78, §3 stated that "Act 202, Session Laws of Hawaii 1998" was amended. However, the text of L 1988, c 202, §3 (as amended by L 1994, c 111, §4), is set forth in c 78, §3. Moreover, Conference Committee Report No. 41, dated May 1, 1998, regarding S.B. No. 2346 (Act 78) stated that "The purpose of this bill is to extend the sunset date of Act 202, Session Laws of Hawaii 1988, as amended by Act 111, Session Laws of Hawaii 1994,...." L 1998, c 78, §3, should be amended by amending the prefatory language to state that it is "Act 202, Session Laws of Hawaii 1988" that is amended.

Section 23. L 1998, c 176, §6, amended §171-2, HRS. The prefatory language in §6 stated that "Chapter 171-2" was amended. Chapter 171-2, HRS, does not exist. L 1998, c 176, §6, should be amended by amending the prefatory language to state that it is "Section 171-2" that is amended.

Section 24. L 1998, c 219, §6, amended §501-20, HRS, by adding five new definitions but set forth the five definitions with the section title.

The use of "definition" rather than "definitions" in the prefatory language in §6 appears to be the result of a typographical error. Thus, the prefatory language in §6 should be amended to replace "definition" with "definitions". Section 6 should also be amended by deleting the following:

"§501-20 Definitions. As used in this chapter, unless the context otherwise requires:"

to clarify that the five new definitions are to be added to, and are not to replace, the existing definitions in §501-20, HRS.

Section 25. L 1998, c 229, §1, amended chapter 323F, HRS, by adding two new sections; however, the prefatory language in §1 stated that "three new sections" were being added. L 1998, c 229, §1, should be amended by amending the prefatory language to state that chapter 323F, HRS, is amended by adding "two new sections".

Section 26. L 1998, c 242, §7, amended §342P-5, HRS. The prefatory language in §7 stated that "Section 342P-5, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:". However, §7 amended §342P-5, HRS, by amending the section title as well as subsections (a) and (b). L 1998, c 242, §7, should be amended by amending the prefatory language to include "the title and" before "subsections (a) and (b)" to clarify that §342P-5, HRS, is amended by amending the section title and subsections (a) and (b).

Section 27. L 1998, c 311, §15, amended §321-27, HRS. The prefatory language in §15 stated that §321-27, HRS, was amended "by amending its title and subsections (a) and (b) to read as follows:" However, §15 set forth §321-27, HRS, in its entirety, and also amended subsection (d). The prefatory language in L 1998, c 311, §15, should be amended by deleting "by amending its title and subsections (a) and (b)" to make the prefatory language consistent with the amendments set forth in §15.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1017 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 64 Transportation and Intergovernmental Affairs on S.B. No. 75

The purpose of this measure is to authorize the issuance of general obligation bonds for Kauai County capital improvement projects.

Testimony in support of this measure was received from the Kauai County Council, Contractors Association of Kauai, Textron Systems Kauai, and Poipu Beach Resort Association. Oral testimony in support of this measure was received from a member of the Kauai County Council and the Kauai County Police Department.

Testimony indicated that some of the projects proposed in this measure are necessary infrastructure improvements for Kauai County, and, due to Kauai's weak economy, Kauai needs financial assistance from the State to fund these improvements. The appropriations for the civic center, Kapaa Ballpark lighting, and Hanapepe stadium sports complex are also important to Kauai's economic growth.

Your Committee has amended this measure by deleting all specified dollar amounts and defers this determination to the Committee on Ways and Means. Your Committee also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 75, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 75, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 65 Transportation and Intergovernmental Affairs on S.B. No. 1354

The purpose of this measure is to authorize the issuance of general obligation bonds for capital improvement projects for the county of Hawaii.

Testimony in support of this measure was received from the mayor of the county of Hawaii.

Your Committee finds that the capital improvement projects contained in this measure will improve the health and safety of the residents of the county of Hawaii. Several of the projects are tied to State programs and facilities such as those for the Department of Education. In addition, this measure includes department of water supply projects for the county of Hawaii which are aimed at developing domestic water sources and systems for the growing population.

Your Committee has amended this measure by deleting all specified dollar amounts and defers this determination to the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1354, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 66 Transportation and Intergovernmental Affairs on S.B. No. 1367

The purpose of this measure is to appropriate funds for the design and construction of improvements to Salt Lake Boulevard, Oahu.

Testimony in support of this measure was received from the Department of Design and Construction for the City and County of Honolulu, Aliamanu/Salt Lake/Foster Village No. 18 Neighborhood Board, and the Hawaii Operating Engineers Industry Stabilization Fund.

Testimony indicated that, due to its current financial situation, the City and County of Honolulu may not be able to fund the widening of the last unimproved section of Salt Lake Boulevard. Currently, Salt Lake Boulevard's existing two-lane configuration is not suited for the heavy traffic demand. Salt Lake Boulevard is not only used by residents within the area, but also by patrons of Stadium Mall, Costco, K-Mart, Salt Lake Shopping Center, other businesses in the Bougainville Industrial Park, and Aloha Stadium. In addition, Salt Lake Boulevard provides access to several public schools in the area and serves as an alternative to H-1 and the Moanalua Freeway.

Your Committee finds that improvements to Salt Lake Boulevard are needed in order to meet current and future traffic demands. In addition, these improvements will also create new construction opportunities for the State's construction industry.

Your Committee has amended this bill by deleting the amounts appropriated in this measure and deferring this determination to the Committee on Ways and Means. Your Committee also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1367, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 67 Transportation and Intergovernmental Affairs on S.B. No. 1379

The purpose of this measure is to classify assault against a law enforcement officer as a class C felony. This measure also classifies terroristic threatening against a law enforcement officer as terroristic threatening in the first degree.

Testimony in support of this measure was received from the Attorney General, Department of Land and Natural Resources, Police Department of the City and County of Honolulu, Department of the Prosecuting Attorney of the City and County of Honolulu, Police Department of the County of Maui, State of Hawaii Organization of Police Officers, and Community Coalition for Neighborhood Safety.

Testimony in opposition to this measure was received from the Office of the Public Defender.

Your Committee finds that police officers and other law enforcement officers are placed in difficult or potentially dangerous situations while performing their duties as they have the responsibility of protecting the community from crime. Under current law, it is a class C felony to assault correctional workers or educational workers who are engaged in the performance of their duties but a

misdeemeanor to assault a police officer. This measure amends the current law by broadening the scope to include assaults against any law enforcement officer, not only a police officer, and classifying such assaults as a class C felony.

Your Committee has amended this measure by making technical conforming amendments to reflect its intent.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1379, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 68 Economic Development on S.B. No. 454

The purpose of this measure is to require accurate labeling of aquatic food grown, manufactured, significantly processed, or landed in Hawaii.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, the Big Island Fishermen's Association, the Hawaii Fishermen's Foundation, and three individual fishermen. The Boat Owners Association of The State of Hawaii submitted testimony in favor of the concept. The Department of Agriculture, the Hawaii Food Industry Association, and the Hawai'i Restaurant Association submitted testimony in opposition. The Department of Business, Economic Development, and Tourism submitted comments.

Your Committee finds that mislabeling or deceptive labeling of aquatic products is a problem for both the local fishing industry and the consumer. Hawaii fishery operations must compete with cheaper, imported products often labeled with Hawaiian names and sold as local seafood. Many consumers, particularly visitors, are not aware of this and have no way of judging whether the "local catch" they purchase is truly from Hawaii.

Your Committee also finds, however, that referring to a fish type by its Hawaiian name is a strong marketing tool, especially for Hawaii's fledgling value-added seafood product manufacturers.

Your Committee understands that many of the parties concerned with this problem, state agencies charged with enforcement, local fishermen, Hawaii restaurants, and others have been meeting to resolve the issues of false or misleading labeling of aquatic products. While no unanimous recommendations have resulted, your Committee believes this measure will begin to address the problem.

Your Committee has amended this measure by amending subsections (c) and (d) of the measure, which relate to unlawful sales, to provide an exception:

- (1) For products that qualify as Hawaii-made under section 486-119, Hawaii Revised Statutes; or
- (2) Unless the term "imported" or the region of origin precedes the Hawaiian name.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 454, 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, 2 (Kawamoto, Taniguchi).

SCRep. 69 Economic Development on S.B. No. 655

The purpose of this measure is to make an appropriation for the Visitor Aloha Society of Hawaii (VASH).

Your Committee received testimony in support of this measure from the Prosecuting Attorney of the City and County of Honolulu, the Visitor Aloha Society of Hawaii, the Visitor Aloha Society of Kauai, Inc., the Hawaii Tours and Activities Association, the Retail Merchants of Hawai'i, Outrigger Hotels & Resorts, Trade West, Inc., and one individual. The Hawaii Tourism Authority submitted comments.

Your Committee finds that VASH plays an important role in Hawaii's tourism industry, by assisting and providing "aloha service" to visitors who are victims of crime and other adversities during their stay in the islands. In the past year, VASH helped more than six hundred traumatized visitors on Oahu, and more than three hundred on Kauai, through a network of committed volunteers.

Your Committee believes that without the aloha of this nonprofit organization, these visitors would have gone home angry and disappointed and shared this disappointment to the detriment of Hawaii and its people. Your Committee is in strong support of the work of VASH and its value to our tourism industry. Your Committee has amended this measure to delete the specific dollar amount requested, and to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 655, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 70 (Majority) Economic Development on S.B. No. 678

The purpose of this measure is to provide an appropriation for the development, promotion, and marketing of numerous sports related events.

Your Committee received comments on this measure from the Hawaii Tourism Authority.

Your Committee finds that Hawaii benefits from a strong calendar of sports events, which promote Hawaii as a desirable visitor destination through television and other media exposure. Your Committee further finds that sporting events also encourage the expansion and attraction of businesses by enhancing Hawaii's image as a center for health and fitness.

Your Committee believes that the participants and spectators who come to Hawaii for these events provide welcome support to the State's visitor industry in an increasingly competitive global market, and should be encouraged.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 678 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, 2 (Ige, M., Slom). Excused, 1 (Taniguchi).

SCRep. 71 Economic Development on S.B. No. 809

The purpose of this measure is to allow a sole proprietor of a catamaran operating with a valid commercial registration certificate at Waikiki Beach to transfer the ownership and the commercial registration to a corporate entity.

Your Committee received testimony in support of this measure from the Boats Owners Association of The State of Hawaii and one individual. The Department of Land and Natural Resources submitted testimony in opposition. One individual submitted comments.

Your Committee finds that in 1984, the Legislature approved a measure to allow owners of commercial vessels with commercial permits, and moored in small boat harbors, to transfer both ownership of the vessel and the authority for the permit to a new corporate entity. However, Act 187, Session Laws of Hawaii 1984, did not extend to commercial catamaran owners operating at Waikiki Beach.

Your Committee further understands that only two of the seven catamaran operations currently at Waikiki Beach are sole proprietorship, and that the measure would not affect the total number of commercial catamaran operations.

Your Committee believes this measure will provide these two remaining sole proprietors with the option to make a one-time change to corporate ownership. Your Committee has amended this measure to make a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 809, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 72 Economic Development on S.B. No. 1222

The purpose of this measure is to provide a general excise tax exemption for motion picture producers and contractors who build a motion picture facility in Hawaii, and a corresponding use tax exemption for the motion picture producers and contractors who import materials, parts, tools, or equipment.

Your Committee received testimony in support of this measure from Bridge Capital, LLC. The Department of Taxation testified in opposition. The Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that currently there is a shortage of quality movie sound stages, recording studios, and other facilities in Hawaii. If available, these facilities could support the rapid growth in the entertainment industry, particularly in the Pacific Rim.

Your Committee believes Hawaii has an opportunity to develop an expanded role in the production side of the entertainment industry and is in support of this measure. Your Committee has amended this measure by deleting reference to the production of

motion pictures as redundant to the current income tax credit for that activity under section 235-17, Hawaii Revised Statutes. Your Committee has further clarified the measure to apply to the construction of entertainment industry production facilities as reflected in the title of the new section, and corrected the effective date.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1222, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 73 Economic Development on S.B. No. 1427

The purpose of this measure is to expand the definition of "wholesaler" in the general excise tax law to include transactions carried on in the business of aquaculture production.

Your Committee received testimony in support of this measure from the Department of Agriculture, Boat Owners Association of The State of Hawaii, and the Hawaii Aquaculture Association. The Department of Taxation submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that under current law, many of the items aquaculture farmers purchase to use in aquaculture production, including equipment, feed, and materials are subject to the retail general excise tax rate.

Your Committee is in support of this measure and believes it will provide the aquaculture industry with the same tax benefits provided to other wholesalers and individuals in agriculture.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1427 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 74 Economic Development on S.B. No. 1443

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the purpose of assisting the marketing of the hotel industry in Hawaii for incentives, special events, small conventions, and constructing a facility in Waikoloa, Hawaii.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism and the Department of Budget and Finance.

Your Committee finds that improving the visitor industry on the Island of Hawaii will help the economy of the Big Island, as well as the State as a whole. A facility serving the business and small convention traveler will provide both short term construction jobs and long term new visitor industry employment, as well as statewide alternatives to attract this growing market segment.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1443 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 75 Economic Development on S.B. No. 1454

The purpose of this measure is to implement the recommendations of the Thrill Craft Advisory Committee (Advisory Committee).

Specifically, this measure:

- (1) Imposes mandatory education and certification requirements for owners of personal watercraft;
- (2) Requires use of personal flotation devices by occupants or person's towed by personal watercraft; and
- (3) Redefines "thrill craft" as "personal watercraft".

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR), the Boat Owners Association of The State of Hawaii, Mid-Pacific of Hawaii, Inc., Morning Star Cruises, Inc., and five individuals.

Your Committee finds that Senate Concurrent Resolution No. 128, Session Laws of Hawaii 1998, established a Thrill Craft Advisory Committee to consider a wide range of issues relating to personal watercraft operations. This measure will implement a number of recommendations from the Advisory Committee, and will increase the overall responsibilities of owners of personal watercraft for the actions of any user.

Your Committee supports the work of the Advisory Committee and believes the recommendations incorporated in this measure will help to achieve the desired level of safe, responsible operation of personal watercraft within State waters. Your Committee has amended this measure as suggested by the DLNR to clarify that the mandatory education and certification requirements apply to owners, not users, of watercraft. A technical, nonsubstantive amendment was also made for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1454, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 76 Economic Development on S.B. No. 1503

The purpose of this measure is to establish a mechanism to provide microenterprise technical assistance grants and loans to individuals and small businesses.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that small, entrepreneurial businesses face many obstacles in both start-up operations and further development. Providing additional options for financing and technical assistance is critical to the success of these small companies, and a key component in Hawaii's economic recovery.

Your Committee is in support of the services provided by this measure. Your Committee has amended this measure, by adding definitions of Department and Director of Business, Economic Development, and Tourism and by making technical amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1503, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 77 Government Operations and Housing on S.B. No. 285

The purpose of this short form bill is to effectuate the purpose of this Act.

The purpose of this measure, as amended, is to clarify the powers of the boards of directors of associations of apartment owners to enter into purchases agreements with lessors in order to facilitate and encourage voluntary lease-to-fee conversions of condominium projects.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the action to report out S.B. No. 285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 285, S.D. 1, and be recommitted to the Committee on Government Operations and Housing for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 78 Education and Technology on S.B. No. 1154

The purpose of this measure is to continue the Library Enhanced Services program through July 1, 2002, past its original sunset date of July 1, 1999.

Testimony in support of this measure was submitted by the Hawaii State Public Library System, Makawao Library, the Friends of Pearl City Library, Kailua Public Library, Mountainview Library, Pahoa Public and School Library, and over 100 Hawaii State Public Library System employees and private patrons of the libraries. Testimony in support of the intent of this measure was submitted by Information Services.

In 1993, the Hawaii State Public Library System began an experiment under Act 327, Session Laws of Hawaii 1993, which designated and charged enhanced service fees for the rental of videocassettes, a fee schedule for meeting room use, and custom library services. Since that time, this revenue has been deposited into a special fund for the Hawaii State Public Library System.

Your Committee finds that the revenue garnered from the Enhanced Services program has helped supplement the funding needs for new and replacement materials systemwide. Furthermore, because of the State's continued financial hardships and inability to provide increased support to the libraries, your Committee believes that the Library's Enhanced Services program is an innovative and necessary initiative. The people of this State have accepted the practice that users of certain services pay for these services, and indeed prefer this program to the raising of taxes.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1154 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 (Sakamoto).

SCRep. 79 Education and Technology on S.B. No. 1155

The purpose of this measure is to extend the already existing authority of the State Librarian to administratively reallocate vacant positions and to establish temporary positions for three years, until 2002.

Testimony in support of this measure was submitted by the Hawaii State Public Library System, Makawao Library, the Friends of Pearl City Library, Kailua Public Library, Mountainview Library, Paho Public and School Library, Information Services, and over 100 Hawaii State Public Library System employees and private patrons of the libraries. Testimony in opposition was submitted by the Hawaii Government Employees Association.

Your Committee finds that as the State's economy struggles with less money, the state library system needs to be able to utilize any and all existing and vacant library positions to serve the public efficiently and effectively. This measure will provide the libraries with the authority to reallocate vacant positions and/or establish temporary positions to support libraries when changes in demographics and needs have created staffing shortages. Your Committee further finds that the ability to reallocate staff to the reestablished central services units will provide cost-effective and timely acquisitions, cataloging, and automated system support services to the libraries.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1155 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 (Sakamoto).

SCRep. 80 Education and Technology on S.B. No. 1181

The purpose of this measure is to allow the Department of the Attorney General to provide legal representation to the University of Hawaii, upon the request of the Board of Regents, in the same manner and extent as other state agencies.

Act 115, Session Laws of Hawaii 1998, granted the University of Hawaii greater management autonomy, including the authority to procure legal services independent from the Department of the Attorney General and the Governor in order to manage and resolve legal claims against itself. This measure will clarify the issue of whether or not the University continues to have the option of utilizing services from the Department of the Attorney General.

The conference committee report on H.B. 2560, Regular Session 1998 (Act 115), stated that the University of Hawaii's autonomy exempts the University from the requirement that the Attorney General represent all state departments, and allows the University Board of regents to appoint or retain attorneys. The intent of the Legislature was to allow the University to retain attorneys as necessary, and to continue to utilize the legal services of the Department of the Attorney General like other state agencies.

The Department of the Attorney General submitted testimony in support of this measure and proposed an amendment to hold the University fiscally responsible for any services they seek from the Department of the Attorney General.

Your Committee adopted the joint recommendation of the Department of the Attorney General and the University by amending section 1 of the measure to clarify that the Board of Regents may request and secure legal services from the Department of the Attorney General, upon mutual agreement. Your Committee also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1181, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 81 Education and Technology on S.B. No. 1183

The purpose of this measure is to make an emergency appropriation to allow the University of Hawaii to meet its general fund fiscal obligations under Hawaii Revised Statutes Chapter 304. This measure addresses the budgetary shortfall resulting from the transfer of fiscal year 1997-1998 encumbrances to fiscal year 1998-1999 which was necessitated by the University having to pay its faculty members on June 30, 1998, instead of on July 1, 1998.

Testimony in support of this measure was received from the University of Hawaii and the University of Hawaii Professional Assembly.

Although University funds were restricted in anticipation of the payroll lag authorized in Act 355, Session Laws of Hawaii 1997, the University of Hawaii Professional Assembly was granted a motion by the United States District Court for a preliminary injunction enjoining the governor and the comptroller of the State from lagging the payroll of the University faculty members. Unfortunately, this occurred after the completion of the University's purchasing activities which encumbered fiscal year 1997-1998 funds. In order to pay the faculty salaries, these purchasing encumbrances had to be transferred to fiscal year 1998-1999.

Your Committee finds that this measure addresses the budgetary shortfall for fiscal year 1998-1999. Past budgetary reductions have led to declines in the quality of University programs and in access to these programs. Your Committee believes that this emergency appropriation will allow the University to meet its fiscal obligations and carry out its educational mission of high quality teaching, research, and public service.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183 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 (Sakamoto).

SCRep. 82 Education and Technology on S.B. No. 1184

The purpose of this measure is to allow the University of Hawaii Board of Regents to approve its own financing agreements as defined in Chapter 37D, Hawaii Revised Statutes (HRS), when the principal amount does not exceed \$3,000,000.

Testimony in support of this measure was submitted by the University of Hawaii. Testimony in support of the intent of this measure was submitted by the University of Hawaii Professional Assembly.

Your Committee finds that while section 37D-2, HRS, currently requires all State agencies to obtain approvals when entering into financing agreements, the University had utilized financing agreements for the purchase of equipment for many years prior to the enactment of section 31D-2, HRS, without incident. Thus, your Committee further finds that the University is sympathetic to the intent of Chapter 37D, HRS, and will not abuse the fast-track authority provided in this measure. In addition, the cap of \$3,000,000 on the principal amount will provide a further safeguard. This measure will allow the University to secure equipment, goods, and services in a timely manner, with little risk or impact to the State's budgetary constraints.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1184 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 (Sakamoto).

SCRep. 83 Education and Technology on S.B. No. 1299

The purpose of this measure is to streamline the University of Hawaii operations by removing a requirement to report each position and fund transfer in quarterly reports to the Governor and annual reports to the Legislature.

Testimony in support of this measure was submitted by the Department of Budget and Finance, and the University of Hawaii.

Your Committee agrees with the testimony given and finds that these transfer reports are not necessary as none of the other Executive departments have such a requirement. In addition, deleting this requirement is consistent with the spirit of autonomy and flexibility offered the University by Act 115, Session Laws of Hawaii 1998.

Your Committee has amended this measure to make technical, nonsubstantive changes to section 1 to properly reflect the statutory language and preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1299, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 84 Transportation and Intergovernmental Affairs on S.B. No. 1371

The purpose of this measure is to subject motor vehicle repair dealers who are required to register under chapter 437B, Hawaii Revised Statutes, to inspection by police officers for stolen vehicles.

Testimony in support of this measure was received from the Police Department of the City and County of Honolulu. Testimony in opposition to this measure was received from the Hawaii Automotive Repair and Gasoline Dealers Association.

Your Committee finds that many stolen vehicles are taken to "chop shops" where they are dismantled, altered, or defaced, and then resold or used for parts. Current law only permits the police to inspect registered motor vehicle repair dealers. This measure provides the police with an additional investigative tool to locate and recover stolen vehicles by authorizing the police to inspect any motor vehicle repair dealer required to be registered, whether the dealer is registered or not, for stolen vehicles.

Your Committee finds that this measure will deter motor vehicle theft and will aid in the recovery of stolen motor vehicles.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1371, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1371, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 85 Transportation and Intergovernmental Affairs on S.B. No. 348

The purpose of this measure is to effectuate the title of the measure.

Your Committee has amended this short form bill by inserting the contents of a proposed draft which permits the counties to establish towing company fees within their respective jurisdictions.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the action to report out S.B. No. 348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 348, S.D. 1, and be recommitted to the Committee on Transportation and Intergovernmental Affairs for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ige, D., Iwase).

SCRep. 86 Judiciary on S.C.R. No. 31

The purpose of this resolution, as received by your Committee, is to request a thorough manual recount of the 1998 general elections.

Your Committee finds that the Chief Election Officer, in consultation with the county clerks, determined that the methodology for conducting state elections needed to be changed for the 1998 elections due to both fiscal constraints and the lack of available technology and staff to support the existing punch-card voting method. Your Committee further finds that the Chief Election Officer entered into a sole source contract with Election Systems and Software (ES&S) to provide an electronic voting methodology and process, including all equipment and supplies necessary to conduct the primary and general elections. Unfortunately, both voter confusion due to the new voting method and machine malfunctions have been alleged to have caused discrepancies in the general election results. These discrepancies resulted in one court challenge and, more importantly, lack of voter confidence in our electoral process.

Your Committee notes that the Attorney General has opined that existing law only allows the Supreme Court to order recounts based upon a legal challenge filed by a candidate after an election and within the statutory deadlines. The Attorney General has further opined that the Chief Election Officer, under constitutional and statutory authority, may proceed with an unofficial recount of the elections results, but there exists no remedy in Hawaii law in the event that the results of an unofficial recount differ from the certified results.

Your Committee strongly believes that in order to restore voter confidence in our electoral process, and to further investigate the continued use of an electronic voting method, a full, complete, and duly supervised audit of the 1998 general election results should be conducted. Your Committee further believes that if the audit, which shall begin with an electronic recount of all ballots cast, reveals discrepancies between the 1998 general election results and the electronic recount, further manual recounts, to be determined by independent official observers, shall also be conducted. Additionally, when the Legislature receives the audit report, if there are indications of significant anomalies, then the Chief Election Officer should consider conducting a further inquiry into the primary election results.

Your Committee has amended this resolution by:

- (1) Changing its title to urge a "full, complete, and duly supervised audit of the 1998 general election results";
- (2) Clarifying that discrepancies resulting from a change in the voting methodology were not readily explained by the contractor, ES&S, nor the Chief Election Officer;
- (3) Clarifying that the discrepancies could have resulted from machine error, malfunction, or both;
- (4) Inserting a clause indicating that the contractor, ES&S, has agreed to pay all expenses for a complete audit of the 1998 general election, including an electronic recount of all votes and any manual recounts;
- (5) Providing that the Chief Election Officer, with the assistance of ES&S and in the presence of independent official observers, conduct an audit of the 1998 general election results;
- (6) Providing that the audit begin with the use of an infrared vote-counting machine to recount all ballots, including absentee ballots, and that the audit continue with manual recounts as determined by the Chief Election officer in consultation with the independent election observers;
- (7) Providing that an independent oversight committee comprised of the State Auditor, a representative of the Federal Elections Commission, and a representative of the Elections Center be appointed to observe, review, assess, and report on the objectivity and accuracy of the audit process;
- (8) Requiring that the Chief Election Officer submit to the legislature a report of the results of the audit no later than March 31, 1999;
- (9) Requiring that the independent oversight committee submit to the legislature a report of its findings regarding the objectivity and accuracy of the audit no later than March 31, 1999; and
- (10) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary 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 its adoption in the form attached hereto as S.C.R. No. 31, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 87

Judiciary on S.R. No. 11

The purpose of this resolution, as received by your Committee, is to request a thorough manual recount of the 1998 general elections.

Your Committee finds that the Chief Election Officer, in consultation with the county clerks, determined that the methodology for conducting state elections needed to be changed for the 1998 elections due to both fiscal constraints and the lack of available technology and staff to support the existing punch-card voting method. Your Committee further finds that the Chief Election Officer entered into a sole source contract with Election Systems and Software (ES&S) to provide an electronic voting methodology and process, including all equipment and supplies necessary to conduct the primary and general elections. Unfortunately, both voter confusion due to the new voting method and machine malfunctions have been alleged to have caused discrepancies in the general election results. These discrepancies resulted in one court challenge and, more importantly, lack of voter confidence in our electoral process.

Your Committee notes that the Attorney General has opined that existing law only allows the Supreme Court to order recounts based upon a legal challenge filed by a candidate after an election and within the statutory deadlines. The Attorney General has further opined that the Chief Election Officer, under constitutional and statutory authority, may proceed with an unofficial recount of the elections results, but there exists no remedy in Hawaii law in the event that the results of an unofficial recount differ from the certified results.

Your Committee strongly believes that in order to restore voter confidence in our electoral process, and to further investigate the continued use of an electronic voting method, a full, complete, and duly supervised audit of the 1998 general election results should be conducted. Your Committee further believes that if the audit, which shall begin with an electronic recount of all ballots cast, reveals discrepancies between the 1998 general election results and the electronic recount, further manual recounts, to be determined by independent official observers, shall also be conducted. Additionally, when the Legislature receives the audit report, if there are indications of significant anomalies, then the Chief Election Officer should consider conducting a further inquiry into the primary election results.

Your Committee has amended this resolution by:

- (1) Changing its title to urge a "full, complete, and duly supervised audit of the 1998 general election results";
- (2) Clarifying that discrepancies resulting from a change in the voting methodology were not readily explained by the contractor, ES&S, nor the Chief Election Officer;
- (3) Clarifying that the discrepancies could have resulted from machine error, malfunction, or both;
- (4) Inserting a clause indicating that the contractor, ES&S, has agreed to pay all expenses for a complete audit of the 1998 general election, including an electronic recount of all votes and any manual recounts;
- (5) Providing that the Chief Election Officer, with the assistance of ES&S and in the presence of independent official observers, conduct an audit of the 1998 general election results;
- (6) Providing that the audit begin with the use of an infrared vote-counting machine to recount all ballots, including absentee ballots, and that the audit continue with manual recounts as determined by the Chief Election officer in consultation with the independent election observers;
- (7) Providing that an independent oversight committee comprised of the State Auditor, a representative of the Federal Elections Commission, and a representative of the Elections Center be appointed to observe, review, assess, and report on the objectivity and accuracy of the audit process;
- (8) Requiring that the Chief Election Officer submit to the legislature a report of the results of the audit no later than March 31, 1999;
- (9) Requiring that the independent oversight committee submit to the legislature a report of its findings regarding the objectivity and accuracy of the audit no later than March 31, 1999; and
- (10) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 11, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 11, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 88 Commerce and Consumer Protection on S.B. No. 484

The purpose of this measure is to increase the maximum limit for the value of a motor vehicle exempt from attachment and execution.

The Hawaii Financial Services Association, which was not present at the hearing, submitted written testimony in support of the measure. Verbal testimony was also presented by an individual at the hearing.

The current law, section 651-121(2), Hawaii Revised Statutes, established in 1976, allows a \$1,000 attachment and execution exemption for a motor vehicle. Your Committee finds that this is insufficient and would deprive most debtors of a reliable mode of transportation. Your Committee also finds that a motor vehicle is a basic necessity for many Hawai'i residents, especially those living in rural areas. Without a motor vehicle, many residents would be unable to travel to and from work, the store, and medical services.

This measure proposes a \$2,575 motor vehicle exemption that would ensure debtors facing bankruptcy can meet their basic transportation needs. The proposed exemption would also make State law consistent with the federal bankruptcy code, which currently allows a maximum \$2,575 motor vehicle exemption.

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. 484 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 89 Commerce and Consumer Protection on S.B. No. 860

The purpose of this measure is to include marriage and family therapists as mental health and substance abuse treatment providers under health insurance plans.

The Hawaii Association for Marriage and Family Therapy presented testimony in support of the measure. The Department of Health, the Libertarian Party, Benefit Capital Financial Services, Inc., the Hawaii Counseling and Education Center, Inc., and

numerous individuals submitted written supportive testimony, but were not present at the hearing. The Hawaii Psychological Association, which was not present at the hearing, submitted written testimony in opposition to the measure.

Currently, State law does not recognize marriage and family therapists as mental health and substance abuse treatment providers for insurance benefits coverage purposes. Therefore, those with health insurance who need the services of a marriage and family therapist must pay in full or go without.

This measure would rectify that situation, offer consumers more treatment options, and help develop private sector mental health and substance abuse treatment opportunities in underserved areas of the State. It would also allow the Department of Education to seek third party reimbursement for services provided to special needs students by licensed marriage and family therapists pursuant to the Felix-Waihee consent decree. Finally, this measure would create parity among the core mental health professions since physicians, psychologists, clinical social workers, and advanced practice registered nurses are presently authorized to provide mental health and substance abuse treatment services under health insurance plans and contracts.

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. 860 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 90 Commerce and Consumer Protection on S.B. No. 949

The purpose of this measure is to enact the Uniform Unincorporated Nonprofit Association Act (UUNAA).

The State Commission to Promote Uniform Legislation presented testimony in support of the measure. The Department of Commerce and Consumer Affairs presented comments on the measure. The Business Law Section of the Hawaii State Bar Association and two individuals, though not present at the hearing, submitted written testimony in support of the measure.

The UUNAA provides that when two or more members meet for nonprofit purposes, they will be treated as a legal entity with:

- (1) The authority to acquire, hold, and transfer personal and real property;
- (2) The authority to sue and be sued as a separate legal entity; and
- (3) Contract and tort liability separate from its officers and members.

Your Committee finds that enactment of the UUNAA will clarify the status of, and encourage citizen participation in, nonprofit associations such as homeowners' associations, parent-teacher associations, athletic clubs, civic associations, and neighborhood community associations.

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. 949 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 91 Commerce and Consumer Protection on S.B. No. 1139

The purpose of this measure is to conform the State's Uniform Limited Liability Company Act to amendments made to the Uniform Limited Liability Company Act (ULLCA).

The Department of Commerce and Consumer Affairs and a Hawaii commissioner to the National Conference on Uniform State Laws presented testimony in support of the measure. The Business Law Section of the Hawaii State Bar Association and two individuals, though not present at the hearing, submitted written supportive testimony.

Since Hawaii became the first state to adopt the ULLCA, the National Conference of Commissioners on Uniform State Laws has adopted several amendments to the Act. This measure incorporates those amendments and updates Hawaii's ULLCA. Additionally, this measure:

- (1) Repeals the prohibition against a limited liability company (LLC) engaging in the activities of financial institutions, insurance companies, and other professions;
- (2) Extends the period for reinstatement of a terminated LLC from ninety days to two years;
- (3) Allows an LLC to amend and restate its articles of organization in one procedure; and

- (4) Repeals the requirement that a court adjudicating the personal liability of LLC members apply case law relative to "piercing the corporate veil".

Your Committee has conformed the measure to preferred drafting style and made technical, nonsubstantive amendments to the measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1139, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 92 Commerce and Consumer Protection on S.B. No. 1140

The purpose of this measure is to clarify and update the State's business registration laws.

The Department of Commerce and Consumer Affairs presented testimony in support of the measure. The Business Law Section of the Hawaii State Bar Association and two individuals, though not present, submitted written testimony in support of the measure.

The changes to the State's business registration laws effected by this measure will simplify the business registration process in the State and promote Hawaii as a favorable place to form and register businesses. Specifically, the measure would:

- (1) Eliminate the requirement that at least one member of the board of directors for a corporation be a resident of the State;
- (2) Require that corporations without a Hawaii resident director have a registered office and agent in the State;
- (3) Require that a corporation include in its articles of incorporation and annual reports the address of its registered office and the name of its registered agent;
- (4) Extend the time for corporations and partnerships to become reinstated from 90 days to 2 years from the date the corporation was involuntarily dissolved or the partnership's registration statement or certificate was cancelled; and
- (5) Ease certain requirements for amending articles of incorporation that will expedite the process of such filings.

Additionally, changes were made to the filing requirements for mergers and consolidations.

This measure also makes similar changes to chapter 415B, Hawaii Revised Statutes, which governs nonprofit corporations. A new section has also been added affirming that a nonprofit corporation can amend and restate its articles of incorporation at any time and specifies the procedure to do so.

Your Committee has made technical, nonsubstantive amendments to this measure for purposes of style, 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. 1140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1140, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 93 Commerce and Consumer Protection on S.B. No. 1141

The purpose of this measure is to establish a standard conversion procedure under which corporations, partnerships, limited liability partnerships, and limited liability companies may convert to any other form of business entity authorized under State law.

The Department of Commerce and Consumer Affairs presented testimony in support of this measure. The Business Law Section of the Hawaii State Bar Association and two individuals, though not present, submitted written testimony in support of this measure.

Your Committee finds that currently, a business entity wishing to convert into another form of a business entity is required to dissolve the business and form a new entity. This is often a time consuming and costly process.

This measure simplifies and expedites the conversion process by establishing a standard procedure common to all forms of business entities. By simplifying the conversion process, the State will provide greater flexibility for growing businesses operating in Hawaii and encourage new business development in the State.

Your Committee has made technical, nonsubstantive amendments to reflect preferred drafting style and add missing statutory language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1141, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 94 Commerce and Consumer Protection on S.B. No. 1142

The purpose of this measure is to establish procedures under which a corporation, partnership, limited liability partnership, or limited liability company may obtain administrative relief against an entity that has registered or is using a name that is substantially identical or confusingly similar to the name of the corporation, partnership, limited liability partnership, or limited liability company.

The Department of Commerce and Consumer Affairs (DCCA) presented testimony in support of the measure. The Business Law Section of the Hawaii State Bar Association and two individuals, though not present, submitted written testimony in support of the measure.

This measure provides businesses the opportunity to resolve business name disputes through the DCCA's administrative hearing process. Specifically, the bill allows a business to file a petition with the Director of DCCA for an order of abatement for infringement of the business' name and allows an appeal from the Director's order to Circuit Court. Your Committee finds that this process would be expeditious and less costly to businesses.

Your Committee has made technical, nonsubstantive amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1142, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 95 Commerce and Consumer Protection on S.B. No. 1143

The purpose of this measure is to allow the shareholder of a corporation to designate a proxy through the execution of a written document, including a written document containing a facsimile of the shareholder's signature, or by electronically transmitting an authorization to the proxy holder.

The Department of Commerce and Consumer Affairs presented testimony in support of this measure. The Business Law Section of the Hawaii State Bar Association and two individuals, though not present, submitted supportive testimony.

This measure provides an alternative, flexible, and more convenient means of designating a proxy and, thereby, facilitates and promotes shareholder participation in corporate decisionmaking.

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. 1143 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 96 Commerce and Consumer Protection on S.B. No. 1178

The purpose of this measure is to clarify the term "related entities" for the purpose of identifying transactions exempt from the general excise tax.

The Department of Taxation presented testimony in support of the measure. The Tax Foundation of Hawaii submitted comments on the measure, but was not present at the hearing.

Current tax law allows for an exemption from the general excise tax for transactions between related entities, and defines "related entities" as an affiliated group of corporations, a controlled group of corporations, and entities connected through ownership of at least eighty per cent of the total value of each entity.

Your Committee finds that there is a loophole in the law as some taxpayers have been claiming a tax exemption despite the absence of a common ownership between the affiliated entities based upon eighty per cent of the entities' total voting power. This measure clarifies and tightens up the law by adopting the federal tax code standard for consolidated returns that requires commonality in ownership based upon eighty per cent value and eighty per cent voting power. The measure also provides that a group or combination of entities that constitute a "unitary business" for income tax purposes comes within the meaning of "related entities".

Your Committee has made technical, nonsubstantive amendments to this measure, and added missing statutory language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1178, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 97 Commerce and Consumer Protection on S.B. No. 1512

The purpose of this measure is to replace the current Uniform Partnership Act with a law that conforms to the Revised Uniform Partnership Act.

The Department of Commerce and Consumer Affairs presented testimony in support of the measure. The Business Law Section of the Hawaii State Bar Association, one of the Hawaii commissioners to the National Conference of Commissioners on Uniform State Laws, and two individuals submitted written testimony in support of the measure, but were not present at the hearing.

The Revised Uniform Partnership Act restructures the fundamentals of partnership law to reflect modern business practices. Conforming Hawaii law to the revised Act will bring the State into line with current business practice and the revised partnership laws of other states, and thereby enhance the State's business climate.

Your Committee has made technical, nonsubstantive amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1512, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 98 Government Operations and Housing on S.B. No. 883

The purpose of this measure is to authorize the state finance director to issue short-term floating rate interest general obligation bonds for the repair and maintenance of state owned public housing.

Testimony in support of this measure was received from Legal Aid Society of Hawaii. Testimony in opposition to this measure was received from the Department of Budget and Finance and the Housing and Community Development Corporation of Hawaii.

Your Committee finds that this measure provides a mechanism to prevent small repairs from developing into serious repairs later. Providing for adequate maintenance and repairs on a regular basis will not only save money in the long run, but will also raise the living standards and self-esteem of the residents.

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 Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 883, 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 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 99 Government Operations and Housing on S.B. No. 884

The purpose of this measure is to require financial institutions to provide refinancing of a mortgage loan if the current market interest rate is at least one and one half per cent lower than the existing mortgage rate.

Testimony in favor was received from the Hawaii Association of Realtors. Testimony in favor of the intent of this measure was received from the Department of Commerce and Consumer Affairs. Testimony opposed to this measure was received from the Hawaii Bankers Association, Hawaii Credit Union League, Hawaii League of Savings Institutions, and Mortgage Bankers Association of Hawaii.

Your Committee finds that in these hard economic times, foreclosures and short sales have increased because of the inability of borrowers to afford their monthly mortgage payments. Additionally, your Committee finds that currently, financial institutions are refusing to allow mortgagees to refinance their mortgage if their income is too low, whereby, monthly payments remain high, and disposable income is lowered even further.

Your Committee finds that refinancing a mortgage loan will provide for a decrease in monthly mortgage payments, which in return will increase the borrowers' ability to pay monthly mortgage payments and increase monthly disposable income. Consequently, the State's economic recovery will increase as well.

Your Committee recognizes the concerns the banking industry has with this measure, therefore, your Committee is passing this measure to the next committee for further discussion and dialogue.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 884 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, 4 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 100 Economic Development on S.B. No. 488

The purpose of this measure is to appropriate \$200,000 to the Department of Agriculture to enable the Hawaii Organic Farmers Association to develop local and overseas markets for Hawaii grown organic produce.

Your Committee received testimony in support of this measure from the County of Maui, the Hawaii Organic Farmers Association, Papalele Farm, and two individuals. The Department of Agriculture submitted testimony in support of the intent of the measure, with comments.

Your Committee finds that the estimated value in gross sales of the State's organic farming industry in 1996 was \$7,000,000, and at the national level, organic farming has grown by more than twenty percent a year since 1990.

Your Committee further finds that organic farming represents an opportunity to expand the growing mix of diversified agricultural products, both for local use and for export. Your Committee is in support of the efforts of Hawaii's organic farmers and believes this measure will assist the growers in finding new markets for their products.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 488 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 101 Economic Development on S.B. No. 719

The purpose of this measure is to appropriate funds to the Department of Agriculture for pineapple research.

Testimony in support of this measure was received from the Department of Agriculture, the College of Tropical Agriculture and Human Resources of the the University of Hawaii, the Hawaii Agriculture Research Center, the Pineapple Growers Association of Hawaii, and the Hawaii Farm Bureau Federation.

Your Committee finds that this measure appropriates funds for pineapple research projects that focus on pest management, environmental research, and fruit quality at the University of Hawaii and the Hawaii Agriculture Research Center. This measure supports the ongoing research which has enabled our pineapple industry to remain competitive on the world market.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 719 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 102 Economic Development on S.B. No. 944

The purpose of this measure is to provide an income tax credit for the amount of the general excise tax on commercial construction costs for a period of seven years.

Your Committee received testimony in support of this measure from the Land Use Research Foundation of Hawaii, the General Contractors Association of Hawaii, the Pacific Resource Partnership, Hawaiian Dredging Construction Company, Hawai'i Hotel Association, Waikiki Improvement Association, Queen Emma Foundation, Hilton Hawaiian Village, and Outrigger Hotels & Resorts. The Department of Taxation testified in opposition. The Department of Business, Economic Development, and Tourism, the Tax Foundation of Hawaii, and one individual submitted comments.

Your Committee finds that in today's increasingly competitive tourism market, upgrades and renovations to Hawaii's visitor destination areas are critical. However, high construction costs, particularly at a time when many resorts and hotels are suffering from lower occupancy, are an impediment to revitalizing these areas.

Your Committee further finds that the construction industry as a whole is recovering very slowly from the declines of the 1990s. And for the first time this decade, public sector construction spending exceeded the private sector in 1998.

Your Committee is concerned that without incentives, the lack of investment in Hawaii will continue to have a negative impact on private sector funding, placing a heavy reliance on government funds for new construction projects. Your Committee believes this measure is an important component in attracting new capital and additional economic development to the State.

Your Committee finds the intent of this measure is to allow the tax credit to all commercial construction, not just hotel construction. The reference to chapter 237D appears to narrow the intent of the measure. Therefore, your Committee has amended this measure by deleting the reference to chapter 237D.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 944, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 103 Economic Development on S.B. No. 1431

The purpose of this measure is to establish a separate agricultural water supply and delivery system for the farms in the upcountry region on Maui.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Maui County Office of the Mayor and Department of Water Supply, the Central Maui Soil and Water Conservation District, and one individual.

Your Committee finds that the upcountry agricultural area is primarily dependent on surface water from the lower Kula system. The opening of 6,000 acres of Hawaiian homelands in Waiohuli and Keokea will further decrease the available supply of agricultural water to the existing farms. Your Committee further finds that in addition to the insufficient amount of water available, the agricultural industry is faced with escalating water rates.

Your Committee believes an adequate and inexpensive supply of water is critical to farming operations in upcountry Maui and is in support of this measure.

Your Committee has heard a concern regarding the establishment of a special account in the irrigation revolving fund. Separating one system under a special account would mean all costs for operating that system would be borne entirely by the users, who may have to pay different rates as a result. Your Committee has amended the measure accordingly to delete establishment of a separate special account in the irrigation revolving fund.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1431, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 104 (Majority) Economic Development on S.B. No. 1614

The purpose of this measure is to allow the importation into the State of approved microorganisms without a permit, and of restricted microorganisms with a permit, and to change the requirements for the publication of interim rules to publication in a newspaper of general circulation within seven days of issuance.

Your Committee received testimony in support of this measure from the Department of Agriculture, the University of Hawai'i, the University's College of Tropical Agriculture and Human Resources, and the Hawaii Agriculture Research Center. One individual submitted testimony in opposition.

Your Committee finds that current laws governing the importation of animals, plants, and microorganisms are no longer adequate for support of Hawaii's research, education, and business interests. The highly competitive and rapidly evolving scientific and commercial fields require more effective procedures for expediting the importation of organisms necessary to remain competitive with the U.S. mainland and foreign countries.

Your Committee further finds that biotechnology and related industries represent significant economic opportunities for Hawaii, and new developments in these areas are critical to the success of the State's efforts in supporting diversified agriculture.

Your Committee believes this measure strikes a balance between the research needs of the academic and business communities, while continuing to provide adequate protection of Hawaii's environment and the health and safety of its citizens.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1614 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 (Ige, M.). Excused, 2 (Taniguchi, Slom).

SCRep. 105 (Majority) Economic Development on S.B. No. 1629

The purpose of this measure is to provide interim financing to the irrigation revolving fund to allow the irrigation systems to meet operating costs.

Your Committee received testimony in support of this measure from the Department of Agriculture and the Hawaii Farm Bureau.

Your Committee finds that in recent public hearings, the department met with considerable opposition to proposed rate increases in water tolls. While the proposed increases would move the fund toward a self sustaining operation, current economic conditions would make higher water costs a hardship for most farming operations.

Your Committee believes this measure will continue operations of the existing water system until an agreement can be reached with farming communities and the agricultural industry for increases in water tolls.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1629 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 (Ige, M.). Excused, 2 (Taniguchi, Slom).

SCRep. 106 Labor and Environment on S.B. No. 821

The purpose of this measure is to prohibit employers from interfering with protected rights of employees or prospective employees to file charges of civil rights violations or discriminatory employment practice violations.

Your Committee received testimony in support of this measure from the Hawaii Civil Rights Commission, Hawaii State Commission on the Status of Women, ILWU Local 142, National Employment Lawyers Association, Hawaii Women's Legislative Coalition, Sex Abuse Treatment Center, and Hawaii Women Lawyers. Testimony in opposition was received from the Chamber of Commerce of Hawaii.

This measure is intended to prohibit employers from requiring employees and prospective employees to relinquish their rights under Hawaii's civil rights and discriminatory employment practices laws, by including any provision to this effect in an employment document or agreement which the employees must sign as a condition of employment. These rights pertain to filing charges and participating in an investigation, hearing, trial, or other proceeding.

Your Committee agrees that employment rights and civil rights of employees should be further protected by ensuring that they are not forced to sign away these rights to be hired or to continue employment.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 821 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Ihara, Slom).

SCRep. 107 Labor and Environment on S.B. No. 1147

The purpose of this measure is to expand the duties and responsibilities of the Workforce Development Council (Council) in order to conform to federal legislation.

The measure permits the Council to function as the State Workforce Investment Board for purposes of the Federal Workforce Investment Act of 1998. The measure also expands the Council from seventeen members to as many as twenty-nine; adding to the Council two mayors, four legislators, and additional members of the business community.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations (DLIR), the Department of Business, Economic Development, and Tourism, and the Department of Human Services. Testimony in support of this measure

with amendments was received from the Workforce Development Council, and the Office of the State Director for Vocational Education. Testimony in opposition to this measure was received by an individual.

Your Committee finds that if Hawaii hopes to attract high technology businesses or to sustain and grow the ones already in the State, it is important to develop the State's workforce potential. Upon the passage of this measure, the State will conform to federal mandates and qualify for approximately \$17,000,000 authorized by Federal legislation. These funds will be available to DLIR to develop workforce policies, conduct planning and evaluation, offer a variety of services, and conduct a research and statistics program.

The Council and the Office of the State Director for Vocational Education requested amendments to the measure as follows:

- (1) Changing references to the federal law to the Carl D. Perkins Vocational and Technical Education Act (Public Law No. 105-332); and
- (2) Adding paragraph (13) to section 202-2 to designate the Council as the entity to conduct activities to be in compliance with Public Law No. 105-332.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1147, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Chumbley, Ihara).

SCRep. 108 Labor and Environment on S.B. No. 1148

The purpose of this measure is to allow the Department of Labor and Industrial Relations (DLIR) to provide in its rules for the taking of depositions in unemployment compensation appeals procedures.

Your Committee received testimony in support of this measure from the DLIR.

This is an administration measure intended in practical application to enable the Employment Security Appeals Referee Office (ESARO) to hold a single hearing by phone, or other suitable method, with all parties present. Under current law, the ESARO must conduct a split hearing if one of the parties is at a different location from the other party. This has been held by a California Court of Appeals case to be insufficient to afford an adequate adversarial hearing. This measure would allow depositions that afford an adversarial procedure in lieu of simultaneous presence of the parties at the same hearing if that is not possible.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1148 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Ihara, Slom).

SCRep. 109 Labor and Environment on S.B. No. 1308

The purpose of this measure is to appropriate funds for the establishment of an incumbent worker training program for growth industries.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and the Department of Human Services.

Your Committee finds that industries such as biotechnology, healthcare, information technology, and telecommunications must often import workers because the State's existing workforce lacks necessary skills. For many of these new and emerging industries, having to bring in workers is also an added expense that they cannot afford.

Your Committee believes this measure will provide opportunities for many of Hawaii's workers in new, growth industries such as call centers, telemedicine, and diversified agriculture.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1308 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, 2 (Chumbley, Ihara).

SCRep. 110 Labor and Environment on S.B. No. 1470

The purpose of this measure is to make an appropriation to fund salary increases and other cost adjustments for certain excluded legislative officers and employees.

Your Committee received testimony in support of this measure from the Acting Director of the Legislative Reference Bureau, State Auditor, Ombudsman for the State of Hawaii, and Executive Director of the Hawaii State Ethics Commission.

This measure is intended to treat excluded legislative employees in the legislative service agencies with equality and parity to other state employees who are in collective bargaining units 3, 4, and 13.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1470 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, 3 (Chumbley, Ihara, Slom).

SCRep. 111 Education and Technology on S.B. No. 538

The purpose of this measure is to provide complete autonomy to the University of Hawaii, by making its status comparable to that of the judiciary. This measure subjects all university employees to the university's personnel system, and eliminates the director of finance and governor from the university budgetary process.

Testimony in support of this measure was submitted by the University of Hawaii Professional Assembly. Testimony in support of this measure was submitted by the University of Hawaii with proposed amendments. Opposing testimony was submitted by the Department of Budget and Finance, and the Hawaii Government Employees Association.

Your Committee finds that this measure would grant the University of Hawaii complete autonomy from the executive branch. This would provide the university with opportunities and incentives for developing an entrepreneurial, competitive role and contributing to Hawaii's economic growth. This measure advances the purposes of Act 320, Session Laws 1986, Act 321, Session Laws 1986, Act 161, Session Laws 1995, as amended, and Act 115, Session Laws 1998. Your Committee views this measure as the next step in complete university autonomy, by permitting a more flexible and responsive approach to the management of university resources.

Your Committee has adopted the recommendations of the University of Hawaii to amend the measure by removing university employees from the civil service completely. University employees are currently comprised of executive/managerial, faculty, administrative, professional, technical (APT), and civil service categories. Except for civil service employees, all other employees fall under the jurisdiction of the university. The flexibility afforded to the Board of Regents to administer their personnel system has served them well. The transfer of current civil service employees to the exclusive jurisdiction of the Board of Regents would complete the delegation of personnel administration to the university. Your Committee notes that current civil service employees at the university would remain in their current bargaining units as there are no amendments to Chapter 89, Hawaii Revised Statutes.

Accordingly, your Committee has deleted sections 2, 23, and 29 from this measure which would have established a civil service system for the University of Hawaii under the umbrella of the state civil service law. In its place, a new section has been added that amends section 76-16 (11), Hawaii Revised Statutes (HRS), to exempt all university employees from the civil service. Your Committee also amended section 304-4, HRS, to add a new subsection which recommends that the Board of Regents follow as closely as possible the provisions of chapters 76 and 77, HRS, but does not make it mandatory. Your Committee also has made technical, nonsubstantive amendments for the purposes of clarity.

Although this measure makes the necessary changes to the Hawaii Revised Statutes to allow the University of Hawaii greater autonomy and status comparable to the judiciary, your Committee is aware that additionally, a Constitutional amendment would be needed to remove references to the university from sections which apply to the executive branch. Your Committee will be hearing S.B. No. 539 this session, which proposes this Constitutional amendment.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 538, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 112 Education and Technology on S.B. No. 550

The purpose of this measure is to return the responsibility of expenditure reporting for the Department of Education (DOE) from the Auditor to the DOE, and to require reports containing specific major functions and sub-functions, which are at least equal to, if not better than, those provided through InSite software.

Your Committee received comments on this measure from the DOE. Verbal comments were submitted by the Auditor.

Your Committee finds that this measure will provide for timely and accurate reporting by the DOE. Your Committee has amended this measure to reinstate the requirement that the DOE provide electronic access to computer-based information to the Legislature and the Auditor.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 550, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 113 Education and Technology on S.B. No. 1011

The purpose of this measure is to clarify the roles of the State Foundation on Culture and the Arts commission, executive director, and foundation staff. This measure also specifies that agencies receiving capital improvement appropriations are responsible for calculating the one percent due to the works of art special fund.

Testimony in support of this measure was submitted by the State Auditor and the State Foundation on Culture and the Arts.

Your Committee finds that defining the role of the commission as a policy-making body and distinguishing the work of the commission from that of the executive director and other foundation staff will assist the commission in directing the work of the foundation.

Your Committee further finds that specifying agency responsibility for calculating the one percent due to the Works of Art Special Fund, for initiating transfers to the fund, and for monitoring compliance with the law will lessen the confusion in the interactions between the agencies receiving the appropriations, the state comptroller, and the foundation.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1011 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 114 Education and Technology on S.B. No. 1103

The purpose of this measure is to appropriate funds for additional unanticipated costs incurred by state departments in implementing Year 2000 (Y2K) compliance requirements.

Testimony in favor of this measure was received from the Department of Accounting and General Services.

Your Committee finds that currently, all departments have resources to complete the State's Y2K testing and remediation process. However, if unexpected resources become necessary in the next few months, this measure will provide the vehicle for legislative appropriation.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1103 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 115 Education and Technology on S.B. No. 1185

The purpose of this measure is to change the deadline for the transition of the State Aquarium to nonprofit management from June 30, 1999, to an indefinite date.

Testimony in support of this measure was received from the Waikiki State Aquarium.

Act 187, Session Laws of Hawaii 1997, mandated a date of June 30, 1999, as when the aquarium should transfer its management from The Research Corporation of the University of Hawaii and the University of Hawaii Foundation to a nonprofit corporation. However, while the University of Hawaii and the Friends of the Waikiki Aquarium still believe that such a transfer will provide the best option for the long-term management of the aquarium, negotiations have been stalled due to the University's consideration of proposals to relocate the State Aquarium to Kakaako.

Your Committee finds that because it is unlikely that the Kakaako negotiations will be resolved by June 30, 1999, the sunset date for the transfer of management must be changed. However, your Committee believes that it is unnecessary to delete a recommended date of transfer altogether, and thus amends this measure to extend the recommended date of management transfer to June 30, 2004.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1185, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 116 Education and Technology on S.B. No. 1270

The purpose of this measure is to give the Department of Education more flexibility in regulating courses of study by eliminating the requirement that fifty percent of each school day be devoted to oral expression, written composition, and spelling.

Testimony in support of this measure was submitted by the Department of Education, and the Hawaii State Parent, Teacher, and Student Association.

Your Committee finds that while oral expression, written composition, and spelling are important aspects in the educational curriculum, there are times when meeting the letter of the law, i.e., the fifty percent requirement of each instructional day, is not feasible or practical. There are many student learning experiences which can be enhanced by field trips within the community, opportunities to work alongside visiting artists, writers, and musicians, and exciting classroom lessons which can take more than fifty percent of one day. These enhanced learning situations provide students with a range and depth of experience and knowledge which will enable them to learn, grow, and achieve. The rigid time requirements mandated in the current statute technically prevents such beneficial encounters from taking place.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1270 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 117 Education and Technology on S.B. No. 1271

The purpose of this measure is to enable the Department of Education to collect fees for all supplementary, discretionary instructional services to students during times when school is not in session.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee finds that this measure will extend the authorization for tuition collections and exemptions from central service and administrative costs to all other discretionary, supplemental instructional programs which operate during "out-of-school" time, and which need to be financially self-supporting. For many years, the Department of Education has been offering supplemental instructional services to students in grades K-12 during "out-of-school" time. Passage of this bill would provide greater flexibility for individual schools to design and offer a variety of programs responsive to their students' needs, and to ensure the adequacy of resources for doing so.

Your Committee amended this measure by adding two new sections which amend sections 36-27 and 36-30, Hawaii Revised Statutes, to exempt the actions taken in this measure from being repealed under Act 216, Session Laws of Hawaii 1997, and Act 142, Session Laws of Hawaii 1998. The measure as introduced did not appropriately amend the effective dates of these Acts. By failing to make the proper amendments as provided by your Committee, no one would have been able to determine the changes to those Acts at a later date. Thus, these amendments were made by your Committee to properly set forth the amendments to these Acts. Your Committee deleted all the improper language relating to this problem after the effective date of this bill.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1271, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 118 Education and Technology on S.B. No. 1273

The purpose of this measure is to mandate the conduct of both national and state criminal history checks for teacher trainees employed by, or seeking employment with, the Department of Education. This measure also deletes reference to criminal history checks for persons employed by, or seeking employment with, private schools.

Testimony in support of this measure was submitted by the Honolulu Police Department, the Hawaii State Teachers Association, and the Hawaii State Parents, Teachers, and Students Association. Testimony in support of this measure with technical amendments

was submitted by the Department of Education. The Department of the Attorney General submitted testimony in support of this measure with additional proposed amendments.

In addition to including teacher trainees as subject to criminal history record checks, this measure also makes such checks mandatory, not discretionary, for all employees of the Department of Education, and employees of the counties working in close proximity to children as well. This is due to the recent institution of stricter language guidelines required by the Federal Bureau of Investigation (FBI), which no longer allows permissive language in state statutes that require both state and national criminal history record checks.

Because of these FBI guidelines, this measure deletes private schools from section 846-43, Hawaii Revised Statutes (HRS), as the FBI will not release criminal history record information to any non-governmental agency. However, the Department of the Attorney General has testified that private schools should still be allowed to obtain state criminal history record information. As proposed by the Department of the Attorney General, your Committee has added a new section to Chapter 846, HRS, which will allow private schools to obtain state criminal history record information.

Your Committee also amended this measure to eliminate superfluous language at the request of the Department of Education. Your Committee also made other technical, nonsubstantive amendments to reflect preferred drafting style.

Your Committee is aware that by adding the Department of the Attorney General's proposed amendments, the title of this measure is no longer appropriate. However, your Committee believes that this measure is important, and requests the Committee on Judiciary to attach the contents of this measure to a more appropriately titled vehicle, if possible.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1273, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 119 Education and Technology on S.B. No. 1276

The purpose of this measure is to allow the Board of Education to set the salary of the Superintendent of Education.

Testimony in support of this measure was submitted by the Board of Education, the Hawaii State Teachers Association, the Hawaii State Parents, Teachers, and Students Association, and the Hawaii Business Roundtable.

Your Committee finds that providing the Board of Education with the authority to set the Superintendent's salary will increase the likelihood that the Board will be able to competitively recruit and retain highly qualified individuals for the position. In addition, this measure would promote greater accountability from the Superintendent by directly linking the Superintendent's salary to job performance.

Your Committee has amended the measure to grant the Board of Education the ability to set the salary of the Superintendent until July 1, 2004. At that time, it is the intent of your Committee that the legislature review the effectiveness of this measure and make any appropriate adjustments, if necessary. To give the Board of Education time to implement this measure, your Committee has further amended the measure to take effect on August 1, 1999.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1276, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 120 Education and Technology on S.B. No. 1278

The purpose of this measure is to establish alternative education options for students who are expelled, suspended, or cause chronic disruption to the educational process. This measure also appropriates \$90,000 to fund initial private provider contracts to establish alternative education options on nine sites across the State.

Testimony in support of this measure was submitted by the Office of Youth Services. Testimony in support of the intent of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and the Hawaii State Parents, Teachers, and Students Association.

The main concern of the testifiers was that this measure makes no requirements for the provision of sound instruction in the alternative education options. The Department of Education recommended an amendment to mandate that the private contracted providers provide sound instruction aligned with the Hawaii Content and Performance Standards. In addition, the Department recommended an amendment to make contracting with a private provider an option, but not an exclusive requirement, as there are already alternatives within the public school system that can also provide these services.

Your Committee agrees with the amendments proposed by the Department of Education, and finds that the revised version of this measure will provide schools with an option of substitute educational opportunities for expelled students or for students who are on long-term suspension, thereby making school campuses safer for other students and staff. Furthermore, this measure with these proposed amendments will guarantee that students who partake of these substitute educational options will be provided sound instructional support.

Your Committee has amended this measure to reflect the recommended changes from the Department of Education. Your Committee has also made technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1278, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 121 Economic Development on S.B. No. 5

The purpose of this measure is to provide agricultural loans to qualified farmers to export crops and livestock.

Your Committee received testimony in support of this measure from one individual. The Department of Agriculture submitted comments.

Your Committee finds that certain crops and livestock have great value in the international market and their export could contribute greatly to the survival of local farming operations.

Your Committee has amended this measure to add provisions to allow working capital loans for farmers affected by State eradication programs. As amended, your Committee believes this measure provides additional opportunities and assistance to qualified farmers.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 5, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 5, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 122 Economic Development on S.B. No. 99

The purpose of this measure is to add specific language in the powers and duties of the Department of Land and Natural Resources to preserve, protect, and promote public hunting.

Testimony in support of this measure was received from the Board of Land and Natural Resources, Hawaii Hunting Advisory Council, Hawaii Hunting Association, Hawaii Citizens' Rights PAC, Wildlife Conservation Association of Hawaii, Hawaii Rifle Association, and three individuals.

The Department of Land and Natural Resources currently has the powers and duties to manage and administer the wildlife and wildlife resources of the State, which include the wildlife resources that are hunted.

Your Committee finds that Hawaii is one of the few states in the nation where all the game birds and mammals that the public hunts are non-native. There has been a long history of the need to control these game mammals to protect forested watersheds and native ecosystems. Aspects of game bird management is compatible with native species management.

Your Committee finds that this measure will codify the importance and necessity of public hunting as a wildlife management technique and source of recreation for the public.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 99 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 123 Economic Development on S.B. No. 219

The purpose of this measure is to appropriate an unspecified sum to the coffee inspection revolving fund to provide additional inspectors.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Hawaii Coffee Association, the Hawaii Farm Bureau, and the Kona County Farm Bureau.

Your Committee finds that Hawaii's rapidly expanding coffee industry has grown to a \$75,000,000 crop, and there are currently not enough trained inspectors to meet the demand for inspections on a timely basis.

Your Committee further finds that the department now has three permanent full time, and two part time trained coffee inspectors statewide. In the past year, two part time staff left and new inspectors must be trained. While part time inspectors are paid from inspection fees once their training is complete, the cost of training must be met by the department from other sources.

Your Committee is in support of this measure and has made a technical amendment to clarify that certification of coffee is "as to grade".

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 219, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 124 Economic Development on S.B. No. 222

The purpose of this measure is to appropriate funds for the biennium for agricultural research and development by the Hawaii Agriculture Research Center (HARC).

Your Committee received testimony in support of this measure from the Department of Agriculture, the University's College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau, Gay & Robinson, Inc., Hawaiian Commercial & Sugar Company, Oils of Aloha, and the Pineapple Growers Association of Hawaii.

Your Committee finds that with the current availability of agricultural lands, the need for research on agriculture commodities that can replace sugar and pineapple is critical. HARC has been in the forefront on applied agricultural research, helping to provide new opportunities for agribusiness.

Your Committee further finds that the rapid growth of the diversified agriculture industry presents additional problems and opportunities. At present, cooperative research projects between HARC and the University are under way in coffee, taro, onion, pineapple, papaya, and sugarcane.

Your Committee notes that this measure also requires matching funds, based on the dollar value of the industry conducting the research. Your Committee is in support of the work done by HARC, in concert with other public and private sector research agencies, in these important agricultural commodities.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 222 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 125 (Majority) Economic Development on S.B. No. 804

The purpose of this measure is to appropriate an unspecified sum for costs related to the preparation and sailing of the Aloha Racing Yacht entry in America's Cup 2000.

Your Committee received testimony in support of this measure from the Aloha Racing Foundation, the Boat Owners Association of The State of Hawaii, the Waikiki Yacht Club, Tradewinds U-Drive, Inc., and twelve individuals. The Department of Business, Economic Development, and Tourism submitted testimony in opposition.

Your Committee finds that this measure will provide support for Hawaii's team in America's Cup 2000, to be held in New Zealand next year. Held every three years, the America's Cup Yacht Race will receive over two hundred hours of international television coverage over a five-month period, as well as extensive national and international print media coverage. Hawaii's two entries will carry a design by the artist Wyland, and will be easily recognizable.

Your Committee further finds that if a Hawaii boat wins the final race in New Zealand, the next America's Cup could be held in Hawaii waters. Your Committee is supportive of this effort and believes participation in America's Cup 2000 will be highly beneficial to Hawaii's current and future tourism efforts.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 804 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Ige, M.). Excused, 2 (Taniguchi, Slom).

SCRep. 126 Economic Development on S.B. No. 942

The purpose of this measure is to make it mandatory that the Department of Land and Natural Resources establish, maintain, manage, and operate game management areas, wildlife sanctuaries, and public hunting areas.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Hawaii Hunting Advisory Council, the Hawaii Hunting Association, Hawaii Citizens' Rights PAC, Pig Hunters of Hawaii, the Hawaii Rifle Association, and one individual. Animal Rights Hawaii submitted testimony in opposition.

Your Committee finds that Hawaii is one of the few states where all the game birds and mammals that the public hunts are non-native. There has been a long history of the need to control these game mammals to protect forested watersheds and native ecosystems. The maintenance of a viable game mammal hunting program is essential to avoid costly government intervention. In addition, alien predator control is compatible with native species management.

Your Committee is in support of this measure, and amended the measure to add definitions for "game management area" and "public hunting area" to clarify how these different areas will be managed.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 942, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 127 Economic Development on S.B. No. 1066

The purpose of this emergency measure is to appropriate \$31,000,000 out of the tourism special fund to be expended by the Hawaii tourism authority for fiscal year 1998-1999.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority (HTA) and the Hawaii Hotel Association.

Your Committee finds that the HTA was to be funded through its special fund, effective January 1, 1999. However, the appropriation was inadvertently omitted from the 1998 legislation, and the HTA is unable to encumber or expend any funds for the second half of the present fiscal year until an appropriation is authorized.

Your Committee is in support of this appropriation measure, but members have raised a concern about the amount. In its recommendations last year, the Hawaii Economic Revitalization Task force suggested "increased funding for tourism promotion at the \$60,000,000 level." This measure, had it been for a full year, would have put that funding level at \$62,000,000.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 128 (Majority) Economic Development on S.B. No. 1083

The purpose of this administration measure is to authorize the Board of Land and Natural Resources to delegate enforcement authority to other designated employees, in addition to conservation and resources enforcement officers, for the purpose of enforcement of boating and ocean recreation programs.

Testimony received in support of this measure was received from the Board of Land and Natural Resources. Testimony opposed to this measure was received from the Boat Owners Association of Hawaii, Inc.

Your Committee finds that the present staffing level of the Department's Division of Conservation and Resources Enforcement (DOCARE) is not sufficient to provide the level of security and enforcement within boating facilities that is desired by the boating public.

Your Committee finds that DOCARE officers are unable to respond to minor infractions in a timely manner due to higher priority enforcement assignments.

Your Committee finds that delegation of limited enforcement authority to harbor agents and other selected employees of the Department's Division of Boating and Ocean Recreation (DOBOR) will permit immediate enforcement of minor infractions at the time they occur, without the necessity of waiting for DOCARE officers to respond to enforcement requests.

Your Committee finds that the enforcement of minor infractions by DOBOR personnel will supplement DOCARE efforts and free DOCARE officers to concentrate on boating safety enforcement efforts on the water.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1083 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 129 Economic Development on S.B. No. 1086

The purpose of this measure is to establish administrative fines for violations of chapter 200, Hawaii Revised Statutes (HRS). In addition, this measure gives the authority of the Board of Land and Natural Resources to collect and take legal action to collect fines, damages, and fees and costs for such violations. The moneys collected will be placed in the boating special fund.

Testimony in support of this administrative measure was received from the Board of Land and Natural Resources. Testimony opposed to this measure was received from Boats/Hawaii Inc.

Currently, violations of boating laws and rules are primarily addressed through court proceedings, including criminal procedures. Your Committee finds that many types of violations, however, could be addressed more effectively and expeditiously through fines imposed administratively, and thus relieve the courts of the burden of processing these violations.

Your Committee finds that fines assessed for the violation of boating laws and rules are deposited in the general fund of the State. Little opportunity exists for the recovery of damages or other direct costs to the Boating Special Fund arising from such violations, other than recovery of administrative costs associated with the disposition of abandoned vessels which can be deducted from the proceeds of the sale of the vessel. Unfortunately, the proceeds of such sales seldom cover even the cost of the required public notice of sale. The remaining costs must be borne by the Boating Special Fund.

Your Committee finds that the ability to assess administrative penalties and recover other administrative fees and costs, including the costs of damages and attorney fees, could reduce the magnitude of this non-productive overhead cost.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1086 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 130 Economic Development on S.B. No. 1087

The purpose of this measure is to allow private marinas and yacht clubs to take into custody and dispose of vessels abandoned on their premises.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Boat Owners Association of The State of Hawaii.

Your Committee finds that present law allows a yacht club or private marina to file liens in the amount of storage charges for vessels abandoned on the premises, and seek restitution through small claims court. However, except for vessels abandoned at a vessel repair business, only the State may take into custody and dispose of a vessel abandoned on private property.

Your Committee is in support of this measure and believes it will enable yacht clubs and private marinas to recover costs from abandoned vessels in the same manner as vessel repair facilities. Your Committee has amended this measure to clarify that the five day mailing and publication period refers to five calendar days, and to make technical amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1087, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 131 Economic Development on S.B. No. 1091

The purpose of this measure is to consolidate various penalty sections in Hawaii Revised Statutes (HRS), to establish minimum fines, and to establish separate and graduated penalties for chapter 187A, 188, 189, and 190, HRS.

Testimony in favor of this measure was received from the Board of Land and Natural Resources. Testimony in opposition to this measure was received from Boats/Hawaii Inc.

Your Committee finds that generally, the same graduated penalties apply to violations of sections of Chapter 187A, 188, 189, and 190, HRS. Currently, these violations are punishable as a petty misdemeanor, except for the use of explosives, electrocution, or poisons in fishing, which is punishable as a felony.

Your Committee finds that currently, the courts in Hawaii have imposed minimum fines for violation of the natural resource laws, which has done little to deter violations.

Your Committee finds that this measure would establish effective minimum fines and graduated fines for repeat violators which will deter violation of the natural resource laws.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1091 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 132 Economic Development on S.B. No. 1095

The purpose of this measure is to delay for two years the sunset date for allowing licensed hunters to hunt game mammals with handguns.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Hawaii Hunting Advisory Council, the Hawaii Hunting Association, Pig Hunters of Hawaii, the Hawaii Rifle Association, Hawaii Citizens' Rights PAC, and one individual.

Your Committee finds that this measure will give the department additional time to complete the rule making process and implement a trial period of handgun hunting before the sunset date. Your Committee understands that rule making has taken longer than originally anticipated due to legal concerns, and that statewide public hearings on the proposed rules are now scheduled for March of this year.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1095 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 133 Economic Development on S.B. No. 1321

The purpose of this measure is to encourage public and private interests to invest in research and development of open ocean aquaculture or mariculture.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Department of Business, Economic Development, and Tourism, the Department of Land and Natural Resources, the Hawaii Aquaculture Association, Black Pearls, Inc., Makai Ocean Engineering, and the Oceanic Institute. The Office of Hawaiian Affairs and one individual testified in opposition to the measure. The University's Environmental Center, Hawaii Natural Energy Institute, and Sea Grant College Program submitted comments.

Your Committee finds that in 1986, the Legislature passed the Ocean and Submerged Lands Leasing Act, Chapter 190D, Hawaii Revised Statutes (HRS), which established procedures for the leasing of State marine waters and submerged lands for mariculture. However, no lease has ever been granted under Chapter 190D, HRS, because of limitations in the law.

Your Committee finds that this measure would remove key limitations and allow mariculture leases, streamline and clarify the process for a mariculture lease, and provide potential mariculture projects with the flexibility to adapt technology and designs to a site.

Your Committee has amended this measure to:

- (1) Delete section 1 which would have amended section 171-2, HRS, relating to the definition of public lands, as unnecessary;

- (2) Delete section 2 which would have amended section 171-53, HRS, to exempt leases issued under chapter 190D, HRS, from legislative authorization;
- (3) Reinstate the material deleted from section 190D-33, HRS, requiring the portion of revenues subject to chapter 10, HRS, be deposited into the public land trust fund; and
- (4) Make technical amendments to conform to standard drafting style.

Your Committee is in support of this measure, as amended, and believes it will foster further economic development of the mariculture industry, while promoting environmental sustainability.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1321, S.D. 1, and be referred to the Committee on Water, Land, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 134 Economic Development on S.B. No. 1420

The purpose of this measure is to expand the responsibilities of the Stadium Authority to include the Kapolei recreational sports complex and to create a Kapolei recreational sports complex special fund.

Your Committee received comments on this measure from the Stadium Authority.

Your Committee finds that this measure will extend the same operation and management provisions to the Kapolei recreational sports complex as currently under the stadium authority. Your Committee is in support of this measure and has amended the measure to make it clear that all funds received by the Kapolei recreational sports complex special fund and the stadium special fund shall be kept completely separate.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1420, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 135 Economic Development on S.B. No. 1489

The purpose of this measure is to appropriate funds for PACON International, the Pacific Mapping Program at the University of Hawaii, and for an eighteen month feasibility study of a Waianae ocean park.

Testimony in favor of this measure was received from McCorriston Miho Miller Mukai, Attorneys at Law, PACON International, and two individuals. Testimony opposed to this measure was received from the University of Hawaii at Manoa.

Your Committee finds that PACON International's goal is to disseminate the latest information in marine science and technology among marine educators, scientists, technologists, and policy decision makers in the Pacific Basin. In order to achieve this goal, PACON International holds major conferences and smaller symposia each year. Funding is currently needed for these conferences and symposia.

Your Committee finds that over the last few years, PACON International has been designing an underwater park for shallow coastal waters that will allow visitors from land to walk, via an underwater tunnel to an underwater structure designed for educational and research activities. Currently, a Waianae Ocean park feasibility study is needed.

Your Committee finds that the Pacific Mapping Program (PMP) was established by the U.S. Geological Survey (USGS) and the National Oceanic and Atmospheric Administration (NOAA) to focus on collecting, analyzing, processing, and providing ocean mapping data to the public. In order to meet the goals of the Pacific Mapping Program, funding for one research position, a Director position, and operating expenses is needed at this time.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1489 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 136 Labor and Environment on S.B. No. 749

The purpose of this measure is to make salary adjustments for the legislative agencies' directors and their assistants and certain executive agencies and boards.

Your Committee received testimony in support of this measure from the Director of the Legislative Reference Bureau, State Auditor, Ombudsman, and Hawaii Government Employees Association. The Hawaii State Ethics Commission submitted testimony in support of this measure with amendments.

This measure covers the Office of the Auditor, Legislative Reference Bureau, Hawaii Labor Relations Board, Office of Collective Bargaining, Ombudsman, Stadium Authority, Public Utilities Commission, and Labor and Industrial Relations Appeals Board.

Your Committee notes that this measure does not include the State Ethics Commission, which your Committee believes should be included but defers this decision to the discretion of the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 749 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Ihara, Slom).

SCRep. 137 Government Operations and Housing on S.B. No. 1519

The purpose of this measure is to require assisted housing development owners who are terminating a contract or prepaying a mortgage to provide one year's notice to tenants and to give the tenant's or a nonprofit organization the first opportunity to purchase the development.

Testimony in favor of this measure was received from American Association of Retired Persons, Affordable Housing and Homeless Alliance, Legal Aid Society of Hawaii, a petition signed by McCully Circle tenants, and four individuals. Testimony in favor of the intent of this measure was received from the Department of Commerce and Consumer Affairs. Testimony opposed to this measure was received from the Housing and Community Development Corporation of Hawaii.

Your Committee finds that Hawaii's 3,000 units of Section 8, subsidized housing are at risk of being sold due to non-renewal of the Section 8 contract or pre-payment of the Federal mortgage. Your Committee recognizes that owners of subsidized housing may wish to pay off their mortgages and increase rents, sell the buildings, or convert them to condominiums. However, low income residents who may lose their homes should be given time to plan for this change.

Your Committee finds that during the year after the notice is given, residents of low income housing could form a non-profit organization or work with an existing non-profit organization to purchase the building. Giving first right of refusal to a non-profit entity is a sensible way to continue offering affordable housing and avoid low income residents having to find alternative housing accommodations.

Your Committee made technical, nonsubstantive amendments, added a definition for "economically feasible" in the section dealing with right to purchase, and deleted an inappropriate reference to California law.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1519, 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 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 138 Government Operations and Housing on S.B. No. 202

The purpose of this measure is to issue \$20,000,000 in general obligation bonds and appropriate the funds to the rental housing trust fund.

Testimony in support of this measure was received from the Office of the Governor, the Housing and Community Development Corporation of Hawaii, Affordable Housing Alliance, American Association of Retired Persons, Catholic Charities, the Institute for Human Services, Legal Aid Society of Hawaii, thirty tenants of McCully Circle, and seven individuals.

Your Committee finds that additional funding for the Rental Housing Trust Fund will provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. Given the scarcity of funds available for affordable housing and the high cost of construction in the State, this program leverages funds to the greatest possible extent.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 202 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 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 139 Labor and Environment on S.B. No. 30

The purpose of this measure is to require the Department of Land and Natural Resources to conduct an endangered species art contest for the production of an annual state endangered species stamp. Proceeds from the sale of articles derived from such contests are to be deposited into the wildlife revolving fund.

Testimony in support of the intent of this measure with amendments was received from the Board of Land and Natural Resources. Testimony supporting this measure was received from Hawaii's Thousands Friends and the Sierra Club.

Your Committee finds that an endangered species art contest will educate our Keiki in the awareness and preservation of Hawaii's endangered species. In addition, the contest may raise needed revenue for the department.

Your Committee is in accord with the suggested amendments from the Board of Land and Natural Resources to give the Board discretionary authority in how endangered species stamps are selected and produced. Additional discretion would allow the Board to use a variety of methods to select the art, such as a donated piece of art work from an established artist, direct commission, or art contest. This flexibility will allow selection and production of the best product. At the suggestion of the Board, the measure also was amended to require that the proceeds be deposited into the endangered species trust fund instead of the wildlife revolving fund.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 30, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 30, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 140 Labor and Environment on S.B. No. 207

The purpose of this measure is to establish a special fund into which various fees collected pursuant to the activities of the Board of Certification of Operating Personnel in Wastewater Treatment Facilities (Board) will be deposited.

Testimony in support of this measure was received from the Department of Health.

Your Committee finds that, since fiscal year 1996, the Board's annual budget has been \$5,198, which is insufficient to implement the mandatory certification program for wastewater treatment plant operators. Your Committee also finds that the Board can operate effectively on a budget of \$10,000 and the Board generates approximately \$11,000 annually from registration and certification fees. Thus the entire operational costs of the Board could be financed by the revenues generated by the operator certification program.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 207 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, 1 (Chun Oakland).

SCRep. 141 Labor and Environment on S.B. No. 563

The purpose of this measure is to require various agencies to notify the Office of Environmental Quality Control (OEQC) of any permit application, or other action or information that affects or pertains to the environment for publication in the Officer's Bulletin.

Testimony in support of this measure was received from the Office of Environmental Control, Common Cause Hawaii, Hawaii's Thousand Friends, Life of the Land, Na Leo Pohai, and the Sierra Club. Testimony in support of the intent of this measure was received from the Land Use Commission, Hawaiian Electric Company, and the Environmental Center. Testimony in opposition to this measure was received from the Department of Business, Economic Development, and Tourism, and the County of Hawaii Planning Department.

Your Committee finds that this measure will codify an existing practice of the OEQC. It is the intent of the OEQC to continue providing a "one-stop shop" for environmental notices to the greatest extent possible. Your Committee made technical, nonsubstantive changes to this measure for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 563, S.D. 1, and be referred to the Committee on Water, Land, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 142 Labor and Environment on S.B. No. 738

The purpose of this measure is to require the Department of Health to grant or reject noise control permits within thirty days instead of one-hundred-eighty days.

The measure further requires the director to act on an application within ninety days if the director deems a public informational meeting, hearing, or notice is appropriate, and to extend the ninety-day period an additional ninety days if extraordinary circumstances exist. If the director does not act on this application within one-hundred-eighty days of the receipt of the application then the application is deemed granted.

Testimony in support of this measure was received from the Department of Health, the Department of Transportation, Hawaiian Electric Company, the Building Industry Association of Hawaii, and Hidano Construction, Inc.

Your Committee finds that shortening the time allowed for the Department of Health to issue noise control permits, as called for in this measure, is a fair compromise between the needs of the Department to examine an application thoroughly and the needs of the construction industry for an expedient permitting process.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 738 and recommends that it pass Second Reading and be referred to the Committee on Health and Human Services.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 143 Labor and Environment on S.B. No. 1023

The purpose of this measure is to authorize the Department of Health to hire a full-time exempt employee to serve as an ecological risk assessor.

Testimony in support of this measure was received from the Department of Health and the Sierra Club. The Environmental Center commented on the measure.

Your Committee finds that there is a growing need for an ecological risk assessor within the Environmental Health Administration of the Department of Health. The expertise afforded by an ecological risk assessor would allow the Environmental Health Administration to respond more efficiently and effectively to environmental hazards.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1023 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, 1 (Chun Oakland).

SCRep. 144 Labor and Environment on S.B. No. 1152

The purpose of this measure is to add certification programs to enhance safety and health as a permissible expenditure for the occupational safety and health training and assistance fund (fund).

Your Committee received testimony in support of this measure from the DLIR and the Hawaii Island Contractors Association.

This measure also extends the sunset date for the fund from July 1, 1999, to July 1, 2003.

Your Committee finds that since 1995, the fund has been enormously successful in reducing the frequency of workplace accidents and reducing the cost to businesses from those accidents. According to the DLIR, there are two certification programs required by law that would be funded from the fund, the Certified Safety and Health Professional (Act 234, Session Laws of Hawaii 1995) and Certificate of Fitness for Blasters and Pyrotechnics Specialists (Section 396-9, Hawaii Revised Statutes).

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1152 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Chumbley, Ihara).

SCRep. 145 Education and Technology on S.B. No. 1251

The purpose of this measure is to set aside interest earned by the educational facilities improvement special fund to be used solely for education technology and to give the legislature sole authority to authorize projects.

Your Committee received testimony in support of the intent of this measure from the Department of Education (DOE). The Department of Budget and Finance testified in opposition.

Your Committee finds that the DOE has expressed concerns that restricting the interest for educational technology could result in a reduction of lump sum funding for telecommunications infrastructure improvements. Your Committee believes these concerns to be unfounded. Currently, interest earnings of the educational facilities improvement special fund are returned to the general fund. This measure would instead give the DOE additional funds for use in needed improvements to the public schools telecommunications infrastructure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1251 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 146 (Majority) Education and Technology on S.B. No. 536

The purpose of this measure is to allow state agency heads to purchase computer and communication systems with proceeds from the sale of general obligation bonds.

Your Committee received testimony in support of this measure from the Department of Education. The Department of Budget and Finance (DB&F) testified in opposition.

Your Committee finds that while public schools statewide have enjoyed recent support from E-rate and federal technology funding, the student computer ratio is still at ten to one. It is critical that the hardware in schools be kept current and powerful enough to engage students in projects that encourage skill development well beyond word processing, spreadsheets, and data bases.

Your Committee has heard the concerns of the DB&F that general obligation bonds are long-term debt used to finance capital improvements that have a life at least equal to the term of the debt incurred. In response, your Committee would note that article VII, section 13, of the Hawaii State Constitution, states:

"All general obligation bonds for a term exceeding two years shall be in serial form maturing in substantially equal installments of principal, or maturing in substantially equal installments of both principal and interest."

Your Committee understands this to mean that general obligation bonds need not be for long-term debt, and it is the intent of the Legislature that for the purposes of this measure, those general obligation bonds issued for the purchase of computer and communications systems be for shorter terms of three to ten years.

Your Committee has amended this measure to require that the director of finance consider shorter term general obligation bonds for the purposes of this measure.

Your Committee is gravely concerned that Hawaii continues to rank as one of the lowest states in the deployment and use of information technology. If the State is serious about addressing Hawaii's stagnant economy, then it must explore all options for upgrading and expanding a woefully inadequate telecommunications infrastructure. Other states have found general obligation bonds for information technology a worthwhile investment in both current operations and future endeavors.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 536, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Bunda, Matsunaga).

SCRep. 147 Education and Technology on S.B. No. 869

The purpose of this measure is to require the Department of Education to set appropriate teacher to student ratios and counselor to student ratios to promote effective learning and development of students. This measure also requires the Department of Education to adjust staffing at schools with a disproportionate percentage of at-risk students.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association, and many school counselor organizations including Your Family First, the Institute for Native Pacific Education and Culture, and Ho'omaka Hou. The Department of Education submitted testimony in support of the intent of this measure.

Many of the testifiers pointed out that teacher to student ratios are already determined by state law and collective bargaining contract, and currently stands at a ratio of 26.5 students per teacher. Thus, your Committee finds that it is unnecessary to include teachers in this measure.

However, your Committee finds that the issue of counselor to student ratios must be addressed. The situation brought upon the Department of Education because of the 1993 *Felix v. Waihee* decision necessitated that counselors provide effective service to all students. However, the current counselor to student ratios are not standard and some counselors must serve up to 800 students. In addition, schools with a higher percentage of at-risk students are not allotted more counselors. Counselors provide greater services to at-risk students, and deal with all the referrals and meetings held to deal with these students. Those counselors at schools with a higher percentage of at-risk students are overburdened, and thus unable to devote the proper attention to the needs of all students, including at-risk and *Felix* children. This measure will standardize counselor to student ratios, and ensure that those schools with special needs will be allocated more counselors.

Accordingly, your Committee has amended this measure to delete the references to teacher to student ratios, thereby allowing this measure to focus solely on setting standard counselor to student ratios.

Your Committee urges the Department of Education to work closely with current school counselors in determining counselor to student standards. Because these counselors work and observe these problems on a daily basis, they are able to provide insight into the varying needs of regular students, *Felix* students, and at-risk students, and thus how counselors should be allocated to provide the best possible services to all of Hawaii's students. For example, one counselor proposed to your Committee the allocation of one counselor per 350 regular students, one *Felix* counselor per 100 *Felix* students, and one counselor per 200 at-risk students.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 869, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 869, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 148 Education and Technology on S.B. No. 1250

The purpose of this measure is to permit the use of tour buses solely for the transportation of student groups, other than school athletes, to and from school related events or activities.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, the Hawaii Congress of Parents, Teachers and Students, the Public Schools of Hawaii Foundation, Trans Hawaiian Services, Leeward Oahu Transportation Management Association, Polynesian Hospitality, and twenty-seven individuals, including twenty students. The Department of Education and Gomes School Bus Service, Ltd., submitted testimony in opposition.

Your Committee finds that with multiple sources of transportation, students will not be prevented from attending school functions because buses are not available. Your Committee supports this measure and believes that it will provide schools with an additional option in transporting students to and from school related events, in a safe and timely manner.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1250 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 149 Education and Technology on S.B. No. 1586

The purpose of this measure is to set coaches' salaries and require budgeting for athletics when budgeting for new schools.

Testimony in support of this measure was submitted by the Athletic Directors and Coaches Association, and the Hawaii State Teachers Association. The Department of Education submitted testimony in support of budgeting for athletics in new schools, but with reservations about setting coaches salaries.

Your Committee finds that athletic programs are an integral aspect of school curriculums, and should be properly funded as part of the basic criteria for the funding of new schools so that students entering a new high school can have the same opportunities as students in other high schools.

It is certain that many coaches have great positive impacts on students and give them positive alternatives to drugs and delinquency. However, the Department of Education had reservations regarding setting coaches' salaries. Your Committee believes

that the issue of how to properly compensate coaches for their work must be studied in depth, and all the implications must be determined before legislating set salaries.

Accordingly, your Committee has amended this measure to delete section one, which mandates setting coaches' salaries, and instead has added a new section requiring the Department of Education to study the implications of the issue and report its findings back to the legislature before the next regular session. Your Committee also made technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1586, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 150 Education and Technology on S.B. No. 41

The purpose of this measure is to repeal the sunset date for the Hawaii Teacher Standards Board, thereby making the Board permanent like other licensing agencies. This measure also provides for staggered terms for new members.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii Teacher Standards Board, the Hawaii State Teachers Association, the Hawaii Congress of Parents, Teachers, and Students, and the Hawaii Business Roundtable.

Your Committee agrees with the testifiers that the Hawaii Teacher Standards Board, in ensuring that qualified teachers are employed to educate Hawaii's students, is essential to the improvement of our public school system. In addition, your Committee further believes that staggered terms for the members are critical to ensure continuity and stability. Furthermore, new members will gain invaluable knowledge regarding licensure by tapping into the expertise of the veteran members.

While your Committee finds the Hawaii Teacher Standards Board to be a valuable aspect of our educational system, your Committee has amended this measure to extend the sunset date for ten years, until June 30, 2010, instead of repealing the sunset date altogether. Your Committee makes this amendment solely for the purpose of requiring a review of the Hawaii Teacher Standards Board. Your Committee believes that this amendment will ensure accountability of the Hawaii Teacher Standards Board and allow the Legislature to continue to track closely the positive effects quality teachers have on improving Hawaii's educational system.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 41, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 41, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 151 Education and Technology on S.B. No. 185

The purpose of this measure is to establish in statute the Hawaii State Student Council with student representatives from each departmental school district.

This measure also requires the council to conduct an annual conference of secondary schools, and requires the council to determine whether to select the student member of the Board of Education or to run an election to select the individual.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and the Hawaii Congress of Parents, Teachers, and Students. Testimony in support of the intent of this measure was submitted by the Department of Education.

Your Committee believes that not only are students the beneficiaries of our public education system, but they should also be central in helping to form the policies and procedures for improving our schools. The inclusion of the Hawaii State Student Council in statute will ensure its longevity and equitable student participation in school based decision making.

The Department of Education has expressed concern regarding the implications of statutorily requiring that the Department assign staff to act as advisors to both the Hawaii State Student Council and the Hawaii State Student Council Conference Committee. Because a Department of Education staff member currently assists the Hawaii State Student Council, your Committee agrees with the Department's testimony that it is not necessary to legislate staffing requirements. Furthermore, this will allow the Department some flexibility in resource management in the case of funding cuts or a change in budget priorities.

Accordingly, your Committee has amended this measure to delete the staffing provisions, and made technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 185, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 152 Education and Technology on S.B. No. 964

The purpose of this measure is to lower the compulsory school attendance age from eighteen years to sixteen years, by making attendance at a public high school after sixteen years of age a privilege rather than a right. This measure also repeals the requirement that a child have an alternative education plan before being excluded from school for disruptive behavior or chronic truancy.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and Moanalua High School. The Department of Education submitted testimony in opposition to this measure.

The impetus for this measure was the complaints of many teachers and principals having problems dealing with chronically disruptive students. Many of the older students know their rights and know that the principal has little leverage in preventing any disruption in educational activities, as the principal cannot exclude them from attending school. This measure will provide teachers and principals with needed leverage.

The Department of Education testified that it believes that it is charged with the responsibility to educate all minors, and disruptive students should not be released without program direction into the community-at-large. However, the problem of disruptive students, for many years, has been a perennial issue brought to the Legislature. While the Department of Education has consistently opposed lowering the compulsory school age, your Committee finds that the Department of Education has done little to alleviate the problem of disruptive students in Hawaii's schools.

Your Committee further finds that disruptive students hinder the learning of other students who take their education seriously. By not having the means to control disruptive students, your Committee finds that the educational growth of all students are adversely affected.

Your Committee believes there is a need for change. Disruptive students should not burden and monopolize the efforts of teachers and principals, to the detriment of the other students. However, your Committee is aware of the concerns raised by the Department of Education and has thus amended this measure to be repealed on July 1, 2004, in the event that this measure does not prove effective.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 964, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 153 Education and Technology on S.B. No. 669

The purpose of this measure is to allow the Board of Education to appoint, or retain by contract, attorneys to provide legal services to the Department of Education for issues involving developmentally disabled children.

Testimony in support of this measure was submitted by Kalihi-Uka School, Nanakuli High and Intermediate School, and education specialists in the Department of Education's Leeward district, Hawaii district, and Honolulu district. The Board of Education submitted testimony in support of the intent of this measure. Testimony in opposition was submitted by the Department of the Attorney General.

Your Committee finds that special education and the compliance mandated by the 1993 Felix v. Waihee decision have surfaced at the school level as one of the most sensitive and legally complex areas within the roles and responsibilities of school administrators, diagnostic team members, special education teachers, regular education teachers, and school counselors. The burden of legal compliance is a very heavy and complicated one.

Because of this, your Committee finds that the three attorneys currently provided by the Department of the Attorney General are unable to handle all of the legal issues surrounding the Felix decision. As more and more parents win judgments against the State, precedence is being set, and the State loses money in litigation. This money could be better spent on implementing complete Felix compliance procedures. The Department of Education needs attorneys who specialize in special education issues, and monitor actions taking place across the country. These attorneys would be able to work with schools before they go to court, thus saving the State litigation fees.

It is only through dedicated attorneys who work solely for the Board of Education that the rights of both developmentally disabled children, and the State of Hawaii are protected. Your Committee agrees with the need for the Department of Education to retain its own attorneys for issues involving developmentally disabled children.

Your Committee has amended this measure to:

- (1) Delete the references to the special education division of the Department of Education because Felix compliance issues span many divisions within the Department of Education and limiting the attorneys to this one division would be counterproductive to the implementation of this measure; and
- (2) Add clarifying language and delete the provision for "other legal services" to make clear the use of these contract attorneys is only for issues regarding developmentally disabled children.

However, your Committee stresses that this measure is not a statement against the Department of the Attorney General, and it is the intent of your Committee that attorneys hired by the Board of Education concentrate only on Felix-related issues. The Department of Education must rely on the Department of the Attorney General to provide legal assistance in all other areas.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 669, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 154 Judiciary on S.B. No. 223

The purpose of this bill is to require, and appropriate funds for, the establishment of a canine corps in the Department of Public Safety.

Your Committee finds that the availability of illegal drugs in state correctional facilities is a major problem for prison staff and administrators. Your Committee further finds that the canine corps established under this measure will help control the distribution of and hopefully eliminate illegal drugs within correctional facilities.

Testimony in support of this measure was received from the Department of Public Safety and an individual corrections officer.

Upon further consideration, your Committee has amended this measure by adding language stating that the canine corps would be most appropriately placed in the Law Enforcement Division of the Department.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 223, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 155 Judiciary on S.B. No. 1163

The purpose of this bill is to extend the authority to grant emergency release of pre-trial inmates until June 30, 2000.

Your Committee finds that because of overcrowding in correctional facilities, the Department of Public Safety needs a release mechanism by which it can relieve overcrowding in the pretrial population while considering public safety. Your Committee further finds that in 1998 the Legislature established strict controls over which defendants qualify for emergency pretrial release.

Testimony in support of this measure was received from the Department of Public Safety. Testimony in opposition to this measure was received from the Department of the Prosecuting Attorney for the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1163 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 156 Judiciary on S.B. No. 600

The purpose of this bill, as received by your Committee, is to mandate substance abuse assessment and treatment programs for all inmates in correctional centers and facilities, who are alcohol or drug dependent, or who are otherwise in need of substance abuse treatment and monitoring.

Your Committee finds that alcohol and other substance abuse has a destructive impact in many important areas, which adds to crime in obvious but hard to measure ways. Your Committee further finds that adequate treatment of substance abuse and addiction within the criminal offender population is important in reducing the recidivism rate and protecting the public upon inmates' release back into the community.

Testimony in support of this measure was submitted by the Department of Health, the Department of Public Safety, the Hawaii Paroling Authority, Mothers Against Drunk Driving, the Community Alliance on Prisons, and a case manager for TJ Mahoney & Associates. Testimony opposed to a specific provision of this measure was submitted by the Office of the Public Defender.

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

- (1) Limiting the requirement of mandatory drug testing and mandatory assessment to inmates who have been convicted of felonies;
- (2) Inserting an appropriation for substance abuse treatment at the Women's Community Correctional Center; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 600, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 157 Judiciary on S.B. No. 602

The purpose of this bill is to transfer the rights, powers, functions, and duties of personnel assigned to the parole administration division of the Hawaii Paroling Authority to the Department of Public Safety.

Your Committee finds that transferring adult parole supervision and counseling from the Hawaii Paroling Authority to the Department of Public Safety will smooth the transition of criminal offenders from the prison system back into society. Your Committee further finds that thirty-nine other states already place adult parole supervision within their respective public safety departments instead of within a separate paroling authority.

Testimony in support of this measure was submitted by the Department of Public Safety. Testimony in opposition to this measure was submitted by the Hawaii Paroling Authority.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 602, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 158 Judiciary on S.B. No. 603

The purpose of this bill is to appropriate funds to continue the KASHBOX substance abuse treatment program.

Your Committee finds that there is a high correlation between substance abuse and crime in Hawaii. Your Committee further finds that the Waiawa Correctional Facility's KASHBOX substance abuse treatment program has been highly successful since its opening in March 1990, but faces a budget shortfall in the next biennium.

Testimony in support of this measure was submitted by the Department of Public Safety, the Honolulu Prosecuting Attorney, Mothers Against Drunk Driving, and the Community Alliance on Prisons.

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

- (1) Decreasing the appropriation amount to more accurately reflect the shortfall between the administration's budget request and the supplemental amount being requested by the program; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 603, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 159**Judiciary on S.B. No. 604**

The purpose of this bill is to allow the administrator of the Narcotics Enforcement Division of the Department of Public Safety to share information from the electronic prescription accountability system with practitioners who dispense controlled substances.

Your Committee finds that abuse of prescription medications containing controlled substances is an increasing problem in Hawaii. Your Committee further finds that allowing the Narcotics Enforcement Division to share prescription information with practitioners, while providing adequate safeguards for patient privacy, will assist in better evaluation and assessment of patients who are visiting multiple practitioners to obtain controlled substances.

Testimony in support of this measure was submitted by the Department of Public Safety and the Hawaii Medical Association.

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

- (2) Limiting the disclosure to information that is about the dispenser's own patient; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 604, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 160**Judiciary on S.B. No. 926**

The purpose of this bill is to add additional substance abuse offenses upon which drug demand reduction assessments may be imposed.

Your Committee finds that the purpose of the Drug Demand Reduction Assessment Special Fund is to provide additional monies for drug treatment and other drug demand reduction programs. Your Committee further finds that the administration of the Drug Demand Reduction Assessment Special Fund and the burden of paying for such programs should be borne by those who are convicted of substance abuse offenses and not on our taxpayers. Therefore, convicted drug offenders should be required to contribute to programs that treat drug users and programs that will help prevent the use of drugs in our communities.

Testimony in support of this measure was submitted by the Department of Health, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Hawaii Substance Abuse Coalition. Testimony in opposition to this measure was submitted by the Judiciary and the Office of the Public Defender.

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

- (1) Deleting all references to section 291-4.5, Hawaii Revised Statutes;
- (2) Deleting all references to part XIV of Chapter 286, Hawaii Revised Statutes;
- (3) Adding a provision requiring the Department of Health to expend \$33,000 for mandatory substance abuse treatment programs for incarcerated inmates;
- (4) Deleting the provision that repeals the sunset date; and
- (5) Changing the effective date to July 1, 1999.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 926, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 926, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 161**Judiciary on S.B. No. 612**

The purpose of this bill is to require tobacco manufacturers that do not participate in the master settlement agreement with the State to deposit funds into an escrow fund to pay judgments or settlements on future claims brought against those manufacturers.

Your Committee finds that cigarette smoking presents serious financial burdens to the State, which may have an obligation to provide medical assistance to citizens with smoking-related diseases. Your Committee further finds that such burdens should be borne by the tobacco product manufacturers rather than by the State. Requiring tobacco product manufacturers to either participate in the

settlement with the State or ensure that they have sufficient funds available to pay future claims by Hawaii smokers will help to place the financial burden of cigarette smoking on tobacco product manufacturers instead of the State.

Testimony in support of this measure was submitted by the Attorney General and one private individual.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 612, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 162 Judiciary on S.B. No. 605

The purpose of this bill, as received by your Committee, is to establish a civil cause of action and enhanced criminal penalties for hate crimes against persons because of race, color, religion, ancestry, national origin, gender, transgender, sexual orientation, age, or disability; and to provide for a reporting mechanism to compile, track, and analyze hate crimes data.

Your Committee finds that crimes and threats against persons because of their race, color, religion, ancestry, national origin, gender, transgender, sexual orientation, age, or disability is a growing problem in Hawaii. Your Committee further finds that Hawaii is one of twelve states that do not have laws addressing hate-motivated crimes, and one of two states that do not comply with the federal Hate Crimes Statistics Act. Although other civil laws would apply to some hate or bias motivated acts, there is presently no civil remedy specifically for violence or threatened violence that is motivated by the fact that the victim falls within a protected class.

Your Committee is concerned, however, that a civil remedy for hate or bias motivated acts not go so far as to infringe on the right of free speech or any other constitutionally protected right. Your Committee is further concerned that a civil remedy not be so broadly applicable as to substantially overlap with current laws prohibiting discrimination in areas such as employment. Likewise, your Committee believes that enhanced criminal penalties for hate crimes should not create impracticable requirements for courts sentencing the perpetrators of hate crimes.

Testimony in support of this measure was submitted by the Attorney General, the Office of the Public Defender, the Hawaii State Commission on the Status of Women, the Hawaii Civil Rights Commission, seven organizations and seven private individuals advocating adoption of hates crimes legislation. Testimony in opposition to this measure was submitted by six organizations and five private individuals opposing hate crimes legislation based upon constitutional concerns or religious objections.

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

- (1) Defining the acts providing a basis for the civil cause of action as hate or bias motivated acts, rather than hate crimes;
- (2) Removing the \$25,000 civil penalty as being both redundant and an inappropriate form of remedy for civil actions by private individuals;
- (3) Adding injunctive relief as a civil remedy;
- (4) Clarifying that a civil action cannot be brought based on speech alone;
- (5) Removing the second section creating a civil cause of action as being duplicative of the first cause of action and duplicative of other civil rights statutes;
- (6) Removing the mandatory requirements for probation sentencing, as a court already has the discretion to order conditions for probation and such requirements would have been impracticable in many instances;
- (7) Placing responsibility for collection of hate crime data entirely within the Office of the Attorney General; and
- (8) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 605, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 163 Judiciary on S.B. No. 617

The purpose of this bill is to appropriate funds to support prostitution intervention services.

Your Committee finds that prostitution is a multi-faceted problem with a long history. Your Committee further finds that solutions posed solely through the criminal justice system have not been effective in mitigating the problem. A public and private partnership between the State and private nonprofit organizations has proven to be more successful in assisting adults and juveniles to escape prostitution.

Testimony in support of this bill was submitted by the Judiciary, the Hawaii State Commission on the Status of Women, five organizations, and six private individuals. No testimony was submitted in opposition to this bill.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 617, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 617, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 164 Judiciary on S.B. No. 1121

The purpose of this bill is to create a centralized criminal defendant database and develop a sentencing simulation model.

Your Committee finds that criminal justice data is currently maintained separately by various agencies, including the Department of the Attorney General, the Department of Public Safety, and the Judiciary. Each agency maintains data from different components of the criminal justice system. Your Committee further finds that the integration of the data from these agencies will permit a more accurate and detailed picture of the dynamics of the criminal justice system. In addition, your Committee recognizes that there is a strong need to develop a computer modeling technique in order to project future prison populations and predict the impact of different sentencing policies and proposals in order to address problems that currently plague our criminal justice system.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Public Safety, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, the Honolulu Police Department, and the County of Hawaii Police Department.

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

- (1) Decreasing the appropriation amount from \$250,000 to \$122,000 for fiscal year 1999-2000;
- (2) Decreasing the appropriation amount from \$150,000 to \$85,000 for fiscal year 2000-2001; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1121, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 165 Judiciary on S.B. No. 931

The purpose of this bill is to repeal the current version of Hawaii's electronic surveillance law and replace it with a more comprehensive model patterned after the federal wiretap and electronic surveillance law.

Your Committee finds that the use of wiretaps and electronic surveillance are effective tools to assist law enforcement efforts to curtail violent crimes, organized crimes, drug dealing, and illegal gambling. Your Committee further finds that there is no substitute for the quality and quantity of material information and evidence that can be obtained through a wiretap or other electronic surveillance. Your Committee notes that there is much concern over an individual's right to privacy, however, your Committee believes that law enforcement agencies will be judicious in choosing this investigative tool and abiding by the many requirements imposed under this new statute.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department. Testimony in opposition to this measure was submitted by the Office of the Public Defender. The Office of the U.S. Attorney and the Office of Information Practices submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 166 Judiciary on S.B. No. 1158

The purpose of this bill is to appropriate funds to compensate crime victims awarded compensation during the period from July 1, 1999, to June 30, 2000.

Your Committee finds that the Crime Victim Compensation Commission compensates certain victims of violent crimes for their damages incurred, including compensation for cleaning of the crime scene, clothing taken as evidence, loss of dependency, lost earnings due to crime-related injuries, funeral and burial expenses, moving expenses, counseling, medical care, and pain and suffering. Your Committee further finds that this appropriation request is based on the compensation awards paid during the last fiscal year.

Testimony in support of this measure was received from the Crime Victim Compensation Commission, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Sex Abuse Treatment Center.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1158 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 167 Judiciary on S.B. No. 1159

The purpose of this bill is to provide and maintain support for the Crime Victim Compensation Commission.

Your Committee finds that the Crime Victim Compensation Commission is working toward self-sufficiency based upon compensation fees collected from offenders. Your Committee further finds that the Commission needs additional time to build its revenues before it will be operationally self-sufficient.

Testimony in support of this measure was submitted by the Crime Victim Compensation Commission, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Sex Abuse Treatment Center.

Upon further consideration, your committee has amended this measure by adding a sunset date of July 1, 2001.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1159, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 168 Judiciary on S.B. No. 794

The purpose of this bill is to make an appropriation to support the operations of the Office of Information Practices.

Your Committee finds that budget cuts during the last two fiscal bienniums have left the Office of Information Practices with insufficient funds to carry out its responsibilities under the Uniform Information Practices Act and the new administrative rules that are coming into effect. Your Committee further finds that providing additional funds to the Office of Information Practices is vital to ensuring public access to government. However, your Committee defers to the Committee on Ways and Means to determine the amount of funds to provide.

Testimony in support of this measure was received from the Office of Information Practices, the Honolulu Community Media Council, Common Cause Hawaii, the Hawaii Medical Service Association, the Hawaii Coalition for Health, the League of Women Voters, the Hawaii Health Information Corporation, the Hawaii Medical Association, and a private individual.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 794 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Anderson).

SCRep. 169 Judiciary on S.B. No. 887

The purpose of this bill is to provide for an additional circuit court judge in the Fifth Circuit.

Your Committee finds that the Fifth Circuit, which serves the islands of Kauai and Niihau, is assigned only one circuit court judge who also serves as the Circuit Court Administrative Judge for Civil and Criminal, the Arbitration Judge, and the Senior Family Court Judge. Your Committee further finds that it is increasingly difficult for this one circuit court judge to manage the increased number of case filings with more complex issues, the expansion of the rights of criminal defendants, and the public's growing awareness and understanding of the judicial system. Your Committee agrees that an additional circuit court judge is needed to better balance the workload of and provide necessary services to court users in the Fifth Circuit.

Testimony in support of this measure was submitted by the Judiciary and the Hawaii State Bar Association.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 887 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 170 Judiciary on S.B. No. 888

The purpose of this bill is to increase the court assessment from \$25 to \$50 for the issuance of a penal summons for failure to appear for a traffic violation.

Your Committee finds that the original \$25 fee was set in 1976 and has not been increased in the last twenty-three years. Your Committee further finds that this increased amount is a more realistic assessment of the current costs that the court incurs for the issuance of a penal summons. Your Committee acknowledges the Judiciary's efforts to develop additional revenue sources to support court operating costs.

Testimony in support of this measure was submitted by the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 888 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. excused, 2 (Tanaka, Anderson).

SCRep. 171 Judiciary on S.B. No. 889

The purpose of this bill is to allow the courts to assess a fee, not to exceed \$50, for the issuance of a bench warrant.

Your Committee finds that current law does not provide for the recapture of costs when bench warrants are issued. Your Committee further finds that the courts incur the administrative costs in these situations, unlike the costs of issuing a penal summons. Your Committee acknowledges the Judiciary's efforts to develop additional revenue sources to support court operating costs.

Testimony in support of this measure was submitted by the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 889 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 172 Judiciary on S.B. No. 894

The purpose of this bill is to provide operating and capital improvement appropriations for fiscal biennium 1999-2001.

Your Committee finds that the Judiciary has made valiant efforts to maintain the level of services that Hawaii's citizens deserve through the identification of innovative methods and cost-cutting strategies even though financial resources have been severely limited. However, your Committee further finds the current level of Judiciary resources places unacceptable limitations on the services which can be provided to those seeking the assistance of the courts. Additional resources, such as new judgeships, additional staff support, and improvements in the security of the courts, are needed to ensure that the provision of these services are continued.

Testimony in support of this measure was submitted by the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 894 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 173 Judiciary on S.B. No. 897

The purpose of this bill is to provide the Judiciary with the resources to implement the Ho'okele Court Navigation Project, a program to guide court users through the court system -- both physically and procedurally.

Your Committee finds that there is a strong need for a court navigation program for the thousands of people who enter Hawaii's courthouses each day. Many court users are unable to clearly articulate their need for services with regard to the court system. In addition, your Committee further finds that there is a growing number of pro se litigants who are bewildered by legal terminology, the dozens of court forms, and the maze of procedures. Your Committee believes that a Court Concierge Desk at the entrance of the courthouse will provide necessary information and assistance to make the court system a more user-friendly place.

Testimony in support of this measure was submitted by The Judiciary, Legal Aid Society of Hawaii, Hawaii Lawyers Care, Na Loio Immigrant Rights and Public Interest Legal Center, Kapiolani Community College Legal Education Department, and the Hawaii Justice Foundation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 897 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 174 Judiciary on S.B. No. 900

The purpose of this bill is to clarify that a single, uniform fee of \$100 is to be applied to all probate actions involving a decedent's estate.

Your Committee finds that this measure will establish a uniform fee to be collected only once upon filing for any proceedings involving a decedent's estate. Your Committee further finds that the intent of this effort is to clarify that this one fee applies to all probate cases, whether commenced through formal and informal proceedings by either an appointed representative or personal representative, and including foreign representatives with authority to act in Hawaii.

Testimony in support of this measure was submitted by the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 900 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 175 Judiciary on S.B. No. 901

The purpose of this bill is to repeal the June 30, 2000 sunset date for the Judiciary Computer System Special Fund into which \$2 of each \$7 traffic abstract fee is deposited.

Your Committee finds that the Judiciary Computer System Special Fund was established in 1996 to enable the Judiciary to upgrade its computer system and thereby increase its efficiency and productivity. Your Committee further finds that statewide court automation is a long-term endeavor requiring a dedicated source of funding. Your Committee recognizes that court processes are difficult to automate because the nature of the litigation process requires keeping track of thousands of documents and hundreds of individuals. Therefore, your Committee supports the implementation of a case management system to assist in resource management and improve accessibility to court processes and documents.

Testimony in support of this measure was submitted by the Judiciary.

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

- (1) Repealing the provision that the Judiciary adopt temporary rules and requiring the Judiciary to adopt permanent rules subject to Chapter 91, Hawaii Revised Statutes; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 901, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 176 Judiciary on S.B. No. 902

The purpose of this bill is to allow the courts to assess a \$5 records management fee on all civil cases.

Your Committee finds that newly filed legal documents create 2,000 cubic feet of additional court records each year, and the Judiciary is required to store these documents, oftentimes until perpetuity. Your Committee further finds that the Judiciary annually incurs approximately \$84,000 in storage costs to rent private storage facilities for these records. Your Committee believes that a \$5 surcharge on the initial court filing will provide much needed revenue to help defray the costs of maintaining and storing these court documents. Your Committee acknowledges the Judiciary's efforts to identify additional revenue sources to support court operating costs.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 902 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 177 Judiciary on S.B. No. 1016

The purpose of this bill is to set a maximum of ten cents per page for the amount each state agency, other than the Lieutenant Governor's office for rules in its general collection, may charge for copies of rules or proposed rules. The bill allows separate charges for searching, identifying, and segregating rules to be copied. In addition, this bill requires that the full text of proposed rules be prepared by the proposing agency and posted on the Lieutenant Governor's website.

Your Committee finds that there has been confusion among state agencies as to whether existing law requires them to charge for copies of rules and proposed rules, and whether they may set their own fees. Your Committee further finds that based upon an opinion issued by the Attorney General, agencies have been charging for copies of rules and proposed rules at the rate of fifty cents per page. Your Committee believes that this is an inordinately high rate which presents a significant and unnecessary barrier to public access to rules and the rulemaking process.

In addition, your Committee finds that the provisions of the proposed bill requiring agencies to make available internet versions of their proposed rules through the Lieutenant Governor's website will greatly improve access to the agency rulemaking process by allowing members of the public to download the full text of proposed rules directly from their homes or businesses.

Testimony in support of this measure was submitted by the Department of Accounting and General Services, the Legislative Reference Bureau, the Office of Information Practices, and Hawaii's Thousand Friends.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1016, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Anderson).

SCRep. 178 Judiciary on S.B. No. 1511

The purpose of this bill is to appropriate funds for Hawaii's contribution to the costs of the National Conference of Commissioners on Uniform State Laws, and for related registration and travel expenses.

Your Committee finds that Hawaii's participation in the National Conference of Commissioners on Uniform State Laws has benefited Hawaii by providing carefully considered uniform laws for many areas of the law in which uniformity among the states is appropriate and useful. Your Committee further finds that the National Conference of Commissioners on Uniform State Laws depends upon state appropriations, both for dues and for the travel expenses of each state's commissioners, for its continued operation.

Testimony in support of this measure was submitted by the Hawaii Commission to Promote Uniform Legislation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1511 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Anderson).

SCRep. 179 Water, Land, and Hawaiian Affairs on S.B. No. 461

The purpose of this measure is to amend the laws relating to the management and leasing of government-owned fishponds.

Specifically, the measure:

- (1) Requires that prior to any leasing of a government-owned Hawaiian fishpond, the Board of Land and Natural Resources must first obtain the concurrence of either the chairperson of the Office of Hawaiian Affairs' Board of Trustees or the chairperson's designee; and
- (2) Expands the scope of the Board of Land and Natural Resources' power to manage and restore Hawaiian fishponds to include traditional and subsistence forms of fishpond management.

Testimony in support of the measure was received from the Office of Hawaiian Affairs.

The Department of Land and Natural Resources opposed the measure.

Your Committee finds that Hawaiian fishponds are a valuable cultural asset. As such, the Office of Hawaiian Affairs, as the state-designated entity to safeguard cultural assets, should be a signatory to matters concerning the use, management, and restoration of government-owned fishponds.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 461 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 (Kanno, Matsuura).

SCRep. 180 Water, Land, and Hawaiian Affairs on S.B. No. 568

The purpose of this measure is to clarify and strengthen the State's historic preservation laws.

Specifically, the measure amends Chapter 6E, Hawaii Revised Statutes (HRS), relating to historic preservation, by:

- (1) Establishing a burial site program within the Department of Land and Natural Resources to assist island burial councils in their mandated responsibilities;
- (2) Strengthening the chapter's penalty section to include forfeiture of property for violation of Chapter 6E, HRS;
- (3) Establishing qualifications for burial specialists and allowing them to inspect inadvertent discoveries of burial sites; and
- (4) Removing the medical examiner from the inadvertent discovery of burial sites process.

Testimony in support of the measure was received from the Kawaihae Hawaiian Homes Community Association and two concerned citizens. Testimony that supported the passage of the measure with amendments was received from the Chairperson of the Board of Land and Natural Resources and a concerned citizen.

Your Committee has amended the measure by:

- (1) Reducing the experience requirement to become a burial specialist from five to three years experience with human skeletal remains;
- (2) Adding heiau to the list of sites protected under Section 6E-11, Hawaii Revised Statutes; and
- (3) Adding a new subsection to Section 6E-11, Hawaii Revised Statutes, that makes it unlawful to knowingly take, appropriate, excavate, injure, destroy, or alter, any heiau or its contents, unless permitted by the Department of Land and Natural Resources.

Your Committee believes that the measure, as amended, will provide the necessary staffing, procedural clarification, and penalties to ensure that historic Hawaiian burial and religious sites are protected.

As affirmed by the record of votes of the members of your Committee on Water, Land and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 568, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 568, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Matsuura).

SCRep. 181 Water, Land, and Hawaiian Affairs on S.B. No. 571

The purpose of this measure is to extend the Hawaiian Home Lands Trust Individual Claims Review Panel and the process to resolve individual claims of breaches of the Hawaiian Home Lands Trust for two more years.

Testimony in support of the measure was received from the Hawaiian Home Lands Trust Individual Claims Review Panel, the Native Hawaiian Legal Corporation, the State Council of Hawaiian Homestead Associations, the director of the Waimea Hawaiian Homesteaders' Association, Inc., a representative of the Aged Hawaiians, the Kukahi Coalition, and two concerned citizens.

The Department of Hawaiian Home Lands and the Attorney General asked that decision making on the measure be deferred until after a public hearing on S.B. No. 1316, a bill that provides an alternative formula for resolving individual claims of breach of the Hawaiian Home Lands Trust, could be conducted.

Your Committee finds that Chapter 674, Hawaii Revised Statutes, established a process by which to resolve individual claims of breaches of the Hawaiian Home Lands Trust. The process, as originally conceived, was supposed to be concluded by 1997. Due to complications and the sheer volume of claims filed, not all claims could have been filed by the original closing date. To remedy these problems the Legislature enacted Act 382, Session Laws of Hawaii 1997, which in part, extended the claims resolution process until December 31, 1999, and required the Attorney General, the Director of Finance, the Chairperson of the Hawaiian Homes Commission, and the Chairperson of the Hawaiian Home Lands Trust Individual Claims Review Panel to convene and establish a revised formula by which to compensate claimants. In 1998, Circuit Court Judge Marie Milks opined that the composition of the group to determine a revised formula had the appearance of bias and, therefore, ruled that the group was unconstitutional, thereby further slowing down the claims resolution process.

Your Committee believes that justice must prevail for those beneficiaries who have faithfully and patiently waded through the complex claims resolution process only to be put off year after year. Unfortunately, with the recent Circuit Court ruling which has clouded the issue of the amount of compensation owed to claimants, your Committee believes that a further extension is necessary.

Your Committee has amended the measure by making technical amendments to ensure that adequate time exists for claimants to file an action in Circuit Court if compensation is disputed.

As affirmed by the record of votes of the members of your Committee on Water, Land and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 571, 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 (Kanno, Matsuura, Nakata).

SCRep. 182 Water, Land, and Hawaiian Affairs on S.B. No. 1105

The purpose of this measure is to make an emergency appropriation to fund the legal services provided to the Department of Hawaiian Home Lands for individual claims review.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands, the Attorney General, and the State Council of Hawaiian Homestead Associations.

Testimony in opposition to the measure was received from the Waimea Hawaiian Homesteaders' Association, Inc. and a spokesperson for the Aged Hawaiians.

Your Committee finds that funds budgeted for legal services provided to the Department of Hawaiian Home Lands for legal representation before the Hawaiian Home Lands Individual Claims Review Panel will be depleted by the end of February 1999. In order to complete the resolution process mandated under Chapter 674, Hawaii Revised Statutes, funding for the Department of Hawaiian Home Lands' legal representation must continue.

As affirmed by the record of votes of the members of your Committee on Water, Land and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1105 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 (Kanno, Matsuura).

SCRep. 183 Water, Land, and Hawaiian Affairs on S.B. No. 1146

The purpose of this measure is to allow a Hawaiian homestead lessee to transfer the lessee's leasehold interest to a spouse, child, or grandchild who is at least one-quarter Hawaiian.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands, the State Council of Hawaiian Homestead Associations, the Waimea Hawaiian Homesteaders' Association, Inc., a spokesperson for the Aged Hawaiians, the Ahupua'a 'O Moloka'i members of the State Council of Hawaiian Homestead Associations, and the Kawaihae Hawaiian Homes Community Association.

Your Committee finds that under existing law, a lessee of Hawaiian home lands may designate a qualified relative to succeed in the leasehold interest upon the death of the lessee. The measure would allow a lessee of Hawaiian home lands to transfer homestead rights to a qualified relative while the lessee is still living.

As affirmed by the record of votes of the members of your Committee on Water, Land and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1146 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Matsuura).

SCRep. 184 Water, Land, and Hawaiian Affairs on S.B. No. 42

The purpose of this measure is to make the Task Force on Beach and Water Safety (Task Force) a permanent entity.

Testimony in support of the measure was received from the Department of Land and Natural Resources, the Mayor of Maui, a member of the Maui County Council, the Department of Corporation Counsel of the City and County of Honolulu, the Emergency Services Department of the City and County of Honolulu, and the Office of the Kauai County Attorney.

A representative of the Consumer Lawyers of Hawaii testified that rather than making the Task Force permanent, the Legislature should extend the repeal date for two more years.

Your Committee finds that the Task Force on Beach and Water Safety is an entity that is administratively attached to the Department of Land and Natural Resources and is charged with the responsibility of advising the Chairperson of Land and Natural Resources on the design and placement of signs that warn people of dangerous natural conditions at state and county beach and coastal areas.

Your Committee has amended the measure by reinstating the sunset provision and extending the date to June 30, 2001.

Your Committee believes that extending the life of the Task Force for another two years is a more prudent approach to assessing the need for a Task Force on Beach and Water Safety.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 42, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 42, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Nakata, Anderson).

SCRep. 185 Water, Land, and Hawaiian Affairs on S.B. No. 453

The purpose of this measure is to change homestead lease amounts to \$1 and eliminate cash freehold agreements with respect to homestead leases.

Testimony in support of this measure was received from the Office of Hawaiian Affairs. Testimony in opposition to the measure was received from the Department of Land and Natural Resources.

Your Committee finds that lessees are required to reside on the land, pay taxes as if the land was held in fee simple, and meet the lease conditions regarding clearing and cultivation. Because the leasehold cannot be used as collateral, lessees have had difficulty financing home construction and repairs. This measure enables the lessees to purchase their lease, thus removing a barrier to improving their property and lifestyle.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 453 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 (Chun, Anderson).

SCRep. 186**Water, Land, and Hawaiian Affairs on S.B. No. 457**

The purpose of this measure is to exempt native Hawaiians from fees for vital statistics certificates if the certificates are required by law to verify a person's eligibility for certain services or benefits as a person of Hawaiian ancestry.

Testimony in support of this measure was received from the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and the Waianae Valley Hawaiian Homestead Association.

Your Committee finds that the increased fees for vital records authorized by Act 216, Session Laws of Hawaii 1997, have placed an economic hardship on persons seeking to verify their native Hawaiian qualifications for the Hawaiian home lands and other claims and entitlement programs. Documentation of ancestry most often includes vital records from the Department of Health, State Archives, Bureau of Conveyances, State courts, and other ancillary documents. This measure provides relief from this burden on native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 457 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 (Chun, Anderson).

SCRep. 187**Water, Land, and Hawaiian Affairs on S.B. No. 466**

The purpose of this measure is to appropriate funds for the biennial budget of the Office of Hawaiian Affairs.

Testimony in support of this measure was received from one individual.

Your Committee finds that the funds appropriated by this measure will provide the Office of Hawaiian Affairs with the necessary funding to maintain program operations.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 466 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 (Anderson).

SCRep. 188**Water, Land, and Hawaiian Affairs on S.B. No. 557**

The purpose of this measure is to allow a simple majority of Board of Land and Natural Resources (Board) members present at a board meeting to take action on Conservation District Use Applications (CDUA).

Testimony in support of the measure was received from the Department of Land and Natural Resources. Testimony in opposition to the measure was received from Hawaiian Electric Company, Inc., the Land Use Research Foundation, and Hawaii's Thousand Friends.

Your Committee finds that under existing law, if no decision is made by the Board on a CDUA within the specified one hundred eighty day processing period, the CDUA would be automatically approved, causing ambiguity as to whether the Board actually approves of the CDUA. Additionally, under existing law, a valid action of the Board requires a four member majority vote. In some cases, a majority of Board members have actually voted to deny a CDUA but have fallen short of a four member majority (e.g. 3-2, or 3-1), thereby allowing an applicant to proceed with their project without obtaining the approval of a majority of the Board.

Your Committee believes that the measure will provide the Board of Land and Natural Resources with more flexibility in deciding CDUAs by allowing actions to be taken by a simple majority of board members present. Your Committee also believes that the measure will ensure that CDUAs will not be decided by default, thus resulting in clearer land use decisionmaking policy.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 557 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 189**Water, Land, and Hawaiian Affairs on S.B. No. 558**

The purpose of this measure is to strengthen the State's land use law.

Specifically, the measure:

- (1) Allows citizens to file suit for violations of the State land use law;
- (2) Enables the Land Use Commission to impose conditions on reclassified lands that run with the land; and
- (3) Strengthens the penalties for breaching the State land use law.

Testimony in support of the measure was received from the Sierra Club, Hawaii Chapter and Hawaii's Thousand Friends. The Department of Business, Economic Development, and Tourism's Office of Planning, the Land Use Commission, the County of Hawaii's Planning Department, and Hawaiian Electric Company, Inc., provided qualified support for the measure, stating that the section on citizen enforcement should be deleted.

Testimony in opposition to the measure was received from the Estate of James Campbell and the Land Use Research Foundation. The University of Hawaii's Environmental Center provided comments on the measure.

Based on the testimony provided by the Department of Business, Economic Development, and Tourism's Office of Planning, the Land Use Commission, the County of Hawaii's Planning Department, and Hawaiian Electric Company, Inc., your Committee has amended the measure by deleting the citizen enforcement provisions and removing the requirement that the county be bound by conditions imposed on lands reclassified by the Land Use Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 558, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Nakata, Anderson).

SCRep. 190 Water, Land, and Hawaiian Affairs on S.B. No. 566

The purpose of this measure is to appropriate funds for the maintenance and upkeep of the Nanakuli Homestead Cemetery.

Your Committee received no testimony on this measure. Your Committee finds that the Nanakuli Hawaiian Homestead has a cemetery within its boundaries that is badly in need of restorative work. The deterioration of the cemetery has been a major sore point with the residents of the community. The Nanakuli community has taken it upon itself to maintain the site. Unfortunately, unlike commercial cemeteries which have built in funding sources for maintenance and preservation of the grounds, the Nanakuli Hawaiian Homestead Cemetery does not. With only limited financial support from the Department of Hawaiian Home Lands over the years, the Nanakuli community has done its best to stop the degradation, to give the kupuna a proper resting place.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 566 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 (Nakata, Anderson).

SCRep. 191 Water, Land, and Hawaiian Affairs on S.B. No. 569

The purpose of this measure is to enable the Department of Hawaiian Home Lands to hire private legal counsel.

Testimony in support of the measure was received from the Native Hawaiian Legal Corporation, the State Council of Hawaiian Homestead Associations, the Waimea Hawaiian Homesteaders' Association, Inc., and a spokesperson for the Aged Hawaiians.

Testimony in opposition to the measure was received from the Department of Hawaiian Home Lands, the Attorney General, and the Kawaihae Hawaiian Homes Community Association.

Your Committee finds that enabling the Department of Hawaiian Home Lands to retain its own private legal counsel would help resolve conflict of interest issues when the Department's interests differ from that of the Administration.

As affirmed by the record of votes of the members of your Committee on Water, Land and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 569 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 (Kanno, Matsuura).

SCRep. 192 Water, Land, and Hawaiian Affairs on S.B. No. 693

The purpose of this measure is to appropriate funds to aid in the efficient management of Lake Wilson.

Specifically, the measure appropriates \$262,000 for the Department of Land and Natural Resources to:

- (1) Establish a permanent lake keeper position;
- (2) Construct a small office and laboratory; and
- (3) Purchase a sixteen foot boat.

No testimony was submitted on the measure.

Your Committee finds that the efficient management and protection of Lake Wilson would benefit not only area residents, but all citizens of the State who utilize and enjoy the resources Lake Wilson provides.

Your Committee has amended the measure by deleting the specified amount.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 693, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 693, 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 (Nakata, Anderson).

SCRep. 193 Water, Land, and Hawaiian Affairs on S.B. No. 694

The purpose of this measure is to appropriate \$1,659,414, for the Department of Land and Natural Resources to expand its preservation activities in the Kaena Point Coastal Reserve.

Testimony in support of the measure was received from a private citizen.

Your Committee finds that the coastal area of Kaena Point, a natural reserve area, is unique in offering a wilderness experience to residents of Oahu within a short drive. The Kaena Point Coastal Reserve offers tide pools, coastal sand dunes, habitat for rare plant species and associated insects, wildlife habitat for native animals including the endangered pueo, or Hawaiian short-eared owl, and monk seal, nesting sites for seabirds such as the Laysan albatross and wedgetail shearwater, an abundance of historic and cultural sites, and an offshore habitat for reef fish and other marine animals that is a magnet for fishermen, marine predators like spinner dolphins, and migrating humpback whales.

After seven years of improved resource management and a ban on motorized vehicles, the natural area reserve portion at Kaena Point is in good condition. The ground cover is quickly returning. Monk seals are regularly seen on the beaches. Rare plants indigenous to the area are showing signs of recovery. The leeward side is recovering at a slower pace due to the dryer climate and established alien grasses.

Your Committee believes that more needs to be done to restore coastal ecosystems and protect threatened and endangered species, protect historic and cultural sites, and maintain access to the wilderness area for compatible activities.

Your Committee has amended the measure by deleting the specified dollar amount.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 694, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 194 Water, Land, and Hawaiian Affairs on S.B. No. 698

The purpose of this measure is to appropriate \$500,000 to develop a Waialua-Haleiwa stormwater drainage master plan.

No testimony was received on the measure.

Your Committee finds that the Waialua-Haleiwa flood plain is located on the northwestern coast of Oahu and has an approximate area of two square miles. The watershed above the Waialua-Haleiwa flood plain is the largest on Oahu, containing an area of 96.5 square miles. The primary purpose of the Waialua-Haleiwa stormwater drainage master plan is to provide the City and County of Honolulu with specific engineering recommendations for the control of storm drainage throughout the study area, to reduce repetitive flooding to residents and businesses in the area and to reduce the constant drain on city, state, and federal resources whenever a flood occurs.

Your Committee has amended the measure by deleting the specified dollar amount.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 698, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 195 Water, Land, and Hawaiian Affairs on S.B. No. 978

The purpose of this measure is to improve the effectiveness of the Department of Land and Natural Resources' Forest Stewardship Program.

Specifically, the measure enables the Forest Stewardship Program to assist private landowners who own forest lands and who wish to participate in forest management without a commitment in perpetuity to the strict non-intervention policies of the Natural Area Reserve System.

Testimony in support of the measure was received from the Department of Land and Natural Resources, the State Forest Stewardship Advisory Committee, the Hawaii Society of American Foresters, and C.A.M. Resource Management.

Your Committee believes that passage of the measure will result in the proliferation of healthier forested areas in the State.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 978 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 (Kanno, Nakata, Anderson).

SCRep. 196 Water, Land, and Hawaiian Affairs on S.B. No. 1068

The purpose of this measure is to expand the powers of the Barbers Point Naval Air Station Redevelopment Commission (Commission).

Specifically, the measure:

- (1) Empowers the Commission to provide interim utility service to recipients of lands conveyed by the U.S. Navy after the naval station is closed;
- (2) Authorizes the Commission to establish committees and officers of the Commission as it deems necessary; and
- (3) Makes housekeeping amendments to reflect the City and County of Honolulu's recent administrative reorganization.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism's Office of Planning and the Department of Hawaiian Home Lands.

Your Committee believes that the measure will provide the Commission with the necessary powers to effectively carry out its mandated purpose.

Your Committee has amended the measure by making technical, nonsubstantive amendments for the purposes of conforming the measure to recommended drafting style and to reflect existing statutory language.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1068, 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 (Kanno, Nakata, Anderson).

SCRep. 197 Water, Land, and Hawaiian Affairs on S.B. No. 1074

The purpose of this measure is to repeal the Hamakua Community Development District.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism (DBEDT), Hawaii Community Development Authority (HCDA), and Planning Department of the County of Hawaii.

In lieu of development of the Hamakua District Plan, DBEDT, HCDA, and the Hilo-Hamakua Coordinating Committee have agreed to implement an alternative approach to identifying projects which would benefit the Hamakua area.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1074 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 (Kanno, Nakata, Anderson).

SCRep. 198 Water, Land, and Hawaiian Affairs on S.B. No. 1080

The purpose of this measure is repeal the sunset date for section 206E-8.5, Hawaii Revised Statutes (HRS), relating to developments within special management areas and shoreline setback.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaii Community Development Authority.

Section 206E-8.5, HRS, requires that all requests for developments within a special management area and shoreline setback variances for development on any lands within a community development district be submitted and reviewed by the Office of Planning. Your Committee believes that this provision is necessary and effective to preserve and enhance Hawaii's shorelines, particularly the Kakaako Waterfront.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1080 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 (Kanno, Nakata, Anderson).

SCRep. 199 Water, Land, and Hawaiian Affairs on S.B. No. 1082

The purpose of this measure is to provide a permanent source of funding for the Bureau of Conveyances.

The measure accomplishes this by dedicating all moneys collected in excess of \$15 for each document recorded at the Bureau of Conveyances, except for the moneys collected for the special mortgage recording fee and the conveyance tax, to the Bureau of Conveyance Special Fund established under the measure.

Testimony in support of the measure was received from the Chairperson of the Board of Land and Natural Resources.

Your Committee has amended the measure by making technical amendments which include amending section 247-7, Hawaii Revised Statutes, to resolve conflicts caused by the proposed dedication of funding by deleting the apportionment of conveyance tax revenues to other funds and directing all revenues only to the Bureau of Conveyance Special Fund.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1082, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1082, 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 (Kanno, Nakata, Anderson).

SCRep. 200 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on S.B. No. 1093

The purpose of this measure is to establish a process to restore public beach lands.

Specifically, the measure provides the Department of Land and Natural Resources with the necessary legislative and monetary support to implement elements of its Coastal Lands Program.

Your Committees received testimony in support of the measure from the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, the Office of Planning, the City and County of Honolulu's Department of Planning and Permitting, and a private citizen.

Kamehameha Schools Bernice Pauahi Bishop Estate, the Sierra Club, Hawaii Chapter, and the Lanikai Association supported the passage of the measure if amendments were made to address their concerns. Testimony in opposition to the measure was submitted by the Office of Hawaiian Affairs and two private citizens.

Your Committees have amended the measure by deleting its substance and inserting therefor, provisions that appropriate funds to:

- (1) Conduct an engineering design and analysis of beach restoration at Honokowai Beach Park, Kaaawa Beach Park, and the Sacred Falls shoreline area; and

- (2) Conduct a demonstration scale engineering investigation for an offshore sand source to be used in beach restoration.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1093, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1093, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Nakata, Anderson, Slom).

SCRep. 201 Water, Land, and Hawaiian Affairs on S.B. No. 1098

The purpose of this measure is to amend the state water code, chapter 174C, Hawaii Revised Statutes (HRS), to correct unintentional reference errors, to provide consistency in referencing governmental agencies, and to clarify language throughout.

Testimony in support of this measure was received from the Department of Land and Natural Resources and Land Use Research Foundation of Hawaii. The Department of Water Supply of the County of Maui submitted suggested amendments to this measure.

Your Committee finds that the state water code references the Board of Land and Natural Resources as an authority regarding a matter when the Commission on Water Resource Management is the intended and actual authority. This measure corrects this error as well as other errors of terminology and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1098 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 (Kanno, Nakata, Anderson).

SCRep. 202 Water, Land, and Hawaiian Affairs on S.B. No. 1109

The purpose of this measure is to provide lease management flexibility to the Board of Land and Natural Resources.

Specifically, the measure amends the notice of breach or default requirements on public land leases time periods by reducing the curing period to thirty days for non-rent breaches and five business days for rent defaults.

The measure also clarifies that the Board of Land and Natural Resources may provide public land lessees with more time to cure public land lease breaches if they are making a good faith effort to remedy the breach.

Testimony in support of the measure was received from the Attorney General. The Chairperson of the Board of Land and Natural Resources and the Department of Hawaiian Home Lands testified in support of an amended form of the measure.

Your Committee finds that under existing law, the Department of Land and Natural Resources is required to provide lessees of public lands with at least sixty days to cure lease breaches. The Department of Land and Natural Resources testified that in managing general land leases, current industry standards indicate that sixty days is far too long a period.

Your Committee has amended the measure by providing the Board of Land and Natural Resources with the flexibility to determine the minimum amount of time it would permit for a response to a rental default.

Your Committee believes that the amended measure will provide the Board of Land and Natural Resources with the flexibility necessary to more efficiently execute its land lease management responsibilities.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1109, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Nakata, Anderson).

SCRep. 203 Water, Land, and Hawaiian Affairs on S.B. No. 1198

The purpose of this measure is to appropriate general revenues to grant Ho'oumau Ke Ola moneys to purchase property to be used to establish a community center that will provide training, employment, and other services to residents of the Wai'anae coast.

No testimony was received for this measure.

Your Committee finds that the residents of the Wai'anae coast are in need of a community center to assist the residents by providing training, employment, and other services and this community center will provide those benefits.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1198 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 (Nakata, Anderson).

SCRep. 204 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.B. No. 1215

The purpose of this measure is to change the boundaries of the Kakaako community development district to exclude Pier 1 and Pier 2 at Fort Armstrong.

Your Committees received testimony in support of this measure from the Chamber of Commerce of Hawaii. Testimony in opposition was received from the Hawaii Community Development Authority and Hawaii Boaters Political Action Committee.

Your Committees find that Piers 1 and 2 at Fort Armstrong include vital and unique cargo facilities that cannot be relocated and would be prohibitively expensive to duplicate. Piers 1 and 2 must be protected and preserved as a maritime facility. By excluding Piers 1 and 2, this measure relegates them to the jurisdiction of the Department of Transportation which would be more effective for protection and preservation of the maritime function of Piers 1 and 2.

As affirmed by the record of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that is attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1215 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 5 (Ige, D., Iwase, Nakata, Taniguchi, Anderson).

SCRep. 205 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.B. No. 1356

The purpose of this measure is to appropriate \$2,000,000 to improve the Kula water system's water storage capacity.

Testimony in support of the measure was submitted by a member of the Maui County Council.

Your Committees find that the upcountry area of Maui periodically suffers from serious drought conditions. These droughts have had a significant impact on the residents and businesses in the area. By providing increased water storage capacity, the Kula water system will be better able to weather periods of low water replenishment.

Your Committees have amended the measure by deleting the specified dollar amount.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1356, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1356, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 5 (Ige, D., Iwase, Nakata, Taniguchi, Anderson).

SCRep. 206 Water, Land, and Hawaiian Affairs on S.B. No. 1428

The purpose of this measure is to appropriate funds to implement capital improvement projects in the Ala Wai Canal watershed.

Testimony in support of this measure was received from three participants in the Ala Wai Canal Watershed Improvement Project.

Your Committee finds that the Ala Wai Canal contains many contaminants caused from heavy metals from automobiles, sediments from unstable soils, and biological contaminants from warm, fresh, and stagnant water.

Your Committee finds that the State has made considerable investment in the maintenance and improvement of the water quality of the Ala Wai Canal. Dredging will soon commence and be completed. Once the dredging is complete, the goal of the State will be to ensure that the low water quality will not continue. The Ala Wai Canal Water Quality Improvement Project was adopted by the Legislature during the Nineteenth Legislative Session. This project proposed various solutions to the water quality problem.

Your Committee has amended this measure to delete the total dollar amounts appropriated because further discussion is needed in order to quantify the amount necessary to properly implement the the Ala Wai Canal Watershed Improvement Project.

Your Committee finds that this measure will take steps toward improving water quality in the watershed to ensure the health and safety of the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1428, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 207 Water, Land, and Hawaiian Affairs on S.B. No. 1500

The purpose of this measure is appropriate \$85,000 to model the future of Waialua on the island of Oahu.

Testimony in support of the measure was received from a private citizen.

Your Committee finds that the State is struggling to free itself from an economic doldrum, and its rural areas are among the hardest hit. Waialua is one such rural area experiencing a loss of the past and an uncertain future. The closing of Waialua Sugar Company in late 1996 brought concerned individuals from Waialua together to devise a master plan for the town, assess Waialua's needs, state its goals, and consider strategies for future change. These organizations include Friends for Waialua Town, Friends of Waialua Library, Connecting School-to-Work at Waialua High School, Waialua Technology Ho'olako Ana at Waialua Elementary School, Hui Kalo 'O Waialua, and the Hawaiian Alliance for Innovative Excellence.

Your Committee believes that the community is ready to come together as a whole to plan out its future. One tool to assist it toward that goal is a community mapping project, whereby residents, students, businesses, and service providers make a scale model of the Waialua area and literally map out its future. This will produce an in-depth understanding of economic and resource relationships and focus the community's direction for the future.

Your Committee has amended the measure by deleting the specific dollar amount and making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1500, 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 (Nakata, Anderson).

SCRep. 208 (Joint) Labor and Environment and Transportation and Intergovernmental Affairs on S.B. No. 33

The purpose of this measure is to create a long-term supplemental funding source for endangered species recovery and youth conservation programs through the voluntary sale of conservation license plates.

Testimony in support of this measure was received from the Department of Land and Natural Resources and the Sierra Club.

Your Committees find that, in order to ensure the long-term survival of Hawaii's rare plants and animals, the State must not only increase its recovery efforts, it must also educate and involve a new generation of resource managers, Hawaii's youth, to become aware and participate in natural resource management efforts. During the current downturn in Hawaii's economy, government must find ways to fund programs such as endangered species recovery and youth conservation programs that do not impact the general funds of the State. Your Committees support this measure which provides an alternative funding source for these programs through the voluntary sale of conservation license plates.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 33 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 4 (Ige, M., Iwase, Kanno, Taniguchi).

SCRep. 209 Labor and Environment on S.B. No. 737

The purpose of this measure is to exempt small construction projects from the permit requirements of the noise pollution law.

Testimony in support of this measure was received from the Department of Transportation, the Building Industry Association of Hawaii, the Contractors Association of Kauai, the Pacific Resource Partnership, Armstrong Builders, Ltd., Hidano Construction, Inc., Jas. W. Glover, Ltd., Paul Louie & Associates, S & M Sakamoto, Inc., SC Pacific Corp., and Willcocks Construction Corporation represented by thirteen individuals.

The Department of Health (DOH) testified in support of the measure with amendments. DOH notes that noise generated by smaller construction projects may be equally disturbing and result in adverse impacts on residential communities. As such, regulatory mechanisms are required in order that public complaints and concerns may receive appropriate response and attention.

Your Committee finds that this measure provides regulatory relief to companies building smaller construction projects. Your Committee also recognizes that there needs to be a mechanism in place to provide notification to DOH of these projects so that DOH can expeditiously deal with complaints and concerns of the public.

Your Committee has amended this measure to provide for a notification process that must be followed by any business that qualifies for the exemption from noise permits. The person responsible for the construction project is required to notify DOH in writing of the project. The notice shall include information concerning the person giving notice, type of construction, location, duration of project, and acknowledgement that the construction project is subject to applicable permissible noise levels and operational times.

Upon the suggestion of DOH, your Committee also amended this measure by removing Sundays and holidays from the list of times when this exemption does not apply.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 737, S.D. 1, and be referred to the Committee on Health and Human Services.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Chun Oakland, Slom).

SCRep. 210 Labor and Environment on S.B. No. 803

The purpose of this measure is to reduce the size of Hawaii's government by initiating a phased strategic workforce reduction plan, developing voluntary separation incentive programs, and providing for the authority and flexibility to restructure and streamline government programs.

Your Committee received testimony in support of this measure from the Department of Human Resources Development. The Hawaii State Teachers Association, HGEA-AFSCME Local 152, AFL-CIO, the Public Employees Management Association of Hawaii, and the United Public Workers testified in opposition.

Your Committee finds that the experience of the federal government in workforce reduction has demonstrated the value of voluntary incentive separation programs. Modeled after the successful federal program, this measure would establish a similar program and framework for the State.

Your Committee believes it is in the best interest of the State to undertake a thorough review of its programs, while providing options for employees whose services might no longer be required under a restructuring of services.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 803 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, 1 (Chumbley).

SCRep. 211 Labor and Environment on S.B. No. 1024

The purpose of this measure is to regulate private cesspool, wastewater, and sludge pumping and hauling operations under the water pollution control statute rather than the statute relating to the certification of wastewater treatment personnel. The measure also includes the management of domestic sewage and animal wastewater under the purview of the water pollution control statute.

Testimony in support of this measure with amendments was received by the Department of Health.

Your Committee finds that this measure gives the Department of Health the ability to more effectively control illegal dumping by private pumpers of wastewater. Your Committee is in agreement with the amendments proposed by the Department of Health and has amended the measure by:

- (1) Adding a definition of "recycled water" to the water pollution control statute; and
- (2) Including recycled water in the management practices that are under the purview of the water pollution control statute.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1024, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Chun Oakland, Slom).

SCRep. 212 Labor and Environment on S.B. No. 1039

The purpose of this measure is to authorize flexible spending accounts for public employees.

Your Committee received testimony in support of this measure from the Department of Human Resources Development.

Your Committee finds that flexible savings accounts are a benefit that allows employees to deduct moneys from their paycheck on a pre-tax basis to pay for unreimbursed medical and dependent care expenses. In addition, the measure authorizes the use of any interest earned on the plan contributions and any unused and forfeited participant balances to defray administrative costs.

Your Committee is in support of this measure and believes it will provide an additional benefit to participants, without undue administrative costs to the State.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1039 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, 1 (Chumbley).

SCRep. 213 Labor and Environment on S.B. No. 1042

The purpose of this measure is to provide for additional flexibility in hiring new government employees by allowing vacancies to be announced at a range of salary rates, rather than the first step only, for professional and scientific positions and positions in the excluded managerial compensation plan.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, the County of Hawaii, and the Public Employees Management Association of Hawaii.

Your Committee finds that under current law all new hires must be appointed at the minimum step of the salary range, regardless of the quality and quantity of experience. As a result, it is difficult to recruit and hire experienced professionals and both State and county governments find themselves at a competitive disadvantage.

Your Committee believes the flexibility provided by this measure will result in more experienced personnel and a more efficient government operation.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1042 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, 1 (Chumbley).

SCRep. 214 (Joint) Labor and Environment and Transportation and Intergovernmental Affairs on S.B. No. 1494

The purpose of this measure is to appropriate funds to support Miconia eradication efforts on the island of Hawaii. Specifically, this measure will assist the County of Hawaii by providing matching funds for federal grants that are available for Miconia eradication efforts.

Testimony in support of this measure was received from the Department of Land and Natural Resources, the Department of Agriculture, the Nature Conservancy of Hawaii, Sierra Club, Hawaii Chapter, Big Island Melastome Action Committee, and two individuals.

Your Committees find that the U.S. Forest Service considers Miconia (*Miconia calvescens*) a major threat to forest health and the Department of Agriculture characterizes Miconia as a serious, invasive, noxious weed in Hawaii. In order to prevent Miconia from spreading to other islands, it is prudent that the State invest resources in the multi-agency eradication program on the island of Hawaii.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1494 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 4 (Ige, M., Iwase, Kanno, Taniguchi).

SCRep. 215 Labor and Environment on S.B. No. 1563

The purpose of this measure is to appropriate general fund moneys for full-time vocational rehabilitation specialist positions within the Department of Labor and Industrial Relations (DLIR) for fiscal year 1999-2000.

Testimony in favor of this measure was received from DLIR, Hawaii Rehabilitation Counseling Association, ILWU Local 142, National Association of Rehabilitation Professionals in the Private Sector, Rehabilitation Association of Hawaii, and three individuals.

Your Committee finds that vocational rehabilitation is a critical component of our workers' compensation system that assists in returning injured workers to productive employment as quickly as possible, in a cost effective manner, while striving to ensure that the pre-injury earning capacity of the employee is maximized.

Your Committee further finds that due to budget cutbacks, the Rehabilitation Unit of the Disability Compensation Division (DCD) currently has one employee to monitor the vocational rehabilitation aspects of DCD. As a result, the mediation of conflicts, oversight of existing vocational rehabilitation plans, and holding of hearings on the approval or modification of vocational rehabilitation has been severely compromised. Both employers and employees have been frustrated by the delays in returning injured employees to employment.

Your Committee has amended this measure to specify that the appropriation is for \$65,000 for one vocational rehabilitation position and one full-time vocational rehabilitation specialist clerical position, as provided in the DLIR testimony.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1563, 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, 2 (Chumbley, Ihara).

SCRep. 216 Government Operations and Housing on S.B. No. 4

The purpose of this measure is to prohibit state agencies from charging other state agencies for services or goods provided to other state agencies, that are funded by general funds.

Testimony in opposition to this measure was received from the Department of Budget and Finance and the Department of Transportation. Testimony in support of the intent of this measure was received from the Department of Accounting and General Services.

Your Committee finds that in order to improve government efficiency and productivity, agencies should not charge each other for goods and services.

Your Committee adopted the recommendation of the Department of Accounting and General Services and has amended this measure to limit its applicability only to goods and services funded by general funds.

Your Committee also has amended this measure to change the designated chapter number for this new statutory material from chapter 26, Hawaii Revised Statutes, to chapter 37, Hawaii Revised Statutes, in order to place this measure in a more appropriate statutory chapter.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 4, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 4, 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 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 217 Government Operations and Housing on S.B. No. 646

The purpose of this measure is to reduce the cost of copying government records from fifty cents to twenty-five cents.

Testimony in favor of this measure was received from the Department of Accounting and General Services. Testimony opposed to this measure was received from United Public Workers AFSCME Local 646 AFL-CIO.

Your Committee finds that government records must be accessible and affordable to the public. Currently, the price for copying government records is fifty cents. Your Committee further finds that lowering the copying price to six cents will allow government records to be more accessible to the public, yet still cover the cost to copy.

Your Committee adopted the recommendation of the Legislative Reference Bureau contained in their 1998 report entitled, "The Price of Access Fees for Copies of State Administrative Agency Rules," and amended the measure to reduce the cost of copying government records to six cents per copy.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 646, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 218 Government Operations and Housing on S.B. No. 876

The purpose of this measure is to set forth an appraisal method standard for determining the value of condominiums and cooperative housing corporations in which a fee simple owner offers a leased fee interest to be purchased by a lessee.

Testimony in favor of this measure was received from the Hawaii Association of Realtors and one individual. Testimony opposed to this measure was received from the Housing and Community Development Corporation of Hawaii, Small Landowners Association and Small Landowners of Oahu, and three individuals.

Your Committee finds that appraisal of real property should be based on its fair market value to ensure equity and fairness in the process.

Additionally, your Committee finds that a uniform appraisal standard for condominiums and cooperative housing corporations will avoid bias or impropriety by appraisers, reduce lengthy litigation to determine land values, and expedite the transfer of lease-to-fee conversions.

In order to address the constitutional concerns expressed in the testimony, your Committee amended this measure to apply only to condominiums and cooperative housing corporations. More specifically, this measure was amended to apply only to condominiums and cooperative housing corporations leases executed on or after the effective date of this measure, and current leases that do not have an appraisal method specified in the lease.

Additionally, your Committee amended this measure to allow the fair market value conversion appraisal method to be used for leases executed prior to this measure which provide for a conversion appraisal method, if both the lessor and lessee are in agreement that the appraisal method in this measure should be used. The amendment also exempts conversion through condemnation proceedings from this measure.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 876, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 219 Government Operations and Housing on S.B. No. 1069

The purpose of this measure is to authorize the Housing and Community Development Corporation of Hawaii (HCDCH) to issue an additional \$500,000,000 in tax exempt revenue bonds for the Hula Mae Single Family Mortgage Purchase Program.

Testimony in favor of this measure was received from the Housing and Community Development Corporation of Hawaii.

Your Committee finds that under the Hula Mae Single Family Mortgage Purchase Program, the HCDCH is authorized to issue tax exempt mortgage revenue bonds, and to make funds available through mortgage lenders at affordable interest rates to households with low to moderate incomes. As of June 30, 1998, over 8,000 first time home buyers have been provided mortgages through the Hula Mae program.

In 1997 and 1998, lenders and private developers requested over \$1 billion of Hula Mae funds, yet only approximately \$283 million was actually available for lending.

Currently, the HCDCH is authorized to issue revenue bonds in the principal amount of \$1,775,000,000. To date, HCDCH has issued \$1,551,045,000, leaving only \$223,955,000 of bond authority available to HCDCH.

Your Committee finds that in order to meet the demand for affordable interest rate mortgage loans, additional funds are needed for the Hula Mae Program.

Your Committee amended this measure by making technical, nonsubstantive changes to accurately reflect the Session Law being amended.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1069, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 220 Government Operations and Housing on S.B. No. 1070

The purpose of this administration measure is to make affordable housing available to more low-income residents of Hawaii by:

- (1) Conforming the definition of "qualified resident" in section 201G-128, Hawaii Revised Statutes (HRS) with the existing definition in section 201G-112, HRS;
- (2) Amending the definition of "housing owner" by including "very low" income households as a group of persons to be served;
- (3) Amending the existing definition of "qualified tenant" under the State Rent Supplement Program in section 201G-233, HRS, to enable eligible single persons to participate in the program to conform to fair housing;
- (4) Lowering the income limits for participation in the State Rent Supplement Program, from moderate income to very low income;
- (5) Phasing in an increase of the tenant's annual payment from one-fifth to thirty per cent of the tenant's annual income; and
- (6) Correcting a reference error in section 201G-235, HRS.

Testimony in favor of this measure was received from the Office of the Governor, Housing and Community Development Corporation of Hawaii, and Legal Aid Society.

Your Committee finds that the greatest group of housing need is among those below 30% of median income, where nearly two thirds of households cannot afford their housing payments every month.

Your Committee finds that by reducing the targeted income population to 50% and below of the median income, persons who are most in need of housing assistance will be served by the Rent Supplement Program and will be more consistent with Housing and Urban Development's Section 8 Rent Subsidy program.

Your Committee amended this measure by making technical, nonsubstantive amendments and ensuring that the appropriate sections take effect on the appropriate date.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1070, 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 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 221 Government Operations and Housing on S.B. No. 1076

The purpose of this measure is to permit insurers to take a low-income housing credit.

Your Committee received testimony in support of this measure from the Department of Taxation, and Housing and Community Development Corporation of Hawaii. The Insurance Commissioner provided informational testimony and took no position on this measure.

This measure is intended to extend to insurers the same tax deduction allowed to banks and financial institutions in Hawaii that the Internal Revenue Code. Insurance companies have no similar statutory tax credit.

Your Committee believes that this measure will encourage the flow of capital into Hawaii by providing insurance companies the same incentives enjoyed by individuals and financial institutions to invest in low-income housing projects.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1076 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 222 Government Operations and Housing on S.B. No. 1518

The purpose of this measure is to require all State departments and agencies to identify their goals, objectives, and policies to be submitted to the Legislature twenty days before the 2000 Regular Session, and annually thereafter.

Testimony in favor of the intent of this measure was received from the Department of Health and Government Efficiency Teams, Inc. Testimony opposed to this measure was received from the Department of Budget and Finance.

Your Committee finds that State departments and agencies should constantly work towards improving the effectiveness and efficiency of our government. Strategic planning and development of goals and objectives are essential for more efficient and productive operations for government agencies.

Your Committee finds that the development of goals and objectives is essential for State departments and agencies to determine priorities, guide their decisions, and measure the effectiveness of their programs and services.

Your Committee finds that goals and objectives assist the legislature in evaluating the budgetary needs of departments and agencies, and therefore every State agency and departments should submit their goals and objectives to the legislature every year.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1518 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 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 223 Government Operations and Housing on S.B. No. 1101

The purpose of this measure is to clarify the provisions for protests and the related available remedies under Chapter 103D, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee finds that this measure will clarify the language regarding protests, the responsibilities of the chief procurement officer and hearings officers, and expand the scope of remedies. Your Committee is in support of this measure as a means of promoting greater efficiency in procurement procedures.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1101 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, 4 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 224 Government Operations and Housing on S.B. No. 1391

The purpose of this measure is to establish a law against contract and procurement fraud and impose penalties.

Your Committee received testimony in support of this measure from the City and County of Honolulu and the Hawaii Operating Engineers Industry Stabilization Fund.

Your Committee finds that government employees with responsibilities for procurement and contracting of services are in positions of immense authority in a highly complex area. With this expertise in the bid system, a few of these employees have been able to funnel millions of dollars in public funds to enrich themselves and others.

Your Committee supports this measure and believes it is critical to maintain the integrity of the bidding process and protect the State and the public in general from fraud and deception.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1391 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 225 Government Operations and Housing on S.B. No. 1466

The purpose of this measure is to require the Comptroller to collect from state agencies their portion of benefits received under the State Risk Management Revolving Fund. It additionally requires the Comptroller to prepare a report each fiscal year to agencies and the Legislature about the amount appropriated to and collected from the agencies.

Testimony in support of the intent of this measure was received from the Department of Accounting and General Services (DAGS).

Your Committee finds that collecting from agencies for benefits received can be an effective tool to hold agencies responsible for their losses and provide them with an incentive to control their risks and losses.

Your Committee has amended the measure to change the effective date of the measure to July 1, 2000, and to change the requirement of the DAGS report to the Legislature from twenty days to one hundred forty-five days before each legislative session. Your Committee also deleted subsections (a), and (d) to (g) of section 41D-4, Hawaii Revised Statutes, as unnecessary to the measure, since those subsections are not being amended.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1466, 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 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 226 Government Operations and Housing on S.B. No. 1626

The purpose of this measure is to place restrictions on the award of public contracts to persons who made political campaign contributions to anyone involved in the contract selection process.

Testimony in support of the intent of this measure was received from the Department of Accounting and General Services, the State Procurement Office, and the Campaign Spending Commission.

Your Committee finds that courts have determined that campaign contributions are considered free speech.

Your Committee finds that in Hawaii, there has been a longstanding practice of candidates sending books of fundraiser tickets to government nonbid contractors which pressures individuals or firms to make unwilling contributions and creates the appearance of impropriety.

Your Committee finds that a balance must be made between free speech and ensuring a fair procurement process.

Currently, section 11-205.5, Hawaii Revised Statutes, requires persons receiving government contracts of more than \$50,000 to file disclosure forms identifying all contributions made within twelve months of the contract. However, your Committee finds that enforcement of this statute has been difficult and the disclosures are necessarily incomplete.

Therefore, your Committee is in favor of a more direct and forceful approach to prevent the appearance of or actual impropriety that can occur when campaign contributions are received from anyone involved in the contract selection process.

The amendment to this measure changes the time period during which a person may receive campaign contributions by prohibiting contributions between contract negotiations and contract performance or termination of contract negotiations, whichever occurs last.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1626, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 227 (Majority) Commerce and Consumer Protection on S.B. No. 211

The purpose of this measure is to extend the pensioners' bonus originally extended to retirants of the Employees' Retirement System (ERS) under Act 339, Session Laws of Hawaii 1990, for another two years.

Testimony in support of the measure was submitted by the Retirees' Unit of the Hawaii Government Employees Association, the Hawaii State Teachers Association - Retired, the Hawaii State Teachers Association, and the Oahu Retired Teachers Association. The ERS submitted comments on the measure.

Your Committee finds that pensions provided by the ERS to its retired members have cost of living increases computed on simple interest and are not compounded. In other words, interest on any subsequent cost of living increases are computed on the original amount of the pension. This formula has caused the pensions of many long-retired members to fall behind inflation.

In an effort to offset this problem, the 1990 Legislature enacted Act 339, Session Laws of Hawaii 1990, which provided an annual bonus in addition to the annual cost of living increases already provided to retirants under section 88-90, Hawaii Revised Statutes. Since then, subsequent Legislatures have extended the bonus to ensure that pensions of long-retired members of the ERS do not fall too far behind the cost of living.

Your Committee has amended the measure by changing the effective date to June 29, 1999, rather than upon approval, in order to prevent the sunset provision from taking place.

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. 211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 211, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 228 Commerce and Consumer Protection on S.B. No. 1281

The purpose of this measure is to amend the Employees' Retirement System's (ERS) ability to hire personnel.

Specifically, the measure enables the ERS to hire an assistant administrator and a chief investment officer. The measure also deletes the ERS's ability to hire its own legal counsel.

Your Committee received testimony in support of the measure from the Hawaii State Teachers Association. The ERS submitted comments on the measure.

Your Committee finds that enabling the ERS's Board of Trustees to hire its own assistant administrator and chief investment officer would provide the ERS with more flexibility in managing its personnel and investments. With regard to the deletion of the ERS's authority to hire its own legal counsel, your Committee finds that since the repeal of that authority in Chapter 103, Hawaii Revised Statutes, relating to procurement practices, and the subsequent enactment of the State's Uniform Procurement Code in 1995, which disallowed the hiring of outside counsel, the ERS has not been able to hire its own attorney. Therefore, the deletion is housekeeping in nature and was included to conform Section 88-29, Hawaii Revised Statutes, with the intent of Chapter 103D, Hawaii Revised Statutes.

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

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1281, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 229 Commerce and Consumer Protection on S.B. No. 1282

The purpose of this measure is to provide the Employees' Retirement System (ERS) with greater investment flexibility.

Specifically, the measure enables the ERS to invest in real estate via Limited Liability Companies (LLCs) and similar entities to help limit the ERS's liability from personal injury or property damage lawsuits. The measure also amends a section reference to the Internal Revenue Code to more accurately reflect the types of real property investments the ERS is authorized to invest in.

Your Committee received comments from the ERS on the measure.

Your Committee finds that LLCs are a relatively new form of legal entity that have the advantage of being a pass-through entity for income tax purposes by eliminating taxation at the federal and state levels. LLCs also benefit from the corporate-type advantages of centralized management and limited liability for the owners.

Your Committee has amended the measure by making technical, nonsubstantive amendments for the purposes of clarity, format, and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1282, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 230 Economic Development on S.B. No. 521

The purpose of this measure is to create a task force within the Department of Agriculture to investigate the problem of the brown tree snake in Hawaii.

Your Committee received testimony from the Department of Agriculture (DOA), the Department of Land and Natural Resources (DLNR), and the Environmental Center at the University of Hawai'i, in support of the concerns expressed in the measure.

Your Committee finds that the agencies most concerned with stopping the importation of the brown tree snake to Hawaii, consider this snake a serious threat to Hawaii's environment. To this end, the DOA currently chairs a Brown Tree Snake Technical Committee under the auspices of the Coordinating Group on Alien Pest Species (CGAPS). Members of CGAPS include representatives from various State, federal, military, and private organizations.

Your Committee further finds that resources to implement increased inspections in both Hawaii and Guam, eradication, and public education, remain a critical need at this time.

Your Committee is in support of all efforts to rid the islands of the brown tree snake, as well as other alien species, and has amended this measure to replace the contents with authorization to establish one full-time permanent alien species coordinator position in DLNR, and to make an unspecified appropriation for the position.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 521, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

SCRep. 231 (Majority) Economic Development on S.B. No. 576

The purpose of this measure is to extend the current board members of the Agribusiness Development Corporation (ADC) an additional five years and to appropriate an unspecified amount for the performance of their duties.

Your Committee received testimony in support of this measure from the Big Island Farm Bureau and one individual. The Department of Agriculture submitted testimony in opposition.

Your Committee finds that the ADC was established in 1994 to administer an aggressive and dynamic agribusiness development program to support the transition of Hawaii's agricultural industry from large-scale, single crop plantations to more diversified farming operations.

Your Committee further finds that supporting this transition remains critical to a continually evolving industry. If agriculture is to progress, expand, and flourish, it will need creative and innovative leadership. Your Committee believes this can best be provided by extending the ADC board in its present form and by expanding the work of the ADC.

Your Committee has amended this measure accordingly to:

- (1) Provide an unspecified appropriation for four positions and general operating expenses of the ADC;
- (2) Direct the ADC to allot the necessary financial and human resources necessary to plan, design, and construct an agricultural subdivision in the Hamakua district of the Island of Hawaii, with an unspecified appropriation for this purpose; and
- (3) Require the ADC to report annually to the Legislature.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 576, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 2 (Ige, M., Slom). Excused, 1 (Taniguchi).

SCRep. 232 Economic Development on S.B. No. 784

The purpose of this measure is to appropriate \$150,000 for the papaya industry on the island of Hawaii to develop new markets and expand existing markets in foreign countries.

Your Committee received testimony in support of this measure from the Department of Agriculture, the University's College of Tropical Agriculture and Human Resources, the Big Island Papaya Growers Association, and the Hawaii Papaya Industry Association.

Your Committee finds that in 1993, the State's papaya production was sixty-four million pounds. As a result of the ring spot virus, production has dropped to thirty-five million pounds and foreign suppliers have taken over many of Hawaii's former markets.

Your Committee further finds that the industry is recovering with the transgenic papaya, new acreage has been planted, and production levels are expected to reach sixty-three million pounds between 2001 and 2002. Your Committee is in support of this measure and believes it will help develop markets for Hawaii papaya and reestablish the State's dominance in Canadian, Japanese, and U.S. mainland markets.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 784 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 233 Economic Development on S.B. No. 1062

The purpose of this measure is to allow trusts and limited liability companies as applicants for agricultural park leases.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Hawaii Farm Bureau, the Big Island Farm Bureau, Hawaii Island Landscape Association, and Keohole Ag Park Association.

Your Committee finds that when the agricultural park program was established, new entities such as revocable living trusts and limited liability companies had not been established or widely utilized. This measure will allow lessees to transfer or continue the leases to both surviving family members or successor business entities.

Your Committee believes this measure is in the public interest and will provide additional protection to farmers and their families with agricultural park leases.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1062 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 234 Economic Development on S.B. No. 1220

The purpose of this measure is to direct the Agribusiness Development Corporation to allot the financial and human resources necessary to plan, design, and construct an agricultural subdivision in the Hamakua district on the Island of Hawaii, and to appropriate \$1 for the purposes of this Act.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation (ADC) and the Hawaii Farm Bureau.

Your Committee finds that at its regular January meeting, the ADC board of directors approved a motion to support legislative measures providing an agricultural subdivision in Hamakua, Hawaii. Your Committee is in support of this measure as a means of further developing both diversified agriculture and the economy of the State as a whole.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1220 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 235 (Majority) Economic Development on S.B. No. 1613

The purpose of this measure is to authorize limited use hunting permits for foreign hunters who do not meet the criteria for a regular hunting license, to hunt on private land with a Hawaii-licensed guide.

Your Committee received testimony in support of this measure from Hawaii Hunting Tours, Pig Hunters of Hawaii, and four individuals. The Department of Land and Natural Resources testified in opposition. The Hawaii Hunting Advisory Council, the Hawaii Hunting Association, and the Hawaii Rifle Association submitted comments.

Your Committee finds that Hawaii has an economic opportunity in allowing controlled hunting on private lands by foreign nationals. There is considerable interest by both Asians and Europeans who would like to hunt in Hawaii, as well as by private landowners.

Your Committee has heard discussions regarding safety issues that may arise as a result of this measure, and acknowledges those concerns. However, your Committee notes that the measure would allow hunting only with guides who have successfully completed a course or program in hunter education and safety and possess a valid Hawaii hunting license.

Your Committee believes this measure is worthy of further discussion by both the Legislature, the hunting community, and the public in general.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1613 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, 2 (Buen, Kawamoto). Excused, 1 (Taniguchi).

SCRep. 236 Transportation and Intergovernmental Affairs on S.B. No. 18

The purpose of this measure is to prohibit the use of a person's social security number as a person's driver's license or instruction permit identification number or on a State certificate of identification (State ID).

Testimony in support of this measure was received from the Office of Information Practices, Libertarian Party of Hawaii, Common Cause Hawaii, and four individuals. The State Attorney General submitted testimony in support of this measure as it relates to State ID's. The Department of Transportation submitted testimony in support of this measure with suggested amendments. One individual submitted testimony in support of this measure with suggested amendments.

Your Committee finds that because social security numbers have been used in the private sector to identify an individual's interest with financial, educational, credit and medical institutions, utilities, and marketing, retail, and other consumer-oriented institutions, an unscrupulous person may easily use a social security number to steal a person's identity or for other illegal purposes. Currently, a person's social security number may be obtained from a Hawaii driver's license, instruction permit, or State ID.

Your Committee believes that prohibiting the use of social security numbers on driver's licenses, instruction permits, and State ID's will further secure the privacy of personal information. However, the Department of Transportation indicated that implementation of the necessary changes to the affected computer systems by December 31, 1999, may not be possible and that more time would be needed. Accordingly, your Committee has amended this measure by changing the effective date of this Act to July 31, 2000. Your Committee also has made technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 18, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 18, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 237 Transportation and Intergovernmental Affairs on S.B. No. 27

The purpose of this measure is to require an owner of a vehicle in storage to present a certificate of inspection issued after the recording of storage, only if the certificate of inspection expired during the storage period and the vehicle is to be removed.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that the law now requires a new inspection certificate, even if the current one is still valid. Your Committee believes this creates an undue burden on the owner and is in support of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 27 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, 2 (Ige, D., Iwase).

SCRep. 238 Transportation and Intergovernmental Affairs on S.B. No. 627

The purpose of this measure is to eliminate the state residency requirement for employment in positions involved in the performance of services in planning and executing measures for the security of Hawaii and the United States, such as those in the police departments.

Testimony in support of this measure was received from the City and County of Honolulu Police Department.

Currently, in order to be a law enforcement officer in Hawaii, one must be a Hawaii resident. Your Committee finds that there are currently 234 vacancies in the City and County of Honolulu Police Department. Your committee further finds that recently, out of 930 applicants, only 39 applicants were selected to enter recruit school.

Your Committee finds that an average of thirty applicants per exam for employment with the City and County of Honolulu are considered ineligible because they are nonresidents. By eliminating the residency requirement, the Police Department will have a larger pool of applicants to select from, whereby job vacancies could be filled by qualified individuals.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 627 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 239 Transportation and Intergovernmental Affairs on S.B. No. 661

The purpose of this measure is to provide stricter penalties for minors (persons under the age of twenty-one) who purchase or possess liquor and adults who purchase liquor for consumption by minors. The penalties for minors and adults provided in this measure include suspending their driver's license, requiring that they attend an alcohol and drug education program, and perform community service.

Testimony commenting on this measure was received from the Judiciary.

The Judiciary testified that since this measure requires the courts to provide alcohol and drug education programs to be attended by persons violating section 281-101.5, Hawaii Revised Statutes, funds need to be appropriated to pay for the education programs.

Your Committee finds that the sanctions imposed by this measure provide meaningful deterrents against underage drinking.

Your Committee has amended this measure by appropriating \$50,000 to the Judiciary to fund the alcohol and drug education programs. A technical, nonsubstantive amendment also was made.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 661, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 240 Transportation and Intergovernmental Affairs on S.B. No. 674

The purpose of this measure is to clarify that a police roadblock is not invalidated by a failure to comply with police procedures that exceed the minimum statutory roadblock requirements.

Testimony in support of this measure was received from the Department of Transportation, Governor's Highway Safety Council, Department of the Prosecuting Attorney for the City and County of Honolulu, City and County of Honolulu Police Department (HPD), County of Maui Police Department, and Mothers Against Drunk Driving.

Testimony indicated that a number of court cases involving roadblocks have been dismissed in both criminal and administrative driver's license revocation cases due to "technical" violations of police procedures. Under section 286-162.6, Hawaii Revised Statutes (HRS), roadblocks must meet certain minimum requirements. In some instances, however, police procedures exceed the minimum requirements set forth in section 286-162.6, HRS.

In State v. Fedak, 9 Haw. 98 (1992), the Hawaii Intermediate Court of Appeals found that a roadblock conducted by HPD was invalid because the officer in charge of the roadblock had changed its location to avoid traffic congestion. Although the roadblock in question complied with section 286-162.6, HRS, the court found that it did not comply with HPD's internal regulations because the regulations did not provide any authority for changing the location of the roadblock. Thus, even though all statutory requirements for the roadblock were met and the roadblock was changed for a legitimate safety concern, the roadblock was invalid.

Your Committee finds that the ruling in State v. Fedak was not the intended application of section 286-162.6, HRS. Your Committee further finds that this measure clarifies that failure to comply with roadblock police procedures that exceed the minimum statutory requirements of section 286-162.6, HRS, does not invalidate the roadblock.

Your Committee has amended this bill by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 674, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 674, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 241 Transportation and Intergovernmental Affairs on S.B. No. 675

The purpose of this measure is to require persons working in the contracting business on federal projects in the State to have a Hawaii contractor license pursuant to chapter 444, Hawaii Revised Statutes.

Testimony in support of this measure was received from Hawaii Building and Construction Trades Council, AFL-CIO, Subcontractors Association of Hawaii, Hawaii Operating Engineers Industry Stabilization Fund, Plumbers and Fitters Local 675, United Association, and Industry Management Consultants, Incorporated.

Testimony in support of the intent of this measure was received from the Department of Transportation, Department of Commerce and Consumer Affairs (DCCA), and the Contractors License Board of the DCCA. These testifiers raised concerns regarding enforcement of this measure citing possible federal constitutional issues.

Testimony indicated that Hawaii's construction industry is experiencing a high rate of unemployment. Due to the requirements and taxes imposed on Hawaii licensed contractors, in many cases, out-of-state contractors are able to submit bids on federal projects in Hawaii that are lower than those submitted by Hawaii licensed contractors. This measure would require out-of-state contractors desiring to work on federal projects to meet the same requirements of Hawaii contractors--licensing pursuant to chapter 444, Hawaii Revised Statutes.

Your Committee has resolved the federal constitutional concerns by deleting the amendment to section 444-9, Hawaii Revised Statutes, and including contractors and subcontractors working on federal projects in the definition of "contractor" and subjecting them to the licensing requirements of chapter 444, Hawaii Revised Statutes, only to the extent allowed under federal law.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 675, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 242 Transportation and Intergovernmental Affairs on S.B. No. 700

The purpose of this measure is to enact provisions regulating neighborhood electric vehicles.

Testimony in support of this measure was received from the Department of Customer Services of the City and County of Honolulu, MMS, Inc., and the Electric Vehicle Association of Hawaii. The State Insurance Commissioner of the Department of Commerce and Consumer Affairs submitted testimony commenting on this measure.

Your Committee finds that neighborhood electric vehicles (NEV) may be a viable alternative to the use of cars within neighborhoods. The NEV has a maximum speed of twenty-five miles per hour with minimum noise and pollutant emissions and high energy efficiency. Your Committee also finds that establishment of a NEV and electric vehicle industry in the State would create high technology employment and business opportunities.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 700, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 243 Transportation and Intergovernmental Affairs on S.B. No. 703

The purpose of this measure is to exempt standard bars and bars with dancing from the notice provisions of section 281-57, Hawaii Revised Statutes, upon the transfer of a dispenser liquor license.

Testimony in support of this measure was received from the Hawaii Restaurant Association.

Your Committee finds that under current law, when standard bars and bars with dancing facilities that are liquor dispenser licensees transfer their license to a transferee, the transferee is required to send out public notice of a hearing on the transfer. Pursuant to section 281-57, Hawaii Revised Statutes, public notice must be sent by mail to owners and lessees of real property within five hundred feet of the premises, the registered voters and small businesses residing within one hundred feet of the premises, and each condominium project and cooperative apartment within five hundred feet of the premises. The transferee, therefore, incurs substantial costs in providing the required public notices.

Your Committee further finds that since these license transfers are usually generally accepted by the communities, exempting them from the notice provisions seems reasonable. However, this measure would still require hostess bars, bars with persons that entertain unclothed, and class 11 cabarets to provide the required public notice of hearings.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 703, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 244 Transportation and Intergovernmental Affairs on S.B. No. 709

The purpose of this measure is to allow use of a photo technology system to enforce the violation of crossing of longitudinal traffic lane markings in conjunction with the photo red light and speed imaging detector demonstration project.

Testimony in support of this measure was received from the Department of Transportation, City and County of Honolulu Police Department, State Farm Insurance Companies, and two individuals. The Judiciary submitted comments on this measure.

Testimony indicated that use of photo technologies (video, digital, or conventional cameras) is a safer and more efficient method for enforcing the violation of unlawfully crossing longitudinal traffic lane markings. A photo technology system would produce a photo identifying a violator and the citations and summons would be mailed to that violator.

Current law requires that police officers physically pull-over violators and hand traffic citations to them. In many instances, police officers cannot enforce the violation because the roadway configuration prohibits a safe stop for both the motorist and the officers. In addition, stopping a motorist on the freeway is dangerous and causes traffic slow-downs.

Your Committee finds that permitting the use of photo technologies in enforcing the violation of unlawfully crossing longitudinal traffic lane markings allows for effective, efficient, and safe enforcement of the law.

Your Committee has amended this measure by:

- (1) Inserting procedures to allow for the citation or summons to be issued to a person who unlawfully crossed longitudinal traffic lane markings but is not the registered owner of the vehicle;
- (2) Replacing references throughout the measure to "access control road" with "controlled access facility" or like terms since it is defined in section 264-61, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for purposes of conformity, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 709, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ige, D., Iwase).

SCRep. 245 Transportation and Intergovernmental Affairs on S.B. No. 751

The purpose of this measure is to make an appropriation to upgrade the telecommunications system of the Police Department of the County of Hawaii.

Testimony in support of this measure was received from the Mayor of the County of Hawaii and the Police Department of the County of Hawaii.

Testimony indicated that converting the existing VHF system of the police department to an 800 MHz trunked radio system is a major undertaking which is beyond the financial resources of the County of Hawaii. However, conversion is necessary because the current communications system is antiquated, unreliable, and provides inadequate radio coverage for the County of Hawaii. The most viable solution is conversion to an 800 MHz trunked radio system. After conversion, the County of Hawaii (the only county not migrated to the 800 MHz system) would be able to establish communications links with other police departments along with State and County Civil Defense agencies.

Your Committee finds that the telecommunications upgrade provided in this measure will improve the efficiency and effectiveness of the Police Department of the County of Hawaii and further secure the safety of the police officers and the residents of the County of Hawaii.

Your Committee has amended this measure by deleting the amount appropriated and deferring this determination to the Committee on Ways and Means. Your Committee has also amended this measure by changing the year of appropriation from "fiscal biennium 1999-2001" to "fiscal year 1999-2000".

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 751, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 246 Transportation and Intergovernmental Affairs on S.B. No. 946

The purpose of this measure is to repeal the requirement that counties provide residential detention for prearrestment detainees.

Testimony in support of the measure was received from the Hawaii County Council and the Office of the Corporation Counsel, Hawaii County.

Testimony in opposition to the measure was received from the Attorney General and the Department of Public Safety.

Your Committee finds that requiring the counties to provide residential detention for prearrestment detainees is a financial burden upon the counties, particularly when county finances are inadequate to support public services and to build or renovate needed county facilities. Your Committee believes that detaining persons charged with crimes should be a responsibility of the Department of Public Safety.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Iwase).

SCRep. 247 Transportation and Intergovernmental Affairs on S.B. No. 1002

The purpose of this measure is to permit wholesale dealer liquor licensees to simultaneously have an interest in manufacturer liquor licenses, and vice-versa, but to prohibit them from having any interest in a retail liquor license.

Testimony in support of this measure was received from Anheuser Busch Companies, Anheuser Busch Sales of Hawaii, Inc., Hawaii Restaurant Association, and one individual.

Testimony in opposition to this measure was received from the Hawaii Teamsters and Allied Workers, Local 996.

Testimony indicated that current law prohibits a manufacturer liquor licensee to hold any interest in any other liquor licensee. The intent of this law, which is consistent with federal law, is to prohibit trade practices which tend to produce monopolistic control of retail liquor outlets, such as arrangements for exclusive outlets, creation of tied houses, commercial bribery, and sales on consignment or with privilege of return.

Anheuser-Busch, Inc., obtained wholesale liquor licenses from the counties of Honolulu, Maui, Kauai, and Hawaii after purchasing a Hawaii liquor distributorship, Eagle Distributors. Anheuser-Busch, Inc., also has interests in manufacturer liquor licenses in other states. However, the Maui Liquor Commission, under its interpretation of current law adopted regulations prohibiting a manufacturer liquor licensee from holding any interest in any other liquor licensee whether located within or outside the County of Maui. Thus, the Maui Liquor Commission imposed a sunset date on the liquor license issued to Anheuser-Busch, Inc., which will prohibit it from doing business as a wholesale dealer in the county of Maui in the year 2002.

Your Committee believes that a liquor manufacturer should not be prohibited from doing business as a wholesale dealer in the State of Hawaii, or vice-versa, as these interests do not create the same potential for monopolistic practices when those licensees have interests in retail licenses.

Your Committee has amended this measure by making a technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1002, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 248 Transportation and Intergovernmental Affairs on S.B. No. 1397

The purpose of this measure is to strengthen the penalties imposed upon persons operating a moped without a driver's license.

Testimony in support of the measure was received from the Honolulu Police Department. Testimony in opposition of the measure was received from a private citizen.

Your Committee finds that under existing law, a person convicted of operating a moped without a valid driver's license is fined:

- (1) Not more than \$200 for a first conviction thereof;
- (2) Not more than \$300 for conviction of a second offense committed within one year after the date of the first offense; and
- (3) Not more than \$500 for conviction of a third or subsequent offense committed within one year after the date of the first offense.

In addition to the fine, the court may require a person convicted of operating a moped without a valid driver's license to attend a course of instruction in driver retraining as deemed appropriate by the court.

This measure raises the fine ceiling from \$500 to \$1,000 and providing the courts with the alternative to sentence a person convicted of operating a moped without a valid driver's license to a maximum of thirty days in prison. Your Committee believes this will act as a further deterrent against such unlawful activity while concomitantly resulting in safer streets and highways for the general public.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1397 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Iwase).

SCRep. 249 Transportation and Intergovernmental Affairs on S.B. No. 1403

The purpose of this measure is to allow the use of curb markings in addition to signs to prohibit or restrict stopping, standing, or parking of vehicles on highways.

Your Committee received testimony in support of the intent of this measure from the Department of Transportation.

Your Committee finds that current law authorizes the use of highway signs, and the addition of curb markings will provide another option for marking these restrictions.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1403 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, 2 (Ige, D., Iwase).

SCRep. 250 Transportation and Intergovernmental Affairs on S.B. No. 1430

The purpose of this measure is to require minors under the age of twelve to wear a helmet while operating a wheeled apparatus on public property.

Testimony in support of the measure was received from the Peoples Advocacy for Trails Hawaii (PATH) and the Hawaii Bicycling League. The Department of Health and the Keiki Injury Prevention Coalition supported the intent of the measure, but asked that the scope of the measure be expanded to include operators of all ages.

Your Committee finds that many head injuries to children could be avoided by simply having children wear helmets when playing with wheeled apparatuses. Your Committee understands the desire to move the age higher, but believes that twelve years of age and below is an appropriate age at this time.

Your Committee has amended the measure by including mini-bikes in the definition of "wheeled apparatus".

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1430, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1430, 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, 2 (Ige, D., Iwase).

SCRep. 251 Transportation and Intergovernmental Affairs on S.B. No. 1441

The purpose of this measure is provide grant funds for funeral and burial expenses and transportation of the remains to the Philippines for deceased World War II Filipino veterans.

Your Committee received testimony in support of this measure from the Office of Veterans Services.

Your Committee finds that this measure will right an injustice to World War II Filipino veterans and their families who may not be able to qualify for other forms of burial grants because they are too "poor".

Your Committee is in support of this measure and has amended it to add an appropriation of \$50,000 per year for the next three years, to fund this burial grant program.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1441, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 252 Transportation and Intergovernmental Affairs on S.B. No. 1481

The purpose of this measure is to appropriate an unspecified sum as a grant-in-aid to Hawaii Island Veterans Memorial Inc., to build a veterans center in Hawaii county.

Your Committee received testimony in support of this measure from the County of Maui, the Office of Veterans Services, the Oahu Veterans Council, the Disabled American Veterans Department of Hawaii, the Veterans of Foreign Wars, the Big Island Veterans Association, the Big Island Retired Military Association, the Hawaii Island Veterans Memorial Combined Veterans Center, the Hawaii Island Veterans Memorial Inc., The Hawaii County Veterans Advisory Committee, and three individuals.

Your Committee finds that there are over 14,000 veterans on the Island of Hawaii who will benefit from this one-stop center. After many years of effort by dedicated veterans, the land has been secured and plans completed for a comprehensive center that will serve as a gathering point for Big Island veterans.

Your Committee strongly supports this measure and the services it will provide to those who have proudly served their country. Your Committee has amended this measure to delete the specific sums appropriated with the intent to defer this determination to the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1481, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 253 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 1556

The purpose of this measure is to exempt and exclude from imposition of the general excise tax the income received by resident licensed contractors and subcontractors from federal construction contracts.

Testimony in support of this measure was received from Hawaii Masons Union. The Construction Industry Legislative Organization, Inc., and Contractors Association of Kauai submitted testimony in support of the intent of this measure but did not support the definition of resident contractor or subcontractor in the measure.

The Department of Taxation submitted testimony commenting on this measure and indicated that this measure raises certain constitutional concerns.

Testimony indicated that some out-of-state contractors had a bidding advantage over Hawaii contractors because they did not factor in the state 4% general excise tax into their bids for federal contracts. This measure would help Hawaii contractors submit more competitive bids on federal contracts.

Although the Department of Taxation raised possible constitutional concerns regarding this measure, your Committee finds that this measure will help Hawaii contractors and create more opportunities for Hawaii's construction industry. Therefore, your Committee has passed this measure for purposes of further discussion.

Your Committee has amended this bill by inserting a purpose clause stating that the intent of this measure is to create more business and employment opportunities for Hawaii's construction industry. Your Committee has also amended this measure by clarifying that contractors and subcontractors working on federal projects in Hawaii are included in the definition of "contractor" for

the purposes of and subject to the licensing requirements of chapter 444, Hawaii Revised Statutes, only to the extent allowed under federal law.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1556, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Slom). Excused, 2 (Iwase, Taniguchi).

SCRep. 254 Transportation and Intergovernmental Affairs on S.B. No. 1557

The purpose of this measure is to permit the visual monitoring and analysis of storm water runoff by motor carriers.

The Hawaii Transportation Association and the American Trucking Associations submitted testimony in support of this measure.

Your Committee finds that motor carriers are currently required to perform laboratory analysis on storm water runoff to observe pollution discharge. Laboratory analysis is excessively burdensome on motor carriers because it is expensive and time-consuming. In addition, the Environmental Protection Agency has determined that motor carrier operations do not pollute storm water runoff to the extent warranting laboratory analysis. Therefore, your Committee finds that visual monitoring and analysis by motor carriers of storm water runoff which observes color, odor, turbidity, floating solids, foam, oil, and other obvious indicators of pollution is sufficient.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Iwase, Taniguchi).

SCRep. 255 Transportation and Intergovernmental Affairs on S.B. No. 1568

The purpose of this measure is to expand the prohibition of street solicitation of prostitution in Waikiki to other areas designated by the council of the appropriate county.

Testimony in support of this measure was received from the Honolulu City Council, Department of the Prosecuting Attorney of the City and County of Honolulu (HPA), and Police Department of the City and County of Honolulu (HPD).

Your Committee finds that street solicitation of prostitution is not confined to Waikiki, but also plagues other areas as well. This measure in allowing a county council to designate additional areas where street solicitation of prostitution is prohibited, will provide counties with the flexibility required to effectively reduce, deter, and eliminate prostitution.

The HPD and HPA collaborated on various amendments to this measure which, upon consideration, your Committee has adopted. Your Committee, accordingly, has amended this measure by:

- (1) Requiring a mandatory term of thirty days of imprisonment and no longer for the violation of street solicitation of prostitution (current law requires a mandatory minimum of thirty days) to ensure the violation is not subject to a jury trial;
- (2) Reducing the maximum period that a court may place a defendant on probation from one year to six months;
- (3) Further clarifying the geographic restrictions imposed for street solicitation of prostitution to include remaining on public property, including walking, driving, or otherwise being transported on or through such public property, in Waikiki, and other areas in the State designated by county ordinance;
- (4) Allowing the police to arrest when there is probable cause to believe that a person has violated the geographic restrictions rather than requiring the police to obtain a warrant prior to arrest and execute other cumbersome procedures;
- (5) Clarifying that once a person is arrested for violating the geographical restrictions, the person is to be held without bail;
- (6) Defining "areas" and "public property"; and
- (7) Clarifying that the geographic restrictions imposed by section 712-1207, Hawaii Revised Statutes (HRS), shall not prohibit the imposition of stricter geographic restrictions pursuant to section 804-7.1, HRS, or section 706-624(2)(h), HRS.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1568, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1568, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 256 Transportation and Intergovernmental Affairs on S.B. No. 1642

The purpose of this measure is to establish a licensing board to license gamebird testing facilities.

Testimony in support of this measure was received from six individuals and petitions with three hundred thirty-five signatures.

Testimony described the economic benefits of establishing gamebird testing facilities in the State of Hawaii. There currently exists a worldwide market for quality gamebirds which is a potentially lucrative export market for Hawaii. This measure will permit the establishment of gamebird testing facilities to test gamebirds for their skill and ability. As a result, breeders will be able to assess the quality of their gamebirds. In addition, the gamebird testing facilities themselves may also generate revenue and create business opportunities for the State.

Your Committee finds that the gamebird industry may provide viable economic benefits to the State.

Your Committee has amended this measure by inserting a definition of "gamebird." As used in this measure, "gamebird" means chickens referred to as Old English Game fowl raised for various purposes including poultry shows, pets, egg production, consumption, and cockfighting.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1642, 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, 2 (Iwase, Taniguchi).

SCRep. 257 Education and Technology on S.B. No. 119

The purpose of this measure is to allow the Department of Education (DOE) more flexibility in the effective use of school-level minor repairs and maintenance accounts.

Your Committee received testimony in support of this measure from the DOE and Department of Accounting and General Services (DAGS).

Specifically, this measure:

- (1) Changes the name of the minor repairs and maintenance accounts to the minor repairs, maintenance, and improvements accounts (accounts);
- (2) Raises the amount allowed to each school for the school-level minor repairs and maintenance accounts to \$20,000;
- (3) Allows a principal to request DAGS to perform repair and maintenance services rather than contracting out for them, with a transfer of funds from the accounts to DAGS; and
- (4) Requires DAGS to report to the legislature before each regular session on the activities of the accounts.

Your Committee believes that allowing school principals more flexibility in spending moneys in the accounts would enable them to timely undertake minor repairs and improvements.

Your Committee wishes to clarify that the \$20,000 limit is a maximum amount which need not be spent in its entirety. Any savings should inure to the benefit of the particular school for other uses.

Your Committee has amended this measure by:

- (1) Providing that unencumbered funds in the accounts do not lapse into the general fund, to allow the accumulation of funds in the accounts;
- (2) Deleting the appropriation section; and
- (3) Changing the effective date to upon approval.

Your Committee also has made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 119, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 258 Education and Technology on S.B. No. 553

The purpose of this measure is to appropriate \$200,000 to the Okinawan Centennial Celebration Commission.

Your Committee received testimony in support of this measure from the Hawaii United Okinawa Association.

Your Committee finds that January 8, 2000, will mark the one hundredth anniversary of the arrival of the first Okinawan to Hawaii, and establishment of the oldest community of Okinawan descent outside of Okinawa.

Your Committee further finds that S.C.R. No. 159, H.D. 1, 1998, established the Okinawan Centennial Celebration Commission and charged the Commission with planning for the celebration's statewide events. Your Committee is in support of the work of the Commission and its impressive list of events planned in honor of the Okinawan people in Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 553 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 259 Education and Technology on S.B. No. 577

The purpose of this measure is to establish a Puerto Rican Centennial Celebration Commission and appropriate an unspecified sum to fund the work of the Commission.

Your Committee received testimony in support of this measure from the Puerto Rican Heritage Society of Hawaii.

Your Committee finds that the first Puerto Ricans arrived in Hawaii on December 23, 1900. In celebration of this event, the Puerto Rican community in Hawaii will hold a series of statewide events in the year 2000.

Your Committee believes it is important to acknowledge and support the many cultures that make up Hawaii, and to educate all Hawaii's citizens in the contributions these varied cultures have made in the islands. Your Committee is in support of this measure to acknowledge the history of the Puerto Rican people in Hawaii. Your Committee has amended this measure to delete the section entitled "cooperation" as this language is included under "powers and duties" of the commission.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 577, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 577, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 260 Education and Technology on S.B. No. 945

The purpose of this measure is to create a separate line item in the budget for the Small Business Development Center at the University of Hawaii at Hilo. This measure also appropriates funds to the Center.

Testimony in support of this measure was submitted by the Hawaii Small Business Development Center Network, the Business Research Library of the Hawaii Small Business Development Center Network, and the Rural Economic Transition Assistance-Hawaii Program. The Department of Budget and Finance submitted testimony in opposition of this measure.

Your Committee finds that the Hawaii Small Business Development Center assists small businesses and potential small businesses throughout the State. The Center promotes economic development through each of its four centers on Hawaii, Kauai, Maui, and Oahu. This Center is a partnership program between the University of Hawaii at Hilo and the U.S. Small Business Administration in which both federal and state dollars are appropriated.

Your Committee further finds that the Business Research Library of the Center is critical to Hawaii's economic development. The resources the library provides fulfill the needs of small business owners and those who are interested in starting new ventures.

While your Committee commends the Hawaii Small Business Development Center for all it has done, and continues to do, to improve the economic development of this State, your Committee finds that it is not necessary to designate a separate line item in the budget for its funding. Accordingly, your Committee has amended this measure to delete this provision.

Your Committee has also deleted the specified dollar amounts to be appropriated. Because of the State's weak economic condition, your Committee believes that there must be further discussion on the amount to be funded. The Committee on Ways and Means, with its knowledge of available funds, is best able to determine the specific appropriation.

Technical, nonsubstantive amendments were also made to reflect the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 945, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tam, Slom).

SCRep. 261 Education and Technology on S.B. No. 1009

The purpose of this measure is to appropriate \$34,500 for a pilot streaming media project to allow legislative sessions to be broadcast in streaming media format via the internet.

Your Committee received testimony in support of this measure from the University of Hawai'i, the Office of Economic Development of the County of Maui, and Akaku: Maui Community Television.

Your Committee finds that the University of Hawai'i is already working with streaming media to upgrade distance learning activities, and that the technology has great potential statewide.

Your Committee further finds that this technology is particularly important for neighbor island and rural areas that may not have access to cable television or other methods of transmittal. Your Committee is in support of this measure and the new opportunities in citizen participation it will bring to communities throughout Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1009 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 262 Education and Technology on S.B. No. 1138

The purpose of this measure is to transfer all licenses, assets, responsibilities, and functions of the Hawaii Public Broadcasting Authority to the Hawaii Public Television Foundation.

Testimony in support of this measure was submitted by the Hawaii Public Broadcasting Authority. Testimony in opposition was submitted by the Hawaii Government Employees Association. Verbal testimony in opposition was given by a concerned individual.

Your Committee finds that continuing and significant reductions in public funding of public television in this decade have resulted in major downsizing of the system, cancellation of long-running programs, reduction of broadcast hours, and a gradual deterioration of the physical plant. Because of the ongoing inability for the State to provide adequate support to public television, a strategic plan to take the system from a state agency to a non-profit community foundation was developed by the Hawaii Public Broadcasting Authority three years ago. Budget cuts from the State reduced support by 76 percent in six years, thus making an expedient transfer necessary to ensure a continued existence for public television. The Hawaii Public Television Foundation has the resources necessary to garner more funding and improve the quality of programming for public television.

Your Committee has amended this measure as follows:

- (1) By adding a provision giving the State of Hawaii first right, at no cost, to the equipment if the Hawaii Public Television Foundation should determine that any of the equipment listed on the inventory of the Hawaii Public Broadcasting Authority as of June 30, 2000, is no longer useful; and
- (2) By changing the provision regarding transfer of assets if the Hawaii Public Television Foundation should dissolve or discontinue public broadcasting in Hawaii, to give the State first right, at no cost, to the assets instead of requiring the transfer to another public or private entity authorized to conduct public broadcasting. This amendment also provides that all assets not claimed by the State will be transferred, along with licenses and rights, to a public or private entity qualified contractually to succeed the foundation as the public broadcasting affiliate in Hawaii.

These amendments ensure that the State will be able to recoup any loss incurred in this transfer if the foundation decides to discard any equipment, or if the foundation is unsuccessful and dissolves.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1138, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tam, Slom).

SCRep. 263 Education and Technology on S.B. No. 1156

The purpose of this measure is to grant the Board of Education the authority to establish a fee to be added to delinquent patron accounts at the time they are referred to a collection agency.

Testimony in support of this measure was submitted by the Hawaii State Public Library System. Testimony in opposition to this measure was submitted by Information Services.

Your Committee finds that in these hard economic times, it is important that all State agencies be especially mindful of their expenditures. While the Hawaii State Library System has implemented a system to recover fees and materials from delinquent patrons, the time and effort the system devotes in attempting to recover these fees and materials have not been recognized. This measure provides for an additional administrative fee to be charged to delinquent patrons, which will help restore the loss of moneys owed to the libraries from administrative expenses.

Your Committee has amended this measure to require the Board of Education to prescribe procedures for the notification of persons with delinquent accounts of these additional fees which are not to exceed \$10. Technical, nonsubstantive amendments were also made to change the formatting of this measure to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1156, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tam, Slom).

SCRep. 264 Education and Technology on S.B. No. 1157

The purpose of this measure is to authorize the Board of Education to appoint the State Librarian and to set terms and conditions of employment and salary.

Testimony in support of this measure was submitted by the Board of Education and Information Services.

Your Committee finds that permitting the Board to appoint the State Librarian without regard to the state residency requirements and for a term of up to four years will provide equity in treatment between the Superintendent of Education and the State Librarian, and assure the continuity of management of the Library system. Your Committee further finds that providing the Board with the authority to set the State Librarian's salary will increase the likelihood that the Board will be able to competitively recruit and retain highly qualified individuals for the position. This would promote greater accountability from the State Librarian by directly linking the State Librarian's salary to job performance.

Your Committee has amended this measure to allow the Board of Education to set the salary of the State Librarian without a cap until July 1, 2004. At that time, it is the intent of your Committee that the legislature review the effectiveness of allowing the Board of Education to set the salary of the State Librarian, and make any appropriate adjustments, if necessary. To give the Board of Education time to implement this measure, your Committee has further amended the measure to take effect on August 1, 1999.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1157, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tam, Slom).

SCRep. 265 Education and Technology on S.B. No. 1171

The purpose of this measure is to create a special fund to pay for the integrated tax information management systems, and for the operation, maintenance, monitoring, and improvements to the automated tax system.

Testimony in support of this measure was submitted by the Department of Taxation. Information regarding this measure was submitted by the Tax Foundation of Hawaii.

Your Committee finds that Act 273, Session Laws of Hawaii 1996, allowed the Department of Taxation to enter into performance-based contracts to acquire an integrated tax information management system, including computer hardware and software, for the

administration of taxes. The contract, which has been negotiated by the Department of Taxation, specifies that the vendor will not get paid unless there is an increase in revenues collections and/or cost savings realized from and attributable to the implementation of the automated tax system.

This measure would establish a special fund which would be used solely as a means of paying the vendor. The special fund is needed to facilitate timely payments to the vendor, thereby minimizing interest costs to the State.

Your Committee has amended this measure by:

- (1) Clarifying the statutory language to reflect the overall spending limit of the integrated tax information management systems special fund for each fiscal year;
- (2) Amending section 237-31, Hawaii Revised Statutes, to include the tax information management systems special fund as a deduction from general excise tax revenues. This avoids the conflict established by creating a special fund without amending that section;
- (3) Deleting the amendments to sections 36-27 and 36-30, as unnecessary since the Director of Taxation may request moneys up to the limits established for the special fund to reimburse any administrative or other expenses; and
- (4) Setting a sunset date of July 1, 2004, for this special fund to be repealed to ensure the timely implementation of the integrated tax information management system.

Testimony from the Tax Foundation noted that in general, moneys from special funds are not subject to the general fund expenditure limitation. Furthermore, special fund appropriations do not receive the same degree of review as appropriations from the general fund. Because of this, your Committee encourages further discussion on the necessity of creating this special fund, and the possibility of funding the integrated tax information management system with an appropriation from the general fund in the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1171, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 266 (Joint) Education and Technology and Water, Land, and Hawaiian Affairs on S.B. No. 1233

The purpose of this measure is to allow for a student-centered school to be established by either creating a new school, or to be comprised of programs or sections of existing public schools for the purpose of native Hawaiian education.

Testimony in favor of this measure was received from the American Friends Service Committee, Native Hawaiian Education Council, Punana Leo O Waimea, Wildlife Conservation Association of Hawaii, and over fifty concerned individuals, including students and parents of students currently attending the Kanu o ka Aina Hawaiian Academy. The Department of Education and the Office of Hawaiian Affairs submitted testimony in support of the intent of the measure.

Your Committees find that it is our State's responsibility to serve those children and their families who wish to preserve their Hawaiian culture, history, and traditions. Further, your Committee finds that the lower educational achievement of some Native Hawaiians from kindergarten to the university level is a reflection of their cultural and educational incompatibility with the current education system. Many students have testified that when Hawaiian language, culture, and values are incorporated into the pedagogical process at all levels, their education has more relevance and is more effective.

Your Committees further find that this measure will combine the strengths of Hawaiian culture and the best modern academic principles to form an alternate education process that will be more effective for students who decide not to participate in the traditional educational programs. By allowing Kanu o ka Aina Hawaiian Academy the freedom to combine with the K-5 Native Hawaiian Immersion program at Waimea School to form a student-centered school, an educational paradigm tailored specifically to focus on Native Hawaiian culture can be implemented. This will no doubt be beneficial to many students of this State.

Your Committees recognize the need for alternative educational options such as the one proposed in this measure. Additionally, your Committees also note that S.B. No. 1501 S.D. 1, includes amendments to Hawaii Revised Statutes that will facilitate the implementation of student-centered schools.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1233 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 3 (Bunda, Anderson, Slom).

SCRep. 267 Education and Technology on S.B. No. 1465

The purpose of this measure is establish a college tuition savings program to be administered by the State Post-Secondary Education Commission for resident and nonresident students at any accredited post-secondary educational institution.

Testimony in support of the intent of this measure was submitted by the University of Hawaii. Testimony in opposition to this measure was submitted by the Department of Taxation.

Tuition savings plans involve the payment of money to an entity that invests the money and achieves a rate of return that outperforms tuition increases and covers costs associated with investment management. These plans do not place limits or restrictions on the amount of tuition and required fees charged by higher education institutions.

Your Committee finds that the State should indeed establish mechanisms that help all Hawaii's families provide for the cost of their children's education. This measure provides one such mechanism.

Your Committee has made technical, nonsubstantive amendments to this measure to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1465, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Tam, Slom).

SCRep. 268 Education and Technology on S.B. No. 1641

The purpose of this measure is to require the State Librarian to include a more detailed description of the status of the Libraries Special Fund and the Library Fee for Enhanced Services Special Fund in the annual report to the legislature.

Testimony in support of this measure was submitted by the State Auditor.

More specifically, this measure requires the State Librarian to include financial information on these special funds, actual expenditure of receipts by individual libraries from these special funds, and expenditure allotment by individual libraries.

Your Committee finds that in previous years, the former State Librarian's annual reports misrepresented special fund allocations to the libraries from the Libraries Special Fund and the Library Fee for Enhanced Services Special Fund. Current statutes only require that the Librarian indicate the amount allocated to individual libraries together with revenue source and expenditure information, and not revenues deposited from and expended by each library.

This measure will hold the library system accountable for ensuring that the Libraries Special Fund and Library Fee for Enhanced Services Special Fund revenues are used as intended.

Your Committee amended this measure by deleting the provision that any balance remaining in the Library Fee for Enhanced Services Special Fund be deposited into the general fund. This will allow any surplus moneys to remain in the fund for use in the next year.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1641, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1641, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Tam, Slom).

SCRep. 269 Government Operations and Housing on S.B. No. 3

The purpose of this measure is to provide three additional seats on the Real Estate Commission for representatives of condominium associations.

Testimony in favor of this measure was received from Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Hawaiiana Management Company, Ltd., and one individual. Testimony in favor of the intent of this measure was received from the Community Associations Institute. Testimony opposed to this measure was received from the Real Estate Commission and the Hawaii Association of Realtors.

Your Committee finds that the Real Estate Commission has oversight over the implementation and enforcement of the Condominium Property Regimes under chapter 514A, Hawaii Revised Statutes (HRS), including the Condominium Education Fund.

Your Committee finds that currently there are no condominium owners or board members on the Real Estate Commission.

Your Committee finds that it would be prudent and helpful to have representatives of condominium associations and their board members to discuss and participate in decision making under the regulatory authority of the Real Estate Commission regarding condominium issues.

Additionally, your Committee finds that the Condominium Management Education Fund is currently being used for personnel that are not allocating all of their time to carrying out the responsibilities of the Condominium Management Education Fund.

Your Committee has amended the measure to require the Real Estate Commission and the Department of Commerce and Consumer Affairs to only use the Condominium Management Education Fund for personnel that exclusively carry out the responsibilities of the Condominium Management Education Fund.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 270 Economic Development on S.B. No. 34

The purpose of this measure is to make an appropriation to match federal funds for establishment of Manufacturing Extension Programs (MEP) in Hawaii.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, Maui Economic Development Board, Inc., the Hawaii Agriculture Research Center, the Hawaii Food Manufacturers Association, Hawaii Candy Inc., Extraordinary Experiences, Industry Network Corporation (INC), and two individuals.

Your Committee finds that while many people think Hawaii has little or no manufacturing, in fact there are many small and medium size businesses that are eligible for MEP funds.

Your Committee has been informed that the Maui Economic Development Board, Inc., has been working with INC, the federal designee for the Hawaii MEP since 1998. In less than a year, the Maui MEP has achieved significant results with direct technical assistance to over ninety companies, management of four projects for manufacturing customers, made numerous community presentations, participated in local events and trade shows, and created a homepage for the Maui county MEP.

Your Committee is supportive of these efforts and believes manufacturing extension partnerships should be encouraged and expanded.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 34 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 271 Economic Development on S.B. No. 491

The purpose of this measure is to appropriate funds for tropical flower research.

Your Committee received testimony in support of this measure from the University's College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau, the Big Island Farm Bureau, the Big Island Dendrobium Grower's Association, Green Point Nurseries, and the Hawaii Tropical Flower Council. The Department of Agriculture submitted comments on the measure.

Your Committee finds that the floriculture and nursery products industry ranks as the number one diversified agricultural industry, with a farm gate value in excess of \$68,000,000 during the past three years. However, the industry faces strong foreign competition from third world countries and their less costly nursery products.

Your Committee is in support of this measure and believes it will help stimulate increased production and sales for Hawaii growers.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 491 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 272 Economic Development on S.B. No. 1072

The purpose of this measure is to amend Act 311, Session Laws of Hawaii (SLH) 1996, and Act 104, SLH 1998, to delete the repeal dates for the Department of Business, Economic Development, and Tourism's loan guarantee capability and the neighbor island business loan interest rate.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that this measure will eliminate the sunset of both these programs, which are valuable to people of this State.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1072 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 273 Economic Development on S.B. No. 1099

The purpose of this measure is to clarify which of the coastal areas program functions shall be administered under the provisions of Chapter 200, Hawaii Revised Statutes (HRS).

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR). Hawaii's Thousand Friends testified in opposition.

Your Committee finds that the coastal areas program was transferred from the Department of Transportation by Act 272, Session Laws of Hawaii 1991. Capital improvement projects typically funded under this program have included repair and restoration of the Ala Wai Canal walls, Kuhio Beach structural improvements, and sand replenishment.

Your Committee further finds that in 1995, DLNR began to incorporate this program's functions into other existing department programs, in the interests of cost savings, and that deleting these particular capital improvement functions from section 200-3, HRS, is a housekeeping measure.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1099 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 274 Economic Development on S.B. No. 1607

The purpose of this measure is to appropriate \$10,000,000 to the Hawaii Strategic Development Corporation Revolving Fund for investments primarily in high technology companies.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, Hawaii Venture Capital Association, and PremierCapital Advisors, LLC. The Hawaii Strategic Development Corporation submitted comments.

Your Committee finds that the need for venture capital in Hawaii is well demonstrated by successful local companies, such as Verifone, Aloha Networks, and Digital Island, which were all financed primarily with mainland capital. In the short term, the shortage of venture capital in Hawaii makes it substantially more difficult, if not impossible, for local companies to begin operations. Over the long term, if these companies are successful, local investors have lost an opportunity and Hawaii's economy loses the potential for long term capital accumulation and reinvestment.

Your Committee is in support of these efforts to build a stronger Hawaii venture capital market, and notes that this measure will require a dollar-for-dollar match by private sector investment. However, your Committee believes that given pending budget restrictions, the appropriation amount should be further discussed in the Committee on Ways and Means. Your Committee has amended this measure accordingly to replace the dollar amounts with unspecified sums.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1607, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 275 (Joint) Water, Land, and Hawaiian Affairs and Education and Technology on S.B. No. 37

The purpose of this measure is to appropriate funds for the Hawaiian language immersion program, Ka Papahana Kaiapuni Hawaii.

Testimony in support of the measure was received from the Board of Education, the University of Hawaii's Department of Hawaiian and Indo-Pacific Languages and Literatures, Na Leo Kako'o O Maui, Inc., and Na Leo Pulama O Maui Inc..

Your Committees find as one of the two official languages of the State of Hawaii, the full use of the Hawaiian language in all facets of daily and civic life, including education, is a customary and traditional right that must be preserved and strengthened if the Hawaiian people are to remain a distinct and thriving culture. This right is, in part, recognized through Ka Papahana Kaiapuni Hawaii, the Hawaiian language immersion program within the Department of Education, which began in 1987 as a pilot program with only two sites and approximately forty students. After ten years of success, instruction in the Hawaiian language is currently offered at fourteen sites encompassing grades kindergarten through eleven and enrolling 1,350 students throughout the State. Further, this year marks the very first graduating class of students educated in the immersion program.

However, maintaining such a growing program and ensuring that the curriculum and faculty skills meet both the physical and educational needs of the students and their families has proven to be a task bigger than anyone anticipated. Your Committees believe that in order for the program to succeed on a larger scale, adequate funding must be provided to sustain the program's momentum.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 37 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 3 (Bunda, Anderson, Slom).

SCRep. 276 (Joint) Water, Land, and Hawaiian Affairs and Government Operations and Housing on S.B. No. 98

The purpose of this measure is to appropriate funds for a self-help housing project in Kikala-Keokea.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, the Hawaii County Economic Opportunity Council, the Kikala Keokea Tenant Association, and four individuals. The Housing and Community Development Corporation of Hawaii testified in support of the intent of the measure.

Your Committees find that self-help housing is a proven method of providing safe and decent affordable housing to residents of the State and, therefore, feels that this measure merits further discussion. Your Committees have amended the measure by deleting the specified dollar amount.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 98, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 98, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Matsunaga, Sakamoto, Anderson).

SCRep. 277 Water, Land, and Hawaiian Affairs on S.B. No. 567

The purpose of this measure is to appropriate funds for payment of monetary damages to claimants whose claims have been adjudicated by the Hawaiian Home Lands Trust Individual Claims Review Panel.

Your Committee received testimony in support of this measure from the Hawaiian Home Lands Trust Individual Claims Review Panel, Kawaihae Hawaiian Homes Community Association, Native Hawaiian Legal Corporation, State Council of Hawaiian Homestead Associations, Waimea Hawaiian Homesteaders' Association, Inc., Waimea Hawaiian Civic Club, Aged Hawaiians, Ahupua'a O Moloka'i, and two individuals.

The State Attorney General and Department of Hawaiian Home Lands submitted testimony requesting deferral of this measure.

Your Committee finds that the Hawaiian Home Lands Trust Individual Claims Review Panel ("Review Panel") adjudicates individual claims by native Hawaiian beneficiaries for breaches of the Hawaiian Home Lands trust. The Review Panel has reviewed and adjudicated 509 cases brought by 387 claimants in 1997 and 1998 and, pursuant to the recommendations of the Review Panel, your Committee finds that \$16,434,675.75 in damages should be paid to the claimants.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 567 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 278 Water, Land, and Hawaiian Affairs on S.B. No. 580

The purpose of this measure is to appropriate funds for Project Faith, a project that will develop an economic development and infrastructure master plan to form a community based commercial-cultural center to benefit native Hawaiians who reside on homestead lands in Anahola, Kauai.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands, a Kauai County Councilmember, a Hawaiian Homes Commissioner from Kauai, Kauai Community College Small Business Development Center Network, West Kauai Community Development Corporation, Hale Omao Care, and two individuals.

Your Committee finds that the native Hawaiian community of Anahola, Kauai, must be encouraged to explore and develop creative and innovative ways to revitalize itself. Project Faith's Master Plan includes a 100-bed elderly nursing care facility, a 20-unit studio apartment for independent living for the elderly, an early education and child care facility, a fire station, commercial office space, a cultural pavilion, a post office, and convenience store.

Your Committee finds that Project Faith will revitalize the native Hawaiian community of Anahola, Kauai, by providing business opportunities for native Hawaiians, job training for youths, preservation of the Hawaiian culture, and the resources needed to address the future needs of the growing elderly population within the community.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 580 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 (Anderson).

SCRep. 279 (Joint) Water, Land, and Hawaiian Affairs and Education and Technology on S.B. No. 1495

The purpose of this measure is to appropriate funds for the establishment of a Hawaiian cultural entrepreneurial school.

Specifically, the measure appropriates \$1,500,000 as a grant-in-aid under Chapter 42F, Hawaii Revised Statutes, to the Hui Ho'omau O Keakaha Panaewa for the construction and operation of a Hawaiian cultural entrepreneurial school.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands and two concerned citizens. The Office of Hawaiian Affairs supported the measure with reservations.

Your Committees find that the establishment of such a Hawaiian cultural entrepreneurial school would teach Hawaiian youth their cultural heritage and legacy, thereby inspiring and motivating them to become productive members of their community.

Your Committees have amended the measure by deleting the specific dollar amount appropriated for the project.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1495, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1495, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 3 (Bunda, Anderson, Slom).

SCRep. 280 Economic Development on S.B. No. 570

The purpose of this measure is to extend the Waianae coast community benchmarking project through June 30, 2003, and to appropriate \$400,000 to support the work of the project.

Your Committee received testimony in support of this measure from Aloha United Way, Alternative Structures International, Hawai'i Community Services Council, Nanakuli Neighborhood Housing Services, Inc., Wai'anae Business Center, Waianae Coast Culture and Art Project, Waianae Coast Early Childhood Services, Inc., and three individuals. The Department of Business, Economic Development, and Tourism opposed the measure.

Your Committee finds that this project offers both tangible and intangible benefits to the people of Wai'anae and the wider Hawaii community. Tangible benefits include a management tool for reallocation resources, accountability for block grants, and collaboration between public and private sector funding and services sources. On the intangible side, community consensus building, increased public trust, and stronger community action benefit all those involved.

Your Committee is supportive of the goals and activities of the benchmarking project and believes it provides an alternative means of improving the economy of the Wai'anae community and the lives of its members.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.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, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 281 Economic Development on S.B. No. 1059

The purpose of this measure is to provide the Department of Agriculture with a streamlined program to issue loan guarantees to private lenders.

Your Committee received testimony in support of this measure from the Department of Agriculture and the Hawaii Farm Bureau.

Your Committee finds that as Hawaii's diversified agriculture industry expands, financing is a crucial element in fostering further growth. However, agricultural lending poses more risks than conventional commercial lending, and under current economic conditions, the State's funding is limited.

Your Committee also finds that this measure would encourage more lending from the private sector by authorizing the department to guarantee up to ninety percent of the principal balance of a loan, plus interest, not to exceed a total limit of \$10,000,000.

Your Committee has expressed concerns regarding possible costs to the State should the default rate increase. However, your Committee is supportive of any efforts to assist Hawaii's farming industry and believes this measure is worthy of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1059 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 282 Economic Development on S.B. No. 1078

The purpose of this measure is to authorize the Aloha Tower Development Corporation to acquire the reversionary interest held by the heirs of Helene Irwin Fagan by way of purchase, negotiated settlement, or eminent domain for the public purpose of providing a park, parking facilities, and related traffic improvements.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Aloha Tower Development Corporation, and the Department of Transportation. Scenic Hawaii, Inc., Na Leo Pohai of The Outdoor Circle, and one individual testified in opposition. Life of the Land made oral comments.

Your Committee finds that since the Aloha Tower Marketplace was completed in 1994, the waterfront area has experienced tremendous growth. The marketplace provides a venue for over eighty retail shops and restaurants, serving close to 2,000,000 patrons a year. In addition, the expansion of the cruise ship industry has put a further strain on parking in the surrounding area.

Your Committee is well aware of the problems caused by both current and anticipated parking shortages, particularly on the economic well-being of the businesses in the marketplace and surrounding area. However, your Committee has also heard the strong reservations of the Irwin family to conversion of Irwin Memorial Park to a parking facility. Your Committee agrees that the park, with its mature trees, is an attractive green oasis in downtown Honolulu, and contributes esthetically to the waterfront area.

Your Committee, in discussing the merits of the intent of this measure, is firmly opposed to the ATDC acquiring Irwin Memorial Park through eminent domain. Your Committee understands that negotiations are continuing between the ATDC and the family, and a meeting is scheduled subsequent to the hearing on this measure.

Your Committee has amended this measure to delete the reference to acquisition through eminent domain in the purpose section of the measure, to make technical amendments to conform to standard drafting style, and to add missing statutory language.

Your Committee believes this measure requires further substantive discussion, and urges the Committee on Ways and Means to hold a public hearing on the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1078, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 283 Transportation and Intergovernmental Affairs on S.B. No. 31

The purpose of this measure is to lower the legal concentration level for driving under the influence of intoxicating liquor from 0.08% to 0.04%.

Testimony in favor of this measure was received from the Police Department for the City and County of Honolulu, Hawaii Medical Association, and two individuals. Testimony in opposition of this measure was received from the Hawaii Restaurant Association, Legislative Information Services of Hawaii, The Libertarian Party of Hawaii, and The Old Spaghetti Factory.

Your Committee finds that nationally nearly 17,000 people die each year in alcohol related crashes, while 300,000 are injured. The American Medical Association released a study in 1997 which found that there is evidence that "substantial and consistent impairment" begins at 0.04% to 0.05% blood alcohol content. As the blood alcohol content increases, so too does the number of tasks and functions that are impaired and the risk of fatal car crashes.

While your Committee believes that a comprehensive study may be needed to conclusively determine the appropriate alcohol level, your Committee, in passing this measure, aims to send a strong message to potential offenders not to drink and drive.

Your Committee amended this measure by making technical, nonsubstantive changes for clarity and to reflect current statutory language.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 31, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 31, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 284 (Joint) Transportation and Intergovernmental Affairs and Labor and Environment on S.B. No. 531

The purpose of this measure is to require state and county agencies to develop and implement an integrated vegetation management strategy to minimize the use of herbicides.

Testimony in support of this measure was received from the Advocate Offices of David L. Bourgoin and one individual. The Department of Transportation, Rescue Hawaii, and Sierra Club, Hawaii Chapter, submitted testimony in support of the intent of this measure with amendments. The University of Hawaii at Manoa submitted comments on this measure.

Your Committees find that the Department of Transportation is currently implementing strategies to reduce herbicide use. Your Committees believe that all state and county governmental agencies responsible for roadside maintenance should be required to adopt an integrated vegetation management program that includes the use of nonchemical, nonmechanical, and nonmanual methods of roadside vegetation management. However, your Committees also believe that further study is needed to ensure roadside vegetation management programs are developed with the overall goal of implementing strategies to reduce herbicide use while minimizing costs.

Your Committees have amended this measure by:

- (1) Replacing the provisions requiring a twenty-five percent reduction of herbicide use by January 1, 2000, and fifty percent by January 1, 2002, with language stating the broader goal of reducing herbicide use;
- (2) Replacing the definition of "nonchemical methods" with the definition of the term in S.B. No. 379 which is clearer and broader in scope;
- (3) Establishing a Roadside Vegetation Committee that will, among other things, develop, initiate demonstration programs of, and make advisory opinions on, roadside vegetation management strategies;
- (4) Authorizing the Director of Transportation to appoint members to the Roadside Vegetation Committee that will include representatives from the Department of Transportation, the respective counties, the field of biodiversity, the landscape architect profession, and the environmental community;
- (5) Requiring the Roadside Vegetation Committee to meet at least twice a year and requiring the committee to report on the progress of herbicide use reduction to the legislature prior to each regular session;
- (6) Requiring the Department of Transportation to report its progress and plans on implementing an integrated vegetation management program; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and drafting style.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 531, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 531, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 4 (Ige, M., Iwase, Kanno, Taniguchi).

SCRep. 285 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 973

The purpose of this measure is to require tow truck operators to comply with no-fault insurance requirements, maintain insurance to cover all damage to a towed motor vehicle, maintain a \$15,000 bond, and affix the name of the tow operator to the doors of all tow trucks.

Testimony in favor of this measure was received from the Hawaii State Towing Association. Testimony in favor of the intent of this measure was received from the Department of Commerce and Consumer Affairs and Off Peak Towing. Testimony opposed to this measure was received from K&Y Chevron, and two individuals.

Your Committee finds that greater protection is needed for consumers when towing companies cause damage to vehicles in their possession. Towing firms need to be accountable for property in their care, custody, and control, as well as properly identifying their vehicles.

Your Committee adopted the recommendation of the Department of Commerce and Consumer Affairs by deleting the requirement that tow operators post a \$15,000 bond and adding a new provision to prohibit uninsured tow operators from collecting charges and to allow injured persons to sue such tow operators.

The new provision allows consumers to file a private cause of action if damage occurs to a towed motor vehicle while being towed and stored by the towing business. Additionally, the court is allowed to award the plaintiff a sum of not less than \$1,000 or threefold damages sustained by the plaintiff, whichever is greater, and reasonable attorneys fees together with the costs of suit.

The bond requirement is being deleted from this measure because the cost of administering such a bonding requirement would likely outweigh the benefit to a particular consumer. A bond requirement would be particularly problematic for the department of commerce and consumer affairs, since the bond would be unrelated to any regulated profession. Your Committee also finds that a bond would be of negligible benefit to consumers, since an action on the bond would still be required to obtain payment, and claims would be limited to those consumers whose personal possessions were lost or stolen from the towed vehicle.

In addition, your Committee finds that requiring towing companies to display their address on the towing vehicle raises privacy and safety concerns because many tow companies are home-based businesses. Therefore, your Committee has deleted that requirement.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 973, 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, 1 (Slom). Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 286 Education and Technology on S.B. No. 43

The purpose of this measure is to increase the membership of the University of Hawaii Board of Regents to fifteen members and to require diversity in the background of its members. Additionally, this measure provides for three Board members to be nonresidents who are nationally or internationally prominent.

Testimony in support of this measure was submitted by the University of Hawaii Professional Assembly. Informational testimony was submitted by the University of Hawaii Board of Regents.

Your Committee finds that the University of Hawaii Board of Regents would benefit from the national and international perspective that three nonresident members would bring to meetings. This global perspective will allow the University of Hawaii to grow as a world class university and focal point of the Pacific Rim.

However, your Committee acknowledges a possible constitutional question regarding the U.S. citizenship requirement for serving in public office, as well as the practical difficulties in the coordination of attendance of the nonresident members, and thus, has amended this measure to give the nonresident members ex-officio, non-voting status. Your Committee has further amended this measure to require the Board of Regents to meet with the nonresident members at least semi-annually. Your Committee notes the controversial nature of this measure and encourages continued discussion on the benefits and ramifications of its implementation.

Technical, nonsubstantive amendments were also made to format this measure to reflect the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 43, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 43, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tam, Slom).

SCRep. 287 (Joint) Education and Technology and Ways and Means on S.B. No. 539

The purpose of this measure is to propose a Constitutional amendment to provide the University of Hawaii with autonomy in all matters related to the University.

Testimony in support of this measure was submitted by the University of Hawaii and the University of Hawaii Professional Assembly. Testimony in opposition of this measure was submitted by the Department of Budget and Finance, the Hawaii Government Employees Association, and the Hawaii State Ethics Commission.

Last session, the Legislature gave the University of Hawaii increased authority to manage its assets, personnel, and programs. Most notably, the University was given the authority to hire and retain its own attorneys, independent of the Department of the Attorney General. In this session, your Committee on Education and Technology has heard and passed S.B. No. 538, which amends Hawaii Revised Statutes to give the University of Hawaii complete autonomy, and status comparable to the Judiciary. This measure, S.B. No. 539, is its companion, as only by a Constitutional amendment can the University be completely separated from the Executive Branch.

Your Committees find that by granting the University of Hawaii complete autonomy from the Executive Branch, the University will be provided with the opportunities and incentives for developing an entrepreneurial, competitive role in contributing to Hawaii's economic growth. However, your Committees also find that it is difficult to anticipate all the possible repercussions of such a broad-based measure. For example, in last session's broad-based measure relating to the University's increased authority, the University of Hawaii was granted the power to hire and retain its own attorneys, and the Legislature did not anticipate that the Department of the Attorney General would understand this to mean that the University would not receive any legal services from the Department. Thus, additional efforts were spent determining and clarifying the legal services which the University will provide for itself, and those which the Department of the Attorney General will provide, and the costs involved for these services.

Because your Committees believe that further discussion is needed on this issue, this measure has been amended to take effect upon approval. Your Committees are aware that this amendment makes the measure defective, and by doing so, your Committees hope to foster further discussion on this measure. Your Committees encourage future testimony on this measure to address these concerns:

- (1) If the University is completely autonomous, and is charged for services provided by the Executive Branch, does the University intend to charge for services it provides to other state agencies;
- (2) While S.B. No. 538 mandates that the University's budget shall be restricted in the same percentage as other state agencies, how will the percentage be determined, and how will the funding to the other departments be affected; and
- (3) Because currently there are over 300 laws governing the University, what would the consequences be of enacting this Constitutional amendment, in terms of affecting the validity of these laws? What other possible problems could arise as a result of this measure?

Your Committees believe that this discussion is necessary in addressing and possibly averting any misunderstandings or repercussions that may stem from this measure, and its companion, S.B. No. 538.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 539, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 539, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 7 (Buen, Bunda, Ige, M., Iwase, Nakata, Taniguchi, Slom).

SCRep. 288 (Joint) Education and Technology and Water, Land, and Hawaiian Affairs on S.B. No. 1232

The purpose of this measure is to appropriate funds for 38 SR14 classified personnel positions to be Hawaiian studies program assistants.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Native Hawaiian Education Council, the Center for Hawaiian Studies at the University of Hawaii at Manoa, the Association of Hawaiian Civic Clubs--Oahu Council, the Advocates of Hawaiian Studies and Bilingual Association, the Waimea Hawaiian Homesteaders' Association, Incorporated, the Aged

Hawaiians, the Honolulu Alliance of and for Lavender Youth, and over twenty-five concerned parents, makua, and kupuna. The Department of Education and Ka Piko O Ka Ua Kanilehua submitted testimony in support of the intent of this measure.

Your Committees find that the Hawaiian studies program in the state public school system is a valuable and essential component of the state public school system. The 1978 Constitutional mandate that the State promote the study of the Hawaiian culture, history, and language by providing a Hawaiian education program ensures the preservation of the State's unique and special native heritage for years to come.

Your Committees have amended this measure to delete the specific dollar amounts appropriated and to include funding for other expenses incurred by the kupuna and makua of the program. Your Committee finds that funding for travel expenses, the preparation and gathering of materials, and medical and dental benefits for the kupuna and makua may also be necessary.

Your Committees believe that flexibility in regard to funding for this program is necessary in these hard economic times. Your Committees also believe that the Committee on Ways and Means is best able to determine the precise amounts available to fund these aspects of the Hawaiian studies program as specified in the measure.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1232, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1232, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 3 (Bunda, Anderson, Slom).

SCRep. 289 Education and Technology on S.B. No. 1269

The purpose of this measure is to provide \$11,100,000 for an additional 283 permanent positions and operating funds to the Department of Education for fiscal year 1998-1999.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee agrees with the Department of Education's testimony that the requirements of the Felix Consent Decree must be fulfilled without the reduction or discontinuation of other essential services to students. However, in this measure for additional moneys, your Committee believes that the Department of Education has allocated funds to operating and equipment costs that could be better spent on direct services to students.

Accordingly, your Committee has amended this measure to remove the funds allocated to EDN 200, 300, 400, and 500 for the purposes of operating costs and equipment expenses, and have added this difference to EDN 100. Your Committee believes that this will not only allow the Department of Education to fund the requested additional positions required by the Felix Consent Decree, but will also reroute funds intended for administrative and equipment costs to direct services to students via the increased funding of EDN 100.

It has long been the intent of the Legislature to support EDN 100 programs and direct services to students, while reducing any unnecessary administrative expenses. Because the education of Hawaii's youth is a high priority to the State, your Committee notes that the total amount of funding has not been changed, as your Committee has only amended the distribution of the allocated moneys.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1269, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1269, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tam, Slom).

SCRep. 290 (Joint) Education and Technology and Commerce and Consumer Protection on S.B. No. 1320

The purpose of this measure is to provide protection for persons who exercise commercially reasonable efforts to identify and find solutions for computer-based systems that may be affected by Year 2000 errors.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Accounting and General Services, the Judiciary, Bank of Hawaii, Hawaiian Electric Company, Hawaii Medical Service Association, Hawaii Long Term Care Association, Hawaii Bankers Association, the Queen's Health Systems, Healthcare Association of Hawaii, Hawaii Credit Union League, and Kaiser Permanente.

Your Committees find that the cost of litigating claims instigated by Year 2000 problems goes far beyond the dollars paid out to injured persons and to lawyers handling the claims. There are extra costs in finding and fixing potential problems, as the process becomes guided by lawyers wanting to assure that nothing is said and nothing happens which can be used by a claimant in a lawsuit. Resources are taken away from the task of finding and fixing problems to do documentation and compile evidence of what went on

which can be used in defending against claims. Once claims are asserted, there will be a burden on the judicial system to process and resolve them, and additional time and resources will be squandered on the preparation and presentation of the claims and defenses.

This measure attempts to rein in these effects by:

- (1) Providing incentives for people to seriously work at finding and fixing their potential Year 2000 problems;
- (2) Limiting the types of damages which are difficult to prove and therefore difficult to promptly resolve; and
- (3) Encouraging the use of non-binding arbitration which is designed to result in claims being resolved faster than through the courts.

In addition, this measure recognizes that in finding and fixing potential Year 2000 problems, what is reasonable for a large financial services company is not the same as what is reasonable for a small business. This measure gives the arbitrator or court the discretion to consider a company's Year 2000 efforts as a whole, taking into account the sophistication of the person and the resources available.

Lastly, this measure exempts consumer claims filed in small claims court from many of its provisions. This allows for the prompt, informal determination of those claims without the need for consumers to go through the error dispute resolution process. Physical injury claims are also exempted from the resolution process, and most will be referred by existing law to the current Court Annexed Arbitration Program, which has experience in handling and settling physical injury claims.

Technical, nonsubstantive amendments were made by your Committees to change the formatting of this measure to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1320, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1320, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Chumbley, Hanabusa, Matsunaga, Matsuura).

SCRep. 291 (Majority) Education and Technology on S.B. No. 1639

The purpose of this measure is to make an emergency appropriation for the construction of the first increment of the new Kapolei High School.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, the Hawaii State Parent, Teacher, and Student Association, the Villages of Kapolei Homeowners Association, the Estate of James Campbell, Information Services, Senator Brian Kanno, and two concerned individuals.

High school students living in Kapolei must currently commute ten miles to Campbell High School. Your Committee finds that Campbell High School is currently facing multiple problems due to overcrowding from the influx of Kapolei students.

Although it is apparent that a high school in Kapolei must be constructed, the Department of Education testified that groundbreaking for this construction should begin in March, 1999. This would allow the school to open to its first ninth grade class in July, 2000. With Kapolei Middle School opening on July, 1999, to grades six, seven, and eight, students from Kapolei Middle School will be able to attend Kapolei High School in July, 2000. Both the high school and middle school in Kapolei are designed as "schools of the future", with an aligned curriculum and programs. By making Kapolei High School available to students in July, 2000, students at Kapolei Middle School will have an uninterrupted educational process.

Your Committee is aware of the current financial situation of the State and realizes the impact this emergency appropriation will have on the budget. Because of this, your Committee finds further discussion on this measure is warranted. The Committee believes additional information from the Department of Education regarding any problems caused by a delay in construction of Kapolei High School would be an important consideration in discussions with the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1639 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 (Chumbley). Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 292 Labor and Environment on S.B. No. 45

The purpose of this measure is to create a pool of vacant positions; abolish one-half of the vacant positions; and grant the authority to reallocate the remaining positions to the Governor or Chief Justice, as appropriate. The measure also prohibits the creation of new positions.

Testimony supporting the intent of this measure was received from the Department of Budget and Finance. Testimony opposing this measure was received from the Judiciary, the Department of Land and Natural Resources, and the Department of Education.

Your Committee finds that one means of addressing the State's fiscal crisis is to reduce the size of state government. This measure merits further discussion as a potential tool to effectuate this desired goal.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 45 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, 1 (Chun Oakland).

SCRep. 293 Labor and Environment on S.B. No. 153

The purpose of this measure is to change the medical fee schedule for workers' compensation reimbursements to providers from 110% of Medicare to the annually adjusted federal workers' compensation medical fee schedule for use in Hawaii.

Testimony in support of this measure was received from ILWU Local 142, the Hawaii Federation of Physicians and Dentists, the Hawaii Medical Association, the Hawaii Orthopaedic Association, the Hawaii Society of Physical Medicine, the Hawaii State Chiropractic Association, Castle Medical Center, Comprehensive Health and Active Rehabilitation Training, HealthSouth Rehabilitation Center of Hawaii, Kaiser Foundation Health Plan, and forty-one individuals. The Hawaii Nurses Association testified in support of the measure with amendments.

Testimony in opposition to this measure was received from the Department of Labor and Industrial Relations, the Insurance Commissioner, and GEICO Direct.

Your Committee finds that changes made to the workers' compensation medical fee schedule will affect both the workers' compensation premium rates and the motor vehicle insurance rates. Section 431:10C-308.5, Hawaii Revised Statutes, which delineates limitations on charges for motor vehicle insurance, prohibits charges permissible in the motor vehicle insurance statutes from exceeding the charges permissible under workers' compensation schedules.

Since the enactment of Act 234, Session Laws of Hawaii 1995, the Insurance Division of the Department of Commerce and Consumer Affairs has approved an average reduction in workers' compensation insurance premiums of 37.5%. Similarly, motor vehicle insurance premiums have decreased more than the minimum 20% as required by Act 251, Session Laws of Hawaii 1997. These savings can in part be attributed to the reimbursement schedule based on 110% of Medicare.

Your Committee also finds that physicians and other healthcare providers are reluctant to treat workers' compensation injuries because the reimbursement, in many cases, does not cover the cost to treat the patient. According to an analysis by the National Council on Compensation Insurance, Inc., the estimated impact on medical costs of raising the fee schedule to 120% of Medicare is 8.39%. This would result in an estimated impact on overall costs of 2.06%.

The federal workers' compensation reimbursement schedule for Hawaii is reported to be as high as 145% of Medicare. According to the NCCI analysis, an increase of reimbursement to 145% of Medicare could impact medical costs by 28.3%. This would result in an estimated impact on overall costs of 6.95%. Your Committee feels that, without more concrete information regarding the federal workers' compensation reimbursement schedule for Hawaii, it is premature to make such a drastic change to current practice regarding medical reimbursement.

However, your Committee feels that medical service providers may be justified in raising specified fees in the schedule for workers' compensation and motor vehicle insurance. Your Committee has amended the measure to add a mechanism by which medical service providers may request changes in specified fees provided that evidence substantiating the need for the change in fees is provided.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 153, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Chun Oakland, Slom).

SCRep. 294 Labor and Environment on S.B. No. 189

The purpose of this measure is to prohibit discriminatory employment practices against women who breastfeed or express milk.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission, Kokua Kalihi Valley, Healthy Mothers, Healthy Babies, MothersCare for Tomorrow's Children, Kapi'olani Medical Center, and five individuals.

Your Committee finds that numerous studies over the years have shown that breastfeeding is beneficial to both the mother and the infant. For mothers who work outside the home, however, the ability to continue breastfeeding or expressing breast milk is often dependent on the woman's employer.

Your Committee has heard that rather than make it unlawful to refuse to hire, discharge, or otherwise discriminate against a woman who breastfeeds her child or expresses breastmilk at work, as the measure was introduced, it would be preferable to have a clear statement in the law that women may breastfeed or extract milk at work.

Your Committee has amended this measure to delete the amendments to section 378-2, Hawaii Revised Statutes (HRS), relating to unlawful discriminatory practices, and, instead, has expanded the definition of "because of sex" in section 378-1, HRS, to include breastfeeding or extracting expressed milk.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 189, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 189, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Chun Oakland, Slom).

SCRep. 295 Labor and Environment on S.B. No. 820

The purpose of this measure is to prohibit discriminatory pay differences for equivalent jobs.

The measure establishes a statutory framework for determination of "equivalent jobs" or "comparable worth", record keeping and reporting requirements for employers, and enforcement for violations of the newly established unlawful discriminatory practice.

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women, ILWU Local 142, Hawaii Lawyers Care, Women's Financial resource Center, Hawaii Women Lawyers, Maui Business and Professional Women's Club, Honolulu Business and Professional Women's Club, and an individual. The Hawaii Civil Rights Commission (HCRC) testified in support of the measure with amendments.

Your Committee finds that occupations which are historically filled by women or racial minorities have lower average wages than comparable or equivalent occupations in which men or non-minorities are over-represented, or in which women and minorities have been excluded. This measure addresses these inequities.

Your Committee also finds that pay equity and comparable worth analyses, as required by this measure, best address pay differences between classes of occupations rather than between individual employees.

Your Committee has amended this measure by:

- (1) Limiting the requirements of the measure to companies with 25 or more employees;
- (2) Clarifying the definition of "equivalent jobs" by replacing the reference to the federal Equal Pay Act with "the same or similar in skill, effort, or responsibility";
- (3) Replacing all references to "national origin" with the broader term "ancestry";
- (4) Clarifying that the Department of Labor and Industrial Relations (DLIR) has rulemaking authority over the new statutory sections of the measure and not section 378-2(7), as that authority rests with the HCRC;
- (5) Clarifying that DLIR has the authority to use the information gathered for enforcement; and
- (6) Removing the definition of "market rates" because there is no reference to the term in the measure.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 820, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 820, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Chun Oakland, Slom).

SCRep. 296 Labor and Environment on S.B. No. 1046

The purpose of this measure is to repeal Chapters 76, 77, 78, 79, 80, 81, and 82, Hawaii Revised Statutes, in order to create a new statutory framework for a new civil service system.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, the Department of Defense, the Department of Land and Natural Resources, the Judiciary, and the County of Maui Department of Civil Service. The HGEA-AFSCME Local 152, AFL-CIO, the State of Hawaii Organization of Police Officers, and the United Public Workers testified in opposition. One individual submitted comments on this measure.

Your Committee finds that if government is to transform the outdated civil service system in order to meet the needs of a modern, flexible economy, the current system must be replaced with new laws. This measure would "clear the deck" and create an opportunity to encourage all stakeholders to work together on a collaborative and timely basis to develop a replacement law.

Your Committee is cognizant of both the opportunities and the perils inherent in the proposed legislation. But if meaningful change is to occur, the process, however controversial, must begin.

Your Committee has amended this measure to:

- (1) Delete the majority of the findings and purpose section and revise this section to focus on the need for a more flexible and responsive civil service system, the creation of a "fresh-start" concept, and to emphasize the partnership aspect of designing a new system;
- (2) Require the Director of Human Resources Development, with all stakeholders agreeing, to engage a team of mediators/facilitators to submit monthly progress reports to the Legislature;
- (3) Require the director and the stakeholders to submit model legislation to a joint House of Representatives and Senate Labor Committee meeting on November 15, 1999, with meetings for possible revisions to continue after this joint committee meeting;
- (4) Require the director to present a revised and final civil service bill for consideration by the Legislature by January 15, 2000;
- (5) Require the Legislature to adopt legislation to be effective June 30, 2000, to define the employment of persons in the civil service system governed by the merit principle;
- (6) Make the Act effective upon approval; and
- (7) Renumber the sections to conform to standard drafting style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1046, 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, 2 (Chun Oakland, Slom).

SCRep. 297 Labor and Environment on S.B. No. 1150

The purpose of this measure is to ensure the safe operation of boilers, elevators, and amusement rides. The measure also increases the maximum penalty from \$1,000 to \$10,000 for operating, knowingly or with indifference, regulated equipment in an unsafe manner.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations and the International Union of Elevator Constructors.

Your Committee finds that raising the maximum penalty to \$10,000 will provide a stronger deterrent to those who choose to violate safety laws and endanger public safety.

Your Committee has amended this measure by making technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1150, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Chun Oakland, Slom).

SCRep. 298 Labor and Environment on S.B. No. 1429

The purpose of this measure is to exclude from the definition of public utility any facility that reclaims wastewater if at least ten per cent of the wastewater processed is used by a state or county agency under a service agreement.

Testimony in support of this measure was received from the Department of Health and U.S. Filter Operating Services, Inc. Testimony in opposition to this measure was received from the Consumer Advocate of the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure will help the Department of Health achieve its goal of increasing the safe use of recycled water throughout the State and believes that the measure has merit. Your Committee is referring the measure to your Committee on Commerce and Consumer Protection for further discussion.

Your Committee has amended this measure to add provisos clarifying that the exemption applies to a facility that:

- (1) Only processes and distributes secondary treated wastewater that has been produced by a municipal wastewater treatment facility;
- (2) Does not sell water to residential customers; and
- (3) Is not engaged in the processing of food wastes.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1429, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chun Oakland, Ige, M., Slom).

SCRep. 299 (Majority) Labor and Environment on S.B. No. 1574

The purpose of this measure is to require successor employers to retain incumbent employees upon the divestiture, sale, or acquisition of a business.

Testimony in support of this measure was received from the Hawaii State AFL-CIO, the ILWU Local 142, Unity House, Inc., and seven individuals. Testimony in opposition to the measure was received from the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, the Legislative Information Services of Hawaii, and Jas. W. Glover, Ltd.

Your Committee finds that it is in the State's interest to provide a stable employment environment for its residents and maintain a smooth continuity in the delivery of services when an establishment is sold or transferred. Your Committee believes that this measure merits further discussion and refinement by parties affected by the measure.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1574 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, 1 (Slom). Excused, 1 (Chun Oakland).

SCRep. 300 (Joint/Majority) Economic Development and Education and Technology on S.B. No. 1468

The purpose of this measure is to appropriate \$100,000 to the University of Hawaii to study the feasibility of constructing and operating an ocean floating, all-natural clean energy power station in Hawaii.

Your Committees received testimony in support of this measure from Makai Ocean Engineering, Inc. The Department of Business, Economic Development, and Tourism testified in support of the intent of the measure. The University of Hawai'i and the University's Environmental Center provided comments.

Your Committees find that in 1997 the Legislature provided \$50,000 to the Hawaii Natural Energy Institute to work with the local community to develop a strategic plan to design and build a sustainable resource floating platform. In December 1998, the International Offshore Alliance convened a conference in Honolulu to discuss this concept. Approximately one hundred conferees from industry, government, and academia adopted a recommendation that Hawaii should take the next step in developing such a platform.

Your Committees are supportive of the concept and believe it is worthy of further development. Your Committees have amended this measure to designate the Department of Business, Economic Development, and Tourism as the expending and reporting agency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1468, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1468, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, 2 (Kawamoto, Slom). Excused, 2 (Bunda, Taniguchi).

SCRep. 301 Transportation and Intergovernmental Affairs on S.B. No. 800

The purpose of this measure is to exempt from general excise tax the amounts received by a wastewater reclamation facility from a county for processing and cleaning wastewater, and returning the water to the county.

Testimony in support of this measure was received from the Department of Environmental Services of the City and County of Honolulu and U.S. Filter Operating Services, Inc. The Tax Foundation of Hawaii submitted comments on this measure.

Testimony in opposition to this measure was received from the Department of Taxation.

Your Committee finds that it is in the best interest of the State to encourage the development of wastewater reuse projects in the State. The general excise tax exemption provided in this measure will encourage further development by making the wastewater reuse projects more cost-effective for both the respective counties and the private entities contracted to develop the projects.

Your Committee has amended this measure by making technical, nonsubstantive clarifying changes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 800, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 302 Transportation and Intergovernmental Affairs on S.B. No. 1298

The purpose of this measure is to transfer fifty percent of all fines and forfeitures collected for uncontested traffic infractions committed in that county.

Testimony in support of this measure was received from the Department of Budget and Finance, Department of Finance of the County of Hawaii, Department of Budget of the City and County of Honolulu, and the Police Department of the City and County of Honolulu (oral testimony). The Judiciary submitted testimony commenting on this measure.

Your Committee finds that all fines and forfeitures collected for uncontested traffic infractions are currently deposited into the general fund. The Department of Budget and Finance calculated that total collections from uncontested traffic violations is projected to be \$10.9 million in fiscal year 2000. Your Committee finds that the counties expend considerable resources on traffic enforcement and should be reimbursed to offset its costs with the amounts collected for uncontested traffic infractions.

Your Committee has amended this measure by changing the amount due the counties from fifty percent to all of the fines and forfeitures collected for uncontested traffic infractions and requiring that amount be expended for public safety purposes. Your Committee also made technical, nonsubstantive changes for purposes of clarity, preferred drafting style, and consistency and to accurately reflect current statutory language.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1298, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 303 Commerce and Consumer Protection on S.B. No. 1125

The purpose of this measure is to make conforming amendments to the Code of Financial Institutions (Code).

The Commissioner of Financial Institutions presented testimony in support of this measure.

In 1996, the Legislature amended the interstate banking and branching laws. This measure conforms the definition of "Hawaii financial institution" and provisions relating to the purchase of failing institutions to these amendments. Additionally, under this measure, procedures for the relocation of an agency, branch, or representative office of a foreign bank, and for the voluntary liquidation and dissolution of credit unions are conformed to be consistent with the procedures required for other financial institutions.

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. 1125 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 304 Commerce and Consumer Protection on S.B. No. 1144

The purpose of this measure is to dedicate a portion of the franchise tax revenues to the financial institution examiners' revolving fund.

Testimony in support of this measure was presented at the hearing by a representative of the Department of Commerce and Consumer Affairs, the Hawaii Financial Services Association, and the Hawaii Bankers Association. Though not present at the hearing, written testimony in support of this measure was received from the Hawaii Credit Union League. The Tax Foundation submitted written comments on the measure.

Your Committee finds that this measure moves the Division of Financial Institutions to self-sufficiency and provides the flexibility to effectively regulate the constantly changing and complex financial institution industry. This measure provides for that flexibility by providing a dedicated source of funding for the division.

Your Committee also finds that it is more judicious for the measure's effective date to correspond with the beginning of the fiscal year, July 1, 1999.

Your Committee has amended this measure by:

- (1) Deleting the specified percentage to be deposited into the special fund;
- (2) Changing the effective date to July 1, 1999; and
- (3) Making technical, nonsubstantive changes to conform to preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1144, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Matsuura).

SCRep. 305 Transportation and Intergovernmental Affairs on S.B. No. 1212

The purpose of this bill is to consolidate and make uniform, where appropriate, the statutory provisions relating to operating a vehicle while using an intoxicant.

More specifically, the bill creates a new chapter within the Hawaii Revised Statutes that:

- (1) In effect, reenacts many existing provisions in part VII and XIV of chapter 286 and in chapter 291;
- (2) Consolidates the implied consent provisions for driving with a measurable amount of alcohol (zero tolerance), driving under the influence of intoxicating liquor, driving under the influence of drugs, and impaired boating offenses;
- (3) Makes driving with a measurable amount of alcohol (zero tolerance), driving under the influence of drugs, and impaired boating offenses subject to the administrative revocation of driver's license provisions, instead of providing for suspension of license or privilege to operate a vehicle pursuant to a district court hearing; and
- (4) Makes the penalties for driving under the influence of drugs and impaired boating offenses consistent with those for driving under the influence of intoxicating liquor by consolidating these provisions into the offense of operating a vehicle while under the influence of an intoxicant.

Your Committee finds that this bill is the result of efforts by the Governor's Highway Safety Council Impaired Driving Task Force and the Department of Transportation, in response to House Concurrent Resolution No. 26, S.D. 1, entitled "Requesting the Department of Transportation to Review Hawaii's Impaired Driving Statutes and to Make Recommendations for Uniform Statutory Construction". The Legislature passed the Resolution during the Regular Session of 1998 out of concern over inconsistent statutory provisions and disparate penalties for similar offenses.

Your Committee firmly believes that it is entirely appropriate to provide for uniform and consistent statutory provisions with respect to operating a vehicle while using intoxicants. Your Committee further finds that the present inconsistent provisions relating to zero tolerance, impaired driving, and impaired boating have occurred largely as a result of patchwork legislation over time that amended some statutory provisions relating to impaired driving, but failed to make mirror amendments to other, similar offenses. Accordingly, your Committee believes that consolidating similar provisions and creating a separate chapter within the Hawaii Revised Statutes to deal solely with these issues will help to ensure that future legislative actions will maintain the consistency and uniformity established within this bill.

Your Committee has amended the bill by:

- (1) Adding a new section -2 to part I that reenacts the language presently in section 291-6, Hawaii Revised Statutes, relating to medical services by government physicians;
- (2) Redesignating section -83, relating to evidence of intoxication (on pages 61-63), as section -3 and adding it to part I (general provisions), because it relates to both part III and part IV;
- (3) Adding a new section -4 to part I that clarifies that:
 - (A) Any offense under sections 200-81, 291-4, or 291-7, Hawaii Revised Statutes, as these sections were in effect prior to the bill's effective date, or any conviction in any other state or federal jurisdiction for any offense similar to these offenses or to operating a vehicle while under the influence of an intoxicant shall count as a prior offense; and
 - (B) Any violation of section 291-4.5, as that section was in effect prior to the bill's effective date, shall be counted as a prior violation;
- (4) Making similar amendments, with respect to convictions in any other state or federal jurisdiction for any similar offense, to the definitions of "alcohol enforcement contact" and "drug enforcement contact" in section -1 and to section -81(c) relating to prior offenses;
- (5) Renumbering section -80 as section -83, as it was numbered incorrectly according to Hawaii Revised Statutes numbering conventions;
- (6) Amending section -82(a), at page 60, line 4, to add a reference to revocations or suspensions under part VII of chapter 286 and to indicate that reference to all provisions listed on lines 4-5 are to these sections as they were in effect prior to the bill's effective date;
- (7) Adding corresponding amendments to sections 287-20(b) and 663-1.9(c), Hawaii Revised Statutes;
- (8) Adding three new sections repealing sections 291-4.5, 291-5, and 291-6, Hawaii Revised Statutes, respectively, as these sections are being reenacted in the new chapter being created in the bill;
- (9) Adding a new section to the bill requiring the Revisor of Statutes to prepare proposed conforming legislation to make necessary amendments to statutes that will be affected by the repeal of present statutory provisions, as provided in the bill;
- (10) Deleting the provision applying the bill retroactively and, instead, making the bill applicable to any act occurring after the bill's effective date and making conforming changes to the purpose section;
- (11) Changing the effective date to July 1, 2000, to provide additional time for the Judiciary and law enforcement agencies to develop new procedures and forms to ensure compliance with the bill;
- (12) Renumbering all sections consecutively; and
- (13) Making a number of technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1212, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Iwase, Taniguchi).

SCRep. 306 (Joint/Majority) Economic Development and Education and Technology on S.B. No. 744

The purpose of this measure is to exempt certain activities of call centers from taxation.

Your Committees received testimony in support of this measure from the High Technology Development Corporation, Hawaiian Electric Company, and The Estate of James Campbell. The Department of Business, Economic Development, and Tourism and the Department of Taxation testified in support of the intent of the measure.

Your Committees find that call centers offer Hawaii an opportunity to develop in the rapidly expanding area of technical support and customer service. Currently, Hawaii's fledgling call center industry is composed of a small number of companies employing primarily engineers, programmers, and computer support positions. Future opportunities may include centers with medical personnel to support medical equipment in other countries and disaster relief personnel to assist in disaster recovery efforts.

Your Committees have heard that in this highly competitive field, Hawaii's location is a distinct advantage, but that Australia is already developing a strong Asia-Pacific market. Your Committees are supportive of efforts to attract new and diversified businesses to Hawaii, and believe this measure will aid in the State's marketing and expansion of a call center industry.

As affirmed by the records of votes of the members of your Committees on Economic Development and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 744 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 1 (Slom). Excused, 2 (Bunda, Taniguchi).

SCRep. 307 (Joint/Majority) Economic Development and Education and Technology on S.B. No. 759

The purpose of this measure is to appropriate \$200,000 for the development of an ornamental fish, plants, and other products industry in Hawaii.

Your Committees received testimony in support of this measure from the Department of Agriculture, the University of Hawai'i, the University's Sea Grant College Program, the Hawaii Aquaculture Association, Anuenue Fisheries Research Center, Cynotech Corporation, Discus of Hawaii, Hawaiian Marine Enterprises, the Honolulu Aquarium Society, the Oceanic Institute, and six individuals.

Your Committees find that development of ornamental aquatic animals and plants for the aquarium industry in an important export opportunity for Hawaii aquaculturists, particularly the culture of marine or saltwater livestock and plants.

Your Committees are in support of this industry and concur that an important aspect of developing its potential will be technical support services to the mostly small farming operations now raising ornamental aquatic animals and plants.

Your Committees have amended this measure to change the expending agency from the College of Tropical Agriculture and Human Resources of the University of Hawai'i to the Aquaculture Development Program of the Department of Agriculture for expenditure through the University of Hawai'i Sea Grant College Program.

As affirmed by the records of votes of the members of your Committees on Economic Development and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 759, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 759, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, 2 (Kawamoto, Slom). Excused, 2 (Bunda, Taniguchi).

SCRep. 308 (Joint) Economic Development and Water, Land, and Hawaiian Affairs on S.B. No. 1097

The purpose of this measure is to authorize the use of revenues accrued from harvesting forest products on State lands and sales of tree seedlings from State nurseries for the reforestation and management of harvested areas, enhanced management of forest reserves, and environmental education and training programs.

Your Committees received testimony in support of this measure from the Department of Agriculture, the Department of Hawaiian Home Lands, the Department of Land and Natural Resources, the Department of Labor and Industrial Relations, the University of Hawai'i Environmental Center, the Big Island Farm Bureau, the Hawai'i Forestry Industry Association, the Hawaii Society of American Foresters, The Nature Conservancy of Hawai'i, and C.A.M. Resource Management.

Your Committees find that as the forest industry expands with the establishment of tree plantations on former sugar cane lands, the State must take a leadership role in making forest resources available, in reforesting and managing plantation forests in a responsible manner, and in working with the communities impacted by forest activities.

Your Committees further find that although the sale of forest products could generate a substantial amount of revenue for the State, current budgets allow for only sixty acres to be reforested annually. Your Committees believe this measure will direct this expanding source of revenue from the sale of forest products to critical reforestation, improved resource management, and enhanced public education efforts.

Your Committees have amended this measure to make technical amendments to conform to standard drafting style and conformed statutory material to current law.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1097, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1097, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 2 (Anderson, Slom).

SCRep. 309 (Joint/Majority) Economic Development and Education and Technology on S.B. No. 1323

The purpose of this measure is to provide an investment tax credit for high technology business ventures.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, the Department of Taxation, the University of Hawaii, the High Technology Development Corporation, the Kauai Economic Development Board, and the Estate of James Campbell. The Tax Foundation of Hawaii commented on the measure.

Your Committees find that an especially critical problem for high technology industries is access to capital. These technology intensive companies have unique requirements for research and development expenditures though there may be little or no revenue for years. This measure encourages a wide range of taxpayers, including individuals and venture capital firms, to invest in companies which have economic activity in Hawaii. Thus contributing to the diversification of Hawaii's economy through the development of emerging industries.

Your Committees have made technical, nonsubstantive amendments to clarify Internal Revenue Code references and to change formatting to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1323, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1323, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Slom). Excused, 2 (Bunda, Taniguchi).

SCRep. 310 Commerce and Consumer Protection on S.B. No. 780

The purpose of this measure is to require health insurance coverage for medical foods and low-protein modified food products for the treatment of inherited metabolic diseases.

The Department of Commerce and Consumer Affairs, the Department of Health, and ten individuals presented testimony in support of this measure. The Hawaii Chapter of the American Academy of Pediatrics, the Hawaii Dietetic Association, and eight individuals, though not present, submitted written testimony in support of this measure. The Hawaii Medical Service Association and Kaiser Permanente presented testimony in opposition.

Your Committee believes that mandating health insurance benefits generally impacts costs to the health insurer and ultimately to consumers. However, in this case, your Committee finds that the number of individuals affected is less than twenty-five and this cost increase is minimal when compared to the overall costs of health care. Therefore, your Committee believes that the costs related to this measure can be absorbed by the risk pool and all affected individuals can be provided with some degree of relief. A 1998 study conducted by the Auditor also reflects this.

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. 780 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 311 Commerce and Consumer Protection on S.B. No. 791

The purpose of this measure is to establish a Public Utilities Commission Intervenors Fund to assist qualified persons who wish to intervene in a proceeding before the Public Utilities Commission.

The Public Utilities Commission, the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy, Na Leo Pohai, and Life of the Land presented testimony in support of the measure. Ho'olaulima O Palolo and two private citizens, though not present, submitted written testimony in support of the measure.

Hawaiian Electric Company, Inc., Kauai Electric, GTE Hawaiian Tel, and AT&T presented testimony in opposition to the measure.

Your Committee finds that individuals and entities who are granted intervenor status in cases before the Public Utilities Commission often lack the resources necessary to present expert testimony and other evidence. Establishing an intervenor fund to assist intervenors in proceedings before the Public Utilities Commission would provide these intervenors with the necessary resources to make a meaningful contribution to decisions made by the Commission.

Your Committee has amended the measure by:

- (1) Deleting the requirement that fees collected on behalf of the Public Utilities Commission be paid into the intervenor fund up to a maximum of \$500,000, after which the remaining amount shall be deposited in the Public Utilities Commission Special Fund;
- (2) Adding a provision that requires the Attorney General to appoint the counsel for an intervenor who is eligible to receive the resources provided by the newly established fund; and
- (3) Amending the appropriation section to specify that \$500,000 in fiscal years 1999-2000 and 2000-2001 be appropriated from the Public Utilities Commission Special Fund, rather than an unspecified amount to be appropriated from the General Fund, to be used by the Public Utilities Commission for the purposes of assisting intervenors. After June 30, 2001, any unexpended balance of the original appropriations remaining shall lapse into the Public Utilities Commission Special Fund.

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. 791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 791, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Sлом).

SCRep. 312 Commerce and Consumer Protection on S.B. No. 1126

The purpose of this measure is to extend authorization for the issuance of general obligation bonds for the Hawaii Hurricane Relief Fund (HHRF) to fiscal years 1999-2000 and 2000-2001.

The executive director of the HHRF presented testimony in support of this measure.

The current authorization for general obligation bonds for HHRF expires on June 30, 1999. This measure ensures that the HHRF has a funding source available and retains its tax exempt status under the Internal Revenue Code.

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. 1126 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara)

SCRep. 313 Commerce and Consumer Protection on S.B. No. 1130

The purpose of this measure is to require health maintenance organizations (HMOs) to file quarterly reports with the Insurance Commissioner.

The Insurance Commissioner presented testimony in support of this measure.

The Insurance Division requires HMOs to file quarterly reports under article 3 of chapter 431, Hawaii Revised Statutes. This measure will codify under chapter 432D, Hawaii Revised Statutes, this requirement. Your Committee believes that quarterly reports provide timely information to the Insurance Division so that it can monitor fiscal solvency of the HMOs.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1130 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 314 Commerce and Consumer Protection on S.B. No. 1261

The purpose of this measure is to allow the Insurance Commissioner to assess through administrative rules an application license fee and an annual renewal fee upon captive insurance companies.

The Insurance Commissioner, Fiftieth State Risk Management Services, Inc., J&H Marsh & McLennan, and Hawaii Captive Insurance Council presented testimony in support of this measure.

Your Committee finds that the Insurance Division utilizes more resources when regulating captive insurance companies as compared to traditional insurance companies, due to their nature as self-insurance companies. This measure will offset some additional expenses.

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. 1261 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 315 Commerce and Consumer Protection on S.B. No. 650

The purpose of this measure is to deter and penalize the use of electronic media to harass others.

Testimony in support of this measure was presented by an individual. Another individual, though not present at the hearing, submitted written testimony in support of the measure.

Your Committee finds that the growth of the Internet and online services has led to an increase in electronic communication. Consumers use electronic mail as a primary form of communication and as an alternative to telephonic or written communication. People also meet and conference through online chat rooms.

Your Committee further finds, however, that some individuals are abusing electronic communication by using it to commit threatening and harassing acts against others, including the sending of harassing e-mail and the posting of derogatory messages. Current laws relating to non-legitimate communication by electronic mail are inadequate to address this problem. This measure would strengthen the law by making the use of computerized communication systems to frighten, intimidate, threaten, abuse, or harass another person a misdemeanor and authorizing the forfeiture of property belonging to the offending party.

Technical, nonsubstantive amendments were made to this measure for purposes of style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 650, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Matsuura).

SCRep. 316 Commerce and Consumer Protection on S.B. No. 834

The purpose of this measure is to amend the manner in which post retirement allowances paid by the Employees Retirement System are calculated.

Specifically, the measure amends the post retirement allowance formula by compounding the cost of living increase provided to retirees.

Testimony in support of this measure was submitted by the Coalition of State/County Retirees, Inc., the Hawaii State Teachers Association, and the Public Employees Management Association of Hawaii. The Employees Retirement System submitted comments on the measure.

Your Committee finds that the Employees Retirement System currently employs a simple interest formula to calculate existing post retirement benefits. This means that any post retirement benefit owing to a member is calculated using the member's original pension amount, then adding the product of that amount multiplied by 2.5%. For long time retirees, this simple interest formula has left their pensions far behind "real world" cost of living increases.

Although your Committee understands the fiscal problems currently facing the State, it believes that this measure, in addition to other related measures, should be passed on to the Committee on Ways and Means to provide that committee with options to remedy inequities in the State's retirement system.

Your Committee has amended the measure by making technical amendments to clarify its intent.

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. 834, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 834, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 317 Commerce and Consumer Protection on S.B. No. 1124

The purpose of this measure is to eliminate the prohibition on the establishment of a de novo interstate branch or the acquisition of an interstate branch by an out-of-state bank, and remove the five-year age requirement for the acquisition of a whole bank by an out-of-state bank.

The Commissioner of Financial Institutions and the Bank of Hawaii presented testimony in support of the measure. The Hawaii National Bank presented comments on and proposed an amendment to the measure. The Bank of Tokyo-Mitsubishi, Ltd., submitted written testimony in support of the measure.

This measure allows an out-of-state bank to establish a de novo interstate branch or acquire an existing interstate branch subject to filing and fee requirements. Additionally, it allows an out-of-state bank to acquire a Hawaii bank through an interstate merger transaction without the condition that the Hawaii bank have been in continuous operation for a minimum of five years.

Your Committee finds that out-of-state banks operating through the Internet, direct mail, and the telephone, already have access to Hawaii consumers, but are not subject to the regulatory measures that govern financial institutions physically domiciled in the State. Permitting out-of-state banks to establish or acquire interstate branches in Hawaii subject to their compliance with the requirements and laws of the State allows out-of-state banks to compete on a direct level with local institutions while under the regulatory scrutiny of the Division of Financial Institutions.

Your Committee finds that adopting an open approach to interstate branching should benefit the State and its residents and make Hawaii a more attractive destination for visitors. The entry of additional financial services providers into the market should create competition in the industry, resulting in improved customer service and greater choices for consumers in financial products and services. Tourists would find Hawaii a convenient place to visit because of the ease of conducting financial transactions through interstate branches of their hometown banks.

Your Committee has amended this measure by making technical, nonsubstantive amendments and by deleting language to reflect current statute.

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. 1124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1124, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 318 (Joint) Commerce and Consumer Protection and Water, Land, and Hawaiian Affairs on S.B. No. 1314

The purpose of this measure is to provide retirement benefits to the Trustees of the Office of Hawaiian Affairs.

Testimony in support of the measure was received from the Office of Hawaiian Affairs. A representative of the Hawaiian Political Action Council of Hawaii (HPACH) testified in opposition to the measure. The Employees Retirement System provided comments on the measure.

Your Committees find that prior to July 1, 1982, the Employees Retirement System provided Trustees of the Office of Hawaiian Affairs, delegates to a constitutional convention, and members of the Board of Education with the same retirement benefits as elected officials. On July 1, 1982, Act 165, Session Laws of Hawaii 1982 (Act 165), was enacted. Act 165 clarified the definition of "elected official" within Chapter 88, Hawaii Revised Statutes, and effectively excluded Trustees of the Office of Hawaiian Affairs, delegates to a constitutional convention, and members of the Board of Education from the definition of "elected official" on the basis that these persons received no compensation for the performance of their duties. The Employees Retirement System was required to refund all contributions made on behalf of these persons and all prospective holders of such offices were not allowed to become members of the Employees Retirement System.

Act 358, Session Laws of Hawaii 1993, provided salaries for the Trustees of the Office of Hawaiian Affairs and included the Trustees in all benefit plans provided to other public employees except for retirement benefits.

Your Committees also find that the measure allows any current or former Trustee of the Office of Hawaiian Affairs in service on July 1, 1999, and all Trustees thereafter, to become a member of the Employees Retirement System. The measure also allows former and current Trustees to claim any previous service as a Trustee retroactive to July 1, 1993.

Your Committees have amended the measure by:

- (1) Clarifying the retirement benefit class to which the Trustees of the Office of Hawaiian Affairs would be assigned;
- (2) Removing provisions that the Employees Retirement System deemed as extraneous; and
- (3) Making numerous technical, nonsubstantive amendments for the purposes of conforming the measure to preferred drafting style and correcting quoted statutory language.

Your Committees believe that the amended measure provides employee benefit parity to the Trustees of the Office of Hawaiian Affairs.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1314, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1314, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chun, Ihara, Inouye, Anderson, Slom).

SCRep. 319 Commerce and Consumer Protection on S.B. No. 1622

The purpose of this measure is to allow a contributory member of the Employees Retirement System to make a one-time withdrawal of contributions in case of financial hardship.

Testimony in support of the measure was received from a private citizen. The Employees Retirement System submitted comments on the measure.

Your Committee finds that no other public pension fund in the nation provides for the withdrawal of employee contributions while the employee is still in active service. However, your Committee is also keenly aware of the tough economic times facing many families across the State. To this end, providing public employees who are contributory members of the Employees Retirement System with a means by which to leverage their pension contributions in the near term is a compassionate and prudent concept.

Understanding the concerns of the Employees Retirement System and in order to avoid setting a precedent for future attempts to remove employee contributions from the Employees Retirement System, your Committee has amended the measure by deleting its substance and inserting therefor, provisions that enable the Employees Retirement System's Board of Trustees to establish a loan program for members facing financial hardship.

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. 1622, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1622, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 320 Commerce and Consumer Protection on S.B. No. 39

The purpose of this measure is to allow qualified contributory members of the Employees Retirement System to obtain military service credit at the noncontributory pension accrual rate.

Specifically, the measure provides contributory members of the Employees Retirement System who served in a qualifying military service capacity, and who as of January 1, 1999, have not purchased the military service credit provided in section 88-132.5, Hawaii Revised Statutes, with the option of either:

- (1) Purchasing the military service credit at either the 7.8% or 12.2% of current salary rate specified in section 88-45, Hawaii Revised Statutes, and thus obtaining the credit at the pension accrual rate of 2%, 2.5%, or 3.5%, as applicable to the member's contributory class status; or
- (2) Obtaining the military service credit free of charge at the noncontributory pension accrual rate of 1 and 1/4% per year.

The measure also allows the member to split the military service credit between purchasing some contributory service credit and obtaining some at the noncontributory rate; provided that the splitting is done in not less than one year increments.

Testimony in support of the measure was received from the United Public Workers Union and two private citizens. The Office of Veterans Services supported the intent of the measure. The Employees Retirement System provided comments on the measure.

Your Committee finds that providing contributory members with the option to obtain military service credit at the noncontributory rate is a fair premise in that noncontributory members receive the military service credit at no cost.

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. 39 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 321 Commerce and Consumer Protection on S.B. No. 366

The purpose of this measure is to amend the composition of the Employer-Union Trust Concept Committee (Committee) and to extend the scope of its mandated purpose.

Specifically, the measure clarifies that equal numbers of representatives from public employers and public employee organizations sit on the Committee and that a retired beneficiary of the Public Employees' Health Fund also be a member. The measure also:

- (1) Extends the Committee's term until June 30, 2001;
- (2) Requires the Committee to submit annual progress reports on November 21, 1999, May 15, 2000, and November 21, 2000, to the Legislature;
- (3) Requires the Committee to submit annual action plans to the Legislature on November 1, 1999, and November 1, 2000; and
- (4) Requires the Committee to submit a finalized proposal and implementing legislation no later than twenty days prior to the convening of the 2001 regular session.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association and the Hawaii State Teachers Association. The Department of Budget and Finance supported the intent of the measure with reservations. The Public Employees' Health Fund submitted comments on the measure.

Your Committee finds that more time is needed in order to formulate a comprehensive plan to reform the public sector health benefits program paradigm as we know it. However, your Committee is committed to ensuring that such a reform occurs in a reasonable amount of time so as to benefit current public sector employees.

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. 366 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 322 Commerce and Consumer Protection on S.B. No. 1102

The purpose of this measure is to transfer the financial responsibility of annually auditing the Public Employees' Health Fund from the State Comptroller to the Public Employees' Health Fund.

Testimony in support of this measure was submitted by the Department of Accounting and General Services. The Public Employees' Health Fund supported the measure; provided the State appropriate \$100,000 annually for the Public Employees' Health Fund to conduct the audit.

Your Committee believes that it is the responsibility of the Public Employees' Health Fund to maintain accurate records of its accounts. Your Committee also believes that since the Public Employees' Health Fund is the beneficiary of audit information, it should pay for the cost of any auditing expenses,

Your Committee has amended the measure by clarifying that the costs of the audit shall be paid out of the Public Employees' Health Fund's reserves.

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. 1102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1102, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 323 Commerce and Consumer Protection on S.B. No. 1288

The purpose of this measure is to permit the board of trustees of the public employees health fund ("Board") to contract for more than one type of benefit plan for medical, drug, vision, and dental benefits.

Testimony in support of this measure was received from the Department of Budget and Finance and Hawaii Health Systems Corporation.

Your Committee finds that current law authorizes the Board to contract for only one statewide plan for each of its medical, drug, dental, and vision benefit plans. This measure will provide the Board the flexibility to contract for more than one benefit plan per benefit category thereby fostering more competition to provide the state quality benefit plans with the best value.

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. 1288 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 324 Commerce and Consumer Protection on S.B. No. 1290

The purpose of this measure is to offer medical benefits to part-time, temporary, and seasonal or casual public employees at no cost to the employer.

Under the measure, the cost of the medical benefits provided would be borne by the employee.

Testimony in support of the measure was received from the Departments of Budget and Finance and Education. The Public Employees' Health Fund provided comments on the measure.

Your Committee finds that providing such benefits to part-time employees would increase medical coverage for citizens of the State at no cost to the public employer and concurrently provide these employees with the opportunity to obtain coverage at a lower premium rate.

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. 1290 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 325 Economic Development on S.B. No. 227

The purpose of this measure is to require the Department of Land and Natural Resources to designate a moorage of up to ninety feet for the sole use of commercial fishing vessels in each small boat harbor.

The Committee received testimony in support of this measure from Boat Owners Association of The State of Hawaii and Fresh Island Fish Company. The Department of Land and Natural Resources (DLNR) and one individual submitted testimony in opposition.

Your Committee finds that under current law, DLNR may set aside moorage space for commercial fishing vessels in small boat harbors, but is not required to do so. As passenger vessel activity increases at these harbors, local fishery operations are finding it difficult to access dock space for loading, unloading, and provisioning their boats.

Your Committee believes support of the local fishing industry, many of which are small, family-owned operations, should be encouraged by providing access to necessary support services. Your Committee has amended this measure to:

- (1) Make the moorage temporary;
- (2) Delete the word "solely" in regards to use by commercial fishing vessels;
- (3) Authorize the moorage for loading and unloading for periods of up to three hours; and
- (4) Delete the requirement for a valid use permit and payment of fees.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 227, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 326 Economic Development on S.B. No. 1088

The purpose of this measure is to establish procedures for the seizure, forfeiture, and disposal of natural resources involved in fishing violations.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and the Environmental Center of the University of Hawaii. Boat Owners Association of The State of Hawaii testified in support of the concept.

Your Committee finds that this measure authorizes the department to sell perishable natural resources that are seized in order to prevent waste and to ensure the economic value of the natural resource. This would relieve the State of the time and expense of storing a commodity that declines rapidly in value with storage, and limit the State's liability for loss of value if it is later determined that the seizure was unlawful.

Your Committee is in support of this measure and has amended it to delete the first two sentences of the proposed new language in Section 199-7, Hawaii Revised Statutes, regarding forfeiture of any seized item, other than a natural resource. Technical, nonsubstantive amendments were also made.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1088, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1088, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 327 (Joint/Majority) Economic Development and Health and Human Services on S.B. No. 1564

The purpose of this measure is to appropriate \$250,000 for the Millennium Young People's Congress.

Your Committees received testimony in support of this measure from the Millennium Host Committee, the Hawai'i Community Services Council, The League of Women Voters, Youth for Environmental Service, the Department of Business, Economic Development, and Tourism, Office of Youth Services, and twenty-two individuals.

Your Committees find that from October 21 to 29, 1999, seven hundred-fifty young people from nearly every country in the world will gather in Honolulu as delegates to the Millennium Young People's Congress. In addition to Hawaii's two delegates to the Congress, approximately two hundred-fifty other Hawaii young people will assist as millennium youth stewards, providing many opportunities for civic minded youth to meet and work together on environmental issues.

Your Committees further find that the delegates will participate in five days of plenary sessions at the Hawaii Convention Center, live with host families throughout Oahu, attend a play, dedicate a peace garden, work in service projects, and perform in a cultural pageant. In addition, many of these events will be open to the public.

Your Committees have heard that this Congress is endorsed by a number of committees of the United Nations and is sponsored in part by Peace Child International, a United Kingdom nonprofit organization, and by the World Travel and Tourism Council.

Your Committees believe this to be a worthwhile endeavor and support the concepts of the Youth Congress. However, your Committees have raised a number of concerns for further discussion by the Committee on Ways and Means. Specifically, your Committees have requested further information on:

- (1) The overall project budget, including personnel costs, and how the \$250,000 request would be applied to this budget;
- (2) The role of the professional fundraiser, which the Millennium Host Committee intends to employ on a contingency basis to raise funds on the U.S. mainland; and
- (3) Samples of previous resolutions or other policy statements developed in advance of this Congress.

Your Committees would like to emphasize that any State appropriation should be for direct services to the youth attending the Congress, including stipends for host families, and other related expenses intended to provide for the safety and comfort of the Congress participants. In particular, your Committees do not intend any State appropriation to be spent on the expenses of the fundraising professional.

As affirmed by the records of votes of the members of your Committees on Economic Development and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1564 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Slom). Excused, 3 (Kawamoto, Tanaka, Anderson).

SCRep. 328 (Joint/Majority) Economic Development and Transportation and Intergovernmental Affairs on S.B. No. 1612

The purpose of this measure is to appropriate funds to study the feasibility of creating a Waimea Bay lookout and rest area.

Your Committees received testimony in support of the intent of this measure from the Department of Transportation.

Your Committees find that Waimea Bay is a popular area for visitors and local residents, particularly during the winter months of high surf. The resulting traffic creates a hazard because of the narrow shoulders along the highway.

Your Committees are in support of the intent of this measure and has amended it to delete the specific dollar amount, for the purposes of further discussion by the Committee on Ways and Means.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1612, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1612, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 1 (Slom). Excused, 4 (Bunda, Ige, M., Iwase, Taniguchi).

SCRep. 329 Government Operations and Housing on S.B. No. 285

The purpose of this measure is to expressly permit condominium associations to purchase from the lessor one hundred percent of the leased-fee interest in condominiums.

Testimony in favor of this measure was received from the Hawaii Council of Associations of Apartment Owners and Neeley & Anderson, Attorneys at Law.

Under current law, Chapter 514C, Hawaii Revised Statutes (HRS), empowers lessors to offer their leased fee interest to a third-party investor or condominium association member. However, Chapter 514C, HRS, does not apply to direct negotiations between associations and lessors.

Your Committee finds that condominium association members have purchased their leased fees interests in bulk purchase transactions negotiated by the boards of directors of their associations even though the Condominium Property Act does not contain express authorization for condominium associations to engage in such transactions.

Your Committee finds that lack of authorization to engage in this type of transaction creates an undesirable uncertainty as to the nature and extent of the authority of the boards of directors of condominium associations to negotiate with lessors for the bulk purchases of their leased fee interests.

Your Committee finds that an amendment to the Condominium Property Act is needed to expressly empower condominium associations to negotiate with lessors for the purchase of one hundred percent of the lessor's interest by the association and its members.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 285, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 330 Government Operations and Housing on S.B. No. 290

The purpose of this measure is to require fifty percent of expenditures from the Homes Revolving Fund (HRF) and the Dwelling Unit Revolving Fund (DURF), to be used for units which are affordable to persons and families with incomes at or below thirty percent of the median income level.

Testimony in support of this measure was received from the Legal Aid Society of Hawaii. Testimony opposed to this measure was received from the Housing and Community Development Corporation of Hawaii.

Your Committee finds that there are more than 100,000 people who are homeless on our streets or part of the hidden homeless who rely on relatives or friends for housing. Statistics from the Hawaii Housing Authority show that more than 12,000 homeless people are served by state programs every year, and the number continues to increase.

Your Committee finds that the crisis in affordable housing is greatest among extremely low income households, with incomes less than thirty percent of the median income level. Nearly two-thirds of these households cannot afford their housing payments.

Currently, the State's reserve housing funds are not targeted for the use by any particular income bracket. Your Committee finds that in order to make affordable housing more readily available to the extremely low income residents in this state, a certain percentage of the HRF and the DURF should be expended for units that are affordable to persons with incomes at or below thirty percent of the median income level.

Your Committee has amended this measure by deleting the fifty percent allocation of the funds and leaving this percentage blank for determination in future decisionmaking. Additionally, your Committee made technical, nonsubstantive changes to this measure.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 290, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 290, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 331 Government Operations and Housing on S.B. No. 38

The purpose of this measure is to require the Auditor to contract with independent auditors to conduct comprehensive annual financial audits of state and county governments.

Testimony in opposition was received from the State Auditor, County Council for the County of Hawaii, and the Department of Finance for the County of Hawaii.

Your Committee finds that there is an immediate need for independent comprehensive annual financial audits of Hawaii state and county governments. Annual audits provide management information which enable the state and county governments to examine their organization, management, operations, and programs, and identify opportunities for reorganization, consolidation, and elimination of duplicated functions.

Your Committee finds that audits enable both state and county governments to develop more effective and efficient budgets.

Testimony in opposition of this measure stated that requiring annual audits of all state and county governments duplicates the state and county government audits which occur every year and is too costly. However, your Committee finds that in order to ensure an objective and effective audit, each audit should be conducted by one or more independent auditors. Additionally, the money saved by identifying inefficient and wasteful government operations through the audit process justifies the expense of conducting annual audits of Hawaii state and county governments.

Your Committee adopted the recommendation of the State Auditor and amended this measure to eliminate the provisions that would require the financial audit to determine where cutbacks should take place and to make recommendations for reorganization or consolidation of state and county agencies.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 38, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 38, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 332 Government Operations and Housing on S.B. No. 1005

The purpose of this measure is to require contractors on a public contract to pay a contractor within three working days of receiving payment and provides a penalty for violation of this statute.

Testimony in favor was received from Action Fire Sprinkler Corp., Certified SheetMetal, Inc., Commercial Electric, Inc., Continental Mechanical of the Pacific, Dorvin D. Leis Co., Inc., HSI Mechanical, Pacific Fire Protection, Inc., Painting and Decorating Contractors Association of Hawaii, Plumbing & Mechanical Contractors Association of Hawaii. Testimony in favor of the intent was received from the Department of Accounting and General Services and Jas. W. Glover, Ltd. Testimony in support with amendments was received from the Subcontractors Association of Hawaii and Associated Builders and Contractors, Inc. Testimony opposed to this measure was received from Contractors Association of Kaua'i and General Contractors Association of Hawaii. Oral testimony was presented by the Ironworkers Stabilization Fund and the Building Association of Hawaii.

Your Committee finds that currently, section 103-10.5, Hawaii Revised Statutes (HRS), requires contractors working on a public contract to pay their subcontractors within ten days after receipt of any moneys for the contract. However, section 103-10.5, HRS does not have any penalty provisions for violating this section.

Your Committee finds that prompt payment to contractors and subcontractors performing on a government contract stimulates economic growth and provides economic stability for subcontractors.

Your Committee has amended this measure to provide for a graduated penalty scale for violations under this measure, including: \$5,000 fine for the first offense, \$10,000 fine for the second offense, and \$25,000 fine and three year prohibition on bidding for public contracts. Additionally, your Committee deleted the three-day time frame for contractors to pay subcontractors once payment is received by the contractor and retained the current ten-day time frame.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1005, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1005, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 333 Labor and Environment on S.B. No. 63

The purpose of this measure is to provide a tax credit for employers hiring recently released persons who have been incarcerated for conviction of felonies.

Testimony supporting the measure with amendments was received from the Department of Public Safety. Testimony in opposition to this measure was received from the Department of Taxation. The Tax Foundation offered comments on the measure.

Your Committee finds that meaningful employment is critical in reducing recidivism not only for persons participating in parole programs, but, also, to inmates who have been granted furloughs for employment. Employment and education are critical factors for the offender's re-integration into the community.

Your Committee has amended this measure to include a tax incentive to employers for hiring inmates who have been granted a furlough for employment.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 63, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 63, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Chun Oakland, Slom).

SCRep. 334 Labor and Environment on S.B. No. 235

The purpose of this measure is to amend the Whistleblowers' Protection Act by expanding the areas of protected conduct and the types of reportable violations.

Testimony in support of this measure was received from the Hawaii State Teachers Association, Common Cause Hawaii, and twenty-three individuals. The Hawaii Nurses Association testified in support of the measure with amendments. The Chamber of Commerce of Hawaii and the Society for Human Resource Management testified in opposition to the measure.

Your Committee finds that it is the intent of this measure to protect persons from being penalized by an employer for reporting violations of the law or a code of ethics designed to protect the public. Your Committee heard testimony from many healthcare professionals supporting this measure which provides protection from retaliatory acts by employers when they report situations that jeopardize the health and well-being of their patients.

Your Committee has amended this measure by:

- (1) Deleting the provision that allows as an affirmative defense that the employer did not force others to act unethically or illegally; and
- (2) Deleting the provision that defines "reasonable cause to believe" as this term is well understood and the definition is unnecessary.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 235, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ige, M.).

SCRep. 335 (Joint) Labor and Environment and Commerce and Consumer Protection on S.B. No. 1336

The purpose of this measure is to allow employers to deduct from gross income for state income tax purposes premiums paid or incurred by an employer toward a prepaid health care plan.

Testimony in support of this measure was received from the Department of Taxation, Department of Human Services, and one individual. The Tax Foundation of Hawaii submitted comments.

Your Committees find that the state income tax deduction provided in this measure will allow employers to deduct from gross income 200% of the premiums paid or incurred in providing prepaid health care coverage to their employees. This is in lieu of the 100% currently allowed by the Internal Revenue Code. Thus, this measure will encourage employers to hire full-time employees and to voluntarily provide health insurance for part-time or seasonal employees.

As affirmed by the records of votes of the members of your Committees on Labor 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. 1336 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 6 (Bunda, Chumbley, Chun Oakland, Hanabusa, Ige, M., Matsuura).

SCRep. 336 Education and Technology on S.B. No. 46

The purpose of this measure is to move the Department of Education further towards the goal of school-based budgeting.

Specifically, the measure:

- (1) Requires the Governor to submit the Department of Education's budget to the Legislature on a school-by-school basis, except for the portions of the budget that include district and state office programs;
- (2) Establishes an Education Contingent Fund to cover unexpected changes in school budgets that occur as a result of personnel movements between schools; and
- (3) Establishes specific budgetary criteria for the Department of Education when submitting school-by-school budget requests.

Your Committee received testimony that supported the intent of the measure from the Departments of Budget and Finance and Education and the Hawaii State Teachers Association.

Your Committee finds that a similar bill passed by the Legislature in 1998 but was vetoed by the Governor due to concerns over the July 1, 1998, implementation date. In order to allay concerns over providing principals with sufficient time to learn how to craft and submit individual school budget requests, this measure proposes a 2001 starting date.

Your Committee has amended the measure by deleting provisions that:

- (1) Require the Governor to submit the Department of Education's budget to the Legislature on a school-by-school basis;
- (2) Establish the Education Contingent Fund;
- (3) Provide the Department of Education with the flexibility to move funds between schools; and
- (4) Allow schools to minimally report on actual and estimated program costs and effectiveness measures in fiscal years 2001-2002 and 2002-2003.

Your Committee believes that the amended measure provides sufficient time and guidance to the Department of Education to successfully implement school-based budgeting.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 46, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 46, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 337 Education and Technology on S.B. No. 533

The purpose of this measure is to assure that all children are safe, healthy, and ready to succeed in school by requiring parents and guardians to take their three-year-old children to the nearest public elementary school to assess whether their psychological and physiological development to date has been satisfactory.

Testimony in support of the intent of this measure was submitted by the Department of Education, the Department of Health, the Hawaii State Teachers Association, the Good Beginnings Alliance, the Christian Science Committee on Publication in Hawaii, the Hawaii Chapter of the American Physical Therapy Association, the Hawaii Early Intervention Coordinating Council, the Hawaii Association for the Education of Young Children, and a concerned citizen. The Hawaii Congress of Parents, Teachers, and Students and the American Academy of Pediatrics submitted testimony in opposition to this measure.

Your Committee finds that similar to social policy mandating car seats for children under four or requiring immunizations as a prerequisite for entry to school, this measure protects the welfare of children by ensuring the early detection of mental and physical health problems and improving child outcomes.

Your Committee believes that the responsibility for screening and assessment should be placed on parents, and not on executive agencies. Therefore, your Committee has amended this measure by deleting its substance and replacing its contents with a measure that would:

- (1) Require parents or guardians of a child to have their child screened for psychological or physiological development ninety days prior to or following the child's third birthday;
- (2) Require certification screening by the Departments of Health, Education, and Human Services; the child's pediatrician; or primary health care provider;

- (3) Require the departments, physicians, or providers conducting the screening to adhere to certain requirements to be developed before July 1, 2000;
- (4) Charge the Departments of Health, Education, and Human Services, in conjunction with the American Academy of Pediatrics, to plan and develop standardized screening and a referral protocol; and
- (5) Appropriate a blank amount for the Department of Health to develop the standardized screening and referral protocol, effective July 1, 1999.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 533, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 338 Education and Technology on S.B. No. 951

The purpose of this measure is to enable the University of Hawaii and the Department of Education to establish custodial accounts for the deposit of employee annuity payments.

Testimony in support of the measure was received from the Department of Education, the University of Hawaii Professional Assembly, the Hawaii State Teachers Association, and the Hawaii State Association of Life Underwriters. The University of Hawaii supported the intent of the measure but had concerns with the measure's lack of protection for the State and the University from financial liability.

Your Committee finds that providing such annuity contracts and custodial accounts would enhance the benefits of University of Hawaii and Department of Education employees. These enhanced benefits could possibly result in attracting more qualified people to work for these agencies.

Your Committee has amended the measure to address the concerns of the University of Hawaii by inserting language that protects the University of Hawaii, the Department of Education, and the State from any costs or financial liability that may be incurred through the establishment, management, or disposition of annuity contracts or custodial accounts that University or Department of Education employees utilize.

Your Committee believes that the amended measure strikes a balance between providing enhanced employee benefits while concurrently protecting the University of Hawaii, the Department of Education, and the State from potential financial liability.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 951, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Bunda).

SCRep. 339 Education and Technology on S.B. No. 1272

The purpose of this measure is to authorize the Board of Education to determine the starting age of attendance for kindergarten and first grade.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that educational research has shown that children who start school at an earlier age than their peers may be at a significant disadvantage, depending on their school entry date. In addition, a 1998 survey conducted by the department revealed that a large majority of kindergarten teachers and their principals support a change in the cutoff date for kindergarten entry, citing a lack of readiness or maturity for late-born children.

Your Committee understands that any change to the school attendance age will be controversial, and may pose an economic hardship for some parents who would be required to wait an additional year before a child could attend public school. However, your Committee is concerned that children who begin school before they are ready, may fall behind in school work or fail to develop to their full potential.

Your Committee has amended this measure to:

- (1) Require the Board of Education (BOE) to determine readiness standards for entry to both kindergarten and regular school;

- (2) Require the BOE to submit a proposed implementation plan twenty days prior to the convening of the regular session of 2000, including procedures and criteria for screening each child entering a public school; provided that once the board establishes readiness standards, a parent shall have the option of requesting a screening to determine if the child shall be admitted; and
- (3) Change the effective date of this Act to July 1, 2001.

Your Committee believes this delay in implementation will give the BOE time to develop meaningful readiness standards to meet the concerns of parents and teachers alike regarding a child's entry to public school.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1272, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1272, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Tam, Slom).

SCRep. 340 Education and Technology on S.B. No. 1501

The purpose of this measure is to require that the Department of Education enter into agreements with qualified, private, nonprofit corporations to construct, manage, and operate a pilot charter school.

This measure further requires the planning, design, construction, and equipping of, and the acquisition of lands for, the charter school to be done at no cost to the State.

Testimony in support of this measure was submitted by the South Maui Learning Ohana, and two concerned individuals. The Department of Education and the Hawaii State Teachers Association submitted testimony in support of the intent of this measure. Testimony in opposition to the measure was submitted by the Hawaii Government Employees Association and the United Public Workers.

Your Committee finds that the idea of allowing schools greater autonomy and flexibility is reflected in many measures introduced this session. This measure, along with S.B. No. 1277, S.B. No. 1318, and S.B. No. 1233, all relate to the formation of alternate educational programs and schools independent from the governance of the board of education. Although these measures all reflect the same idea, they have many different and confusing names: student-centered schools, charter schools, and new century schools. Your Committee believes combining the main issues of these four measures together will increase the effectiveness of and prevent confusion on this important concept.

Your Committee has amended this measure by replacing its contents with provisions:

- (1) Designating student-centered schools henceforth as "new century schools", and defining new century schools as those school implementing alternative frameworks with regard to curriculum; facilities management; instructional approach; length of school day, week, or year; and personnel management;
- (2) Adding a new part to chapter 302A, Hawaii Revised Statutes, that will dictate a process by which an existing public school, or a new school may become a new century school, including petitioning to the Governor as an alternative to the current formation of student-centered schools. The program requirements and exemptions of these new century schools are also established; and
- (3) Repealing the sections in chapter 302A, Hawaii Revised Statutes, which deal with student-centered schools.

Although the overarching theme of autonomy at the school level is consistent with all the measures incorporated, the coordination of the provisions of these measures is complicated and not straightforward. Thus, to prevent any possible misunderstandings or repercussions, your Committee encourages further discussion when this measure is heard in the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1501, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1501, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 341 Judiciary on S.B. No. 193

The purpose of this bill is to transfer the Crime Victim Compensation Commission from within the Department of Public Safety to the Department of the Attorney General.

Your Committee finds that the Department of the Attorney General is a more appropriate placement for a victim services agency than the Department of Public Safety, which necessarily focuses on offenders. The Department of the Attorney General is the State of

Hawaii's central agency for federal funds intended for crime victims. It has the responsibility to administer the Federal Victims of Crime Act and the Violence Against Women Act as well as the state Victim Witness Assistance programs. Your Committee further finds that given additional time to anticipate and deal with the organizational concerns inherent in a transition, the Department of the Attorney General will be able to effectively place the Crime Victim Compensation program within its existing operations.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu, and testimony in support of this measure with reservations was submitted by the Attorney General. Testimony in opposition to this measure was submitted by the Crime Victim Compensation Commission.

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

- (1) Changing the effective date to July 1, 2000; and
- (2) Making technical, non-substantive amendments to conform other sections of existing law that would be affected by this transfer.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 193, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 342 Judiciary on S.B. No. 598

The purpose of this bill is to appropriate funds to the Judiciary to establish a dedicated domestic violence court and to provide related domestic violence services.

Your Committee finds that the establishment of a specialized domestic violence court will provide dedicated resources with which to address the complex issues involved in domestic violence cases. Specifically, a dedicated domestic violence court will offer encouragement to victims by improving consistency in the issuance and enforcement of protective orders. As a result, advocates assisting victims of domestic violence will be better able to educate and prepare victims regarding how the judge may rule on various issues. Your Committee further finds that services offered through the court to offenders will provide an additional avenue for rehabilitation and, thereby, reduce recidivism.

Testimony in support of this measure was submitted by the Judiciary, the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii State Coalition Against Domestic Violence, Child and Family Service, Hawaii Lawyers Care, and Hawaii Women Lawyers. The Department of Health also submitted testimony in support of the intent of this measure indicating concerns about the cost implications of this proposal.

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

- (1) Establishing a two-year pilot dedicated domestic violence court and requiring a report to the legislature prior to the 2001 regular session;
- (2) Including a position count for one circuit court judge and support staff and an appropriation for operating expenses;
- (3) Changing the effective date to include repealing the pilot on June 30, 2001; and
- (4) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 598, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Anderson).

SCRep. 343 Judiciary on S.B. No. 634

The purpose of this bill is to permit the establishment of a spendthrift trust with the settlor as a beneficiary, to clarify the circumstances in which spendthrift and other trusts may be challenged, and to require local trustees and local administration of Hawaii trusts.

Your Committee finds that several other states, most notably Alaska and Delaware, have recently passed laws allowing greater flexibility in trust formation as an effort to make themselves attractive locations for trust business. Your Committee further finds that many trust settlors form off-shore trusts to take advantage of estate planning tools that have been traditionally unavailable in their own jurisdictions. While no state can offer all the attractions of off-shore jurisdictions, such as no taxation and absolute protection from

creditors, states do have the advantage of stable, secure governments. Your Committee believes that this measure will provide increased flexibility in Hawaii's trust laws, making Hawaii more attractive as an estate planning jurisdiction, while retaining the safeguards against fraudulent transfer that are an important part of Hawaii law.

No testimony was received on this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 634 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Anderson).

SCRep. 344 Judiciary on S.B. No. 899

The purpose of this bill, as received by your Committee, is to remove all exemptions from jury service except previous service within the preceding year, to increase the juror mileage compensation from 33 to 37 cents, and to appropriate money for increased juror compensation.

Your Committee finds that the existing law providing exemptions from jury service for doctors, lawyers, and others is optional, not automatic, and these exemptions must be either specifically claimed or waived by those within these exempt categories. Thus, those individuals within the exempt categories now have the option to participate as jurors when called for jury service. Your Committee believes that greater participation by members of the currently exempt groups should be encouraged rather than altering the current system of exemptions. Your Committee further finds that an increase in the mileage compensation for jurors will fairly reflect increases in the cost of transportation since the law was last amended.

Testimony in support of this measure was submitted by the Judiciary and Common Cause Hawaii. Testimony in opposition to the repeal of the current juror exemptions was submitted by the Hawaii Medical Association.

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

- (1) Deleting the proposed repeal of all exemptions; and
- (2) Changing the effective date to July 1, 1999.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 899, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 345 Judiciary on S.B. No. 904

The purpose of this bill is to appropriate funds to expand the video arraignment and conferencing system between correctional facilities and the court system.

Your Committee finds that since 1993, video conferencing technology has allowed defendants housed at the Oahu Community Correctional Center to participate in video arraignments. This program has been expanded in subsequent years to include motion hearings and pre-sentence public defender/client interviews. Your Committee further finds that in 1997, the First Circuit Court arraigned 1,907 or approximately 96 percent of its custody defendants by video conferencing technology. This translates into at least a \$45,000 per year savings for the Department of Public Safety as a result of reduced transportation and overtime costs. Your Committee believes that expanding this program to include Halawa Correctional Facilities and Hawaii Community Correctional Facilities would produce similar savings and benefits.

Testimony in support of this measure was submitted by the Judiciary, the Department of Public Safety, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Office of the Public Defender.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 904 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 346 Judiciary on S.B. No. 1104

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

Your Committee finds that this bill in its present form contains forty-four claims totalling \$4,086,253.97. The Department of the Attorney General informed this Committee that there are an additional five claims, totalling \$119,121.80, that have been settled since the introduction of this measure. Your Committee further finds that these claims should be paid in order to compensate the injured.

The Department of the Attorney General assures your Committee that it diligently advises its client agencies on how to mitigate actions which could result in future claims of the same type contained in this bill. However, your Committee is not convinced that the Department of the Attorney General nor its client agencies have succeeded in modifying policies and procedures to avoid repetition of similar claims. Your Committee firmly believes that mechanisms need to be developed and implemented to decrease the State's exposure to liability for future claims.

Testimony in support of this measure was submitted by the Department of the Attorney General.

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

- (1) Including five additional claims that have been resolved since the introduction of this measure;
- (2) Amending section 37-77, Hawaii Revised Statutes, (claims for legislative relief) by providing that any claim submitted for consideration by the legislature shall be filed within five years from the date on which a claim for payment matured;
- (3) Requiring the Attorney General to consult with the Governor prior to any settlement that is subject to legislative approval;
- (4) Requiring the Attorney General to develop a policy of advising its client agencies as to how to prevent future claims based upon factors which contributed to the State's negligence;
- (5) Requiring all client agencies to develop new policies or modify existing practices to ensure prevention of similar acts that gave rise to the settlement;
- (6) Providing that any client agency who fails to implement such policies or procedures shall use its departmental allocation to fund the settlement;
- (7) Changing the effective date to July 1, 1999; and
- (8) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1104, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 347

Judiciary on S.B. No. 1106

The purpose of this bill, as received by your Committee, is to allow the Attorney General to act as a collection agency on behalf of state agencies for collection of delinquent accounts, and to establish a civil recoveries special fund for deposit of monies collected by the Attorney General.

Your Committee finds that collections operations are presently being funded by the agencies, which restricts the use of staff within the Attorney General's Collections Unit to collections on behalf of the funding agency. Funding collections operations on a state-wide basis will allow more efficient use of staff in pursuing collection of monies due to all State agencies. Your Committee further finds that this measure will give the Attorney General greater flexibility in fee arrangements with its client agencies for collections, because it will be possible for the Attorney General to pursue collections on a contingency basis.

Testimony in support of this measure was submitted by the Attorney General, the Department of Commerce and Consumer Affairs, the Board of Agriculture, and the Hawaii Health Systems Corporation.

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

- (1) Adding a provision to specify that the Attorney General shall be responsible for collection of unpaid traffic fines, and allowing the department to retain a percent of the revenues collected; and
- (2) Making technical, non-substantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1106, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 348 Judiciary on S.B. No. 1108

The purpose of this bill is to allow a recordation in the Bureau of Conveyances of a judgement lien in favor of the State, to serve as notice of a lien on land which is owned by the debtor and registered in the Land Court.

Your Committee finds that existing law, with the exception of tax and child support liens, requires that a lien affecting real estate registered with the Land Court must be filed with the Office of Assistant Registrar to serve as notice to all affected persons. This bill would broaden the exception to allow a state judgment lien filed in the Bureau of Conveyances to concurrently attach to real estate registered in the Land Court. Your Committee further finds that allowing the State to file a judgment lien in only one place in order to attach to all real estate owned by a debtor, will provide for more effective recovery of moneys owed to the State by debtors who own Land Court registered property.

Testimony in support of this measure was submitted by the Attorney General.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1108, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 349 Judiciary on S.B. No. 1267

The purpose of this bill is to clarify that the Attorney General can recover treble damages in parens patriae actions on behalf of consumers who are indirect purchasers injured by illegal overcharges. In addition, this bill clarifies that the requirement of sixty days' delay between the entry of a consent decree in an antitrust case and its effective date, applies only to consent decrees entered into before any complaint has been filed.

Your Committee finds that treble damages are designed as an incentive for individuals to ferret out deception and bring legal action, to provide a remedy for those injured, to deter future seller misconduct, and to compensate consumers for injuries that the law of damages does not recognize or that the consumer, with only limited resources, is unable to prove at trial.

Your Committee further finds that despite the provisions of sections 480-13 and 480-14, Hawaii Revised Statutes, which clearly contemplate that the Attorney General may recover treble damages in parens patriae actions, several recent amendments to the antitrust statutes could be interpreted as ambiguous and thus prevent the attorney general from recovering such damages. After reviewing the legislative histories of sections 480-13 and 480-14, Hawaii Revised Statutes, your Committee agrees that it has always been the legislature's intent that the Attorney General be able to recover treble damages against sellers who overcharge in violation of the antitrust laws, when those overcharges are paid by consumers who are indirect purchasers.

Testimony in support of this measure was submitted by the Department of the Attorney General. The Department of Commerce and Consumer Affairs submitted comments on this measure.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1267, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 350 (Joint/Majority) Judiciary and Commerce and Consumer Protection on S.B. No. 1345

The purpose of this bill, as received by your Committees, is to:

- (1) Amend the service retirement laws to correlate years on the bench with retirement benefits;
- (2) Increase judicial salaries as proposed by the 1998 report of the judicial salary commission;

- (3) Provide salary increases for the administrative director of the courts and the deputy administrative director of the courts as proposed in the commission's 1998 report; and
- (4) Link future judicial salary annual increases to the Honolulu Consumer Price Index.

Your Committees find that Hawaii's judges are significantly undercompensated. Hawaii is the only state in the nation that has not increased the salary of its judges during the last nine years. Your Committees note that since 1990, forty-four of the remaining forty-nine states have granted their judges three or more raises. In 1997 alone, twenty-nine states raised the salaries of their general trial court justices.

Your Committees further find that Hawaii's failure to adequately compensate its judges is adversely affecting the quality of justice. Insufficient compensation creates the risk that judges will leave the bench, thus depriving the public of the significant value of experienced jurists. Since 1992, ten seasoned and experienced judges have left Hawaii's bench due, in part, to the lack of adequate compensation. Your Committees note that in recent months, another two seasoned justices have announced their intention to leave the bench. Your Committees believe that these departures will continue until compensation is adjusted. Therefore, your Committees agree that an increase in judicial salaries is required in order to ensure that the most highly qualified individuals will be attracted to the state judiciary and will be able to serve and continue to serve without unreasonable economic hardship.

Testimony in support of this measure was submitted by: the Judiciary; the Hawaii Government Employees Association; the Hawaii Bar Association; the United Public Workers Union AFSCME, Local 646; Hawaii Women Lawyers; the American Judicature Society; the Consumer Lawyers of Hawaii; Common Cause; and 3 private attorneys. The Department of the Attorney General and the Employees' Retirement System also submitted comments on this measure.

Upon further consideration, your Committees have amended this measure by:

- (1) Changing the purpose section of the bill to reflect the amendments made to this measure;
- (2) Providing that any member who first earns creditable service as a judge after June 30, 1999, or who reenters service as a judge after June 30, 1999, without vested benefits, may retire after ten years of credited service and having attained age fifty-five;
- (3) Increasing judicial salaries by eighteen percent over two years;
- (4) Deleting salary increases for the administrative director of the courts and the deputy administrative director;
- (5) Deleting all provisions that link future judicial salary annual increases to the Honolulu Consumer Price Index;
- (6) Deleting reference to section 608-1.5, Hawaii Revised Statutes, that provides the Judicial Salary Commission shall determine the annual and periodic adjustments to judicial salaries;
- (7) Changing the effective date to July 1, 1999, and providing that the effective date will not affect the retirement of those judges who are current members or who are confirmed prior to the effective date; and
- (8) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary 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. 1345, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1345, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, 1 (Kanno). Excused, 5 (Bunda, Hanabusa, Sakamoto, Tanaka, Anderson).

SCRep. 351 Transportation and Intergovernmental Affairs on S.B. No. 348

The purpose of this measure is to permit counties to establish towing company fees within its jurisdiction.

This measure also repeals the drop-dead date of Act 138, Session Laws of Hawaii 1998, which would have repealed the current maximum allowable towing company fees and the credit card and automatic teller machine payment accommodations.

No testimony was received on this measure.

Your Committee finds that towing companies of the respective counties may be subject to different requirements and costs which are not allowed to be charged under current law. In particular, the county of Maui requires towing companies that are contracted to provide towing services to the county police to clean and clear the roadway of any debris, spills, or leaks. However, current law does not permit the towing companies to charge for this service. Your Committee finds that towing companies should be allowed to charge for this service when required pursuant to an agreement with the county.

Your Committee has amended this measure by deleting the provisions that allow counties to establish towing company fees and by allowing towing companies to charge up to \$25 for road clean-up when that service is a part of a towing services agreement with the county.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 348, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 348, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Iwase, Taniguchi).

SCRep. 352 (Joint) Labor and Environment and Education and Technology on S.B. No. 173

The purpose of this measure is to provide a tax credit to employers participating in a School-to-Work (STW) program.

This measure also appropriates funds to the Department of Education (DOE) for the STW opportunities pilot project, including funds to extend the contracts for regional STW coordinators from ten months to twelve months.

Testimony in support of this measure was received from the DOE, the Department of Labor and Industrial Relations, the School-to-Work Executive Council, the Hawaii State Teachers Association, the Chamber of Commerce of Hawaii, Hawaiian Electric Company, and the Estate of James Campbell. The Department of Taxation testified in opposition to the measure and the Tax Foundation of Hawaii made comments on the measure.

Your Committees find that increasing the eight regional coordinator positions to twelve-month contracts will lead to better coordination of STW across the State. Working year-round also allows the coordinators to plan and implement summer projects with teachers and students, as well as plan for the following year.

However, your Committees find that it is imprudent to adversely impact the tax system with another tax credit, particularly since it is unclear that this credit will aid the STW program. Accordingly, your Committees have amended this measure to remove section 1 which provides for the tax credit for businesses.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 173, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 173, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Bunda, Chun Oakland, Matsunaga, Tam).

SCRep. 353 (Joint) Labor and Environment and Water, Land, and Hawaiian Affairs on S.B. No. 516

The purpose of this measure is to require the preparation of an environmental assessment for any land use actions that are subject to state or county permits.

Testimony in support of this measure was received from the Office of Environmental Quality Control, the Office of Hawaiian Affairs, the Environmental Center, Common Cause Hawaii, Hawaii's Thousand Friends, and the Sierra Club, Hawaii Chapter. Testimony in opposition to the measure was received from the Department of Water of the County of Kauai, the Department of Planning and Permitting, City and County of Honolulu, the Hawaii Agriculture Research Center, Land Use Research Foundation of Hawaii, Hawaiian Electric Company, Sprint PCS, and the Kamehameha Schools Bishop Estate.

Your Committees find that this measure attempts to close a loophole in the environmental review laws that allow land use actions which may have significant adverse environmental effects to escape the environmental review process under chapter 343, Hawaii Revised Statutes. Members of your Committees expressed concern that this measure places a burden on citizens and businesses that apply for a permit for a land use action that has minimal or no effect on the environment.

Your Committees have amended this measure by clarifying that land uses that have minimal or no significant effect are exempted from the requirements of this measure as provided for by rules of the Environmental Council under section 343-6(a)(7), Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 516, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 516, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Chumbley, Chun Oakland, Anderson, Slom).

SCRep. 354 (Joint) Labor and Environment and Health and Human Services on S.B. No. 798

The purpose of this measure is to clarify the jurisdiction of noise control between the Department of Health, the Convention Center Authority, and the counties.

Testimony in support of this measure was received from the Convention Center Authority, the Yacht Harbor Towers Board of Directors, and an individual.

Your Committees find that under this measure a permit issued by the Department of Health regarding noise shall prevail over any ordinance passed by a county. In particular, this measure clarifies the relationship between noise control permits issued by the Department of Health and county ordinances.

Your Committees have amended this measure to:

- (1) Include in the list of ordinances subject to preemption by DOH noise permits, those ordinances relating to entertainment or public events which may conflict with DOH noise permits; and
- (2) Clearly state that noise control for the convention center district shall be regulated only by the Department of Health.

Your Committees also made technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 798, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 798, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Chumbley, Anderson).

SCRep. 355 (Joint) Labor and Environment, Economic Development, and Water, Land, and Hawaiian Affairs on S.B. No. 953

The purpose of this measure is to create the Hawaii Environmental Authority to develop and oversee the State's environmental protection policies.

This measure also distributes a portion of the transient accommodations tax (TAT) to the Environmental Special Fund.

Testimony in support of this measure with amendments was received from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Hawaii Audubon Society, the Hawaii Green Party, the Sierra Club, Hawaii Chapter, the People's Water Conference, the Vegetarian Society, and two individuals. Testimony in support of the measure was also received from the Environmental Center, Na Leo Pohai, the Community Revitalization Coalition, Hawaii's Thousand Friends, Hawaii Fishermen's Foundation, and an individual.

Testimony in opposition to this measure was received from the Hawaii Tourism Authority and the Office of Information Practices.

Your Committees find that there is a clear and vital connection between the health of Hawaii's environment and the vitality of its economy. This is particularly true with respect to the economy's tourism sector. However, your Committees find that it is unwise at this point to redirect funds from the TAT that have been earmarked for the Hawaii Tourism Authority to the Hawaii Environmental Authority. Accordingly, your Committees have amended this measure to remove references to the TAT from the measure.

Your Committees also have amended this measure by:

- (1) Adding two new sections to prevent the amendments made to sections 36-27 and 36-30, Hawaii Revised Statutes, relating to special funds, from being repealed under Act 216, Session Laws of Hawaii 1997, and Act 142, Session Laws of Hawaii 1998; and
- (2) Making technical, nonsubstantive amendments to conform to statutory language.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Economic Development and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 953, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 953, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, none. Excused, 4 (Chumbley, Chun Oakland, Taniguchi, Anderson).

SCRep. 356 (Joint) Labor and Environment and Government Operations and Housing on S.B. No. 1153

The purpose of this measure is to exempt grants and subsidies from the employment and training fund (ETF) for employment, education, and training services from the requirements of chapter 103F, Hawaii Revised Statutes (HRS).

Your Committees received testimony in support of this measure from the DLIR and the State Procurement Office (SPO).

Current law exempts the employment and training fund from chapter 42F, HRS, relating to grants and subsidies. The exemption from chapter 103F, HRS, is needed because of DLIR's need to solicit proposals on a continuous basis without the potential delays associated with the procurement process. Moreover, chapter 103F, HRS, deals with the purchase of health and human services and the ETF projects extend beyond those areas.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1153 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 6 (Chun Oakland, Levin, Matsunaga, Tanaka, Anderson, Slom).

SCRep. 357 (Joint) Labor and Environment and Education and Technology on S.B. No. 1275

The purpose of this measure is to extend the civil service exemption to less than half-time Department of Education employees who supervise students during meal times, and distribute, collect, and count meal tickets, and to change "lunch" to "meal" to reflect that meal periods include breakfast.

Your Committees received testimony in support of this measure from the Department of Education.

Your Committees find that schools need a number of part-time personnel to assist the school at different times during the day. Given the varied meal schedules of public schools, it may not be feasible to have a full-time person. In addition, your Committees find that turnover in these positions is very high and flexibility in hiring is essential to make sure the positions are filled on a timely basis.

Your Committees are in support of this measure and have made technical amendments to reflect current statutory language.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1275, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1275, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Bunda, Chun Oakland, Matsunaga, Tam).

SCRep. 358 (Joint) Labor and Environment and Education and Technology on S.B. No. 1475

The purpose of this measure is to transfer the administration and supervision of the School-to-Work Opportunities Pilot Project (STW) from the Hawaii STW Executive Council (Council) to the Department of Education (DOE).

This measure also transfers the Council to an advisory council within the DOE.

Testimony supporting the intent of this measure was received from the DOE, the Department of Labor and Industrial Relations, the University of Hawaii, the Council, the Hawaii State Teachers Association, and an individual. The Chamber of Commerce of Hawaii commented on the measure.

Your Committees find that there is a need to ensure the successful continuation of STW beyond the life of the federal act which created the project. This measure provides an opportunity to assess the scope of STW and the roles and responsibilities of the Council. Since the STW concept relates education reform to economic and workforce development, this assessment must take place in this larger context. This measure provides a vehicle to facilitate this discussion.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1475 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Bunda, Chun Oakland, Matsunaga, Tam).

SCRep. 359 (Joint) Labor and Environment and Education and Technology on S.B. No. 1638

The purpose of this measure is to address inequity of pay for educational officers. The measure also establishes a classification system for educational officers.

Testimony supporting the intent of the measure with reservations was received from the Department of Education (DOE), the Hawaii Government Employees Association (HGEA), and the Principal of Solomon Elementary School.

Your Committees find that, as the testifiers on this measure pointed out, this measure does not resolve the pay inequity issues for educational officers. Your Committees are in agreement with the testifiers that the DOE and the exclusive representative for educational officers should review, study, and make recommendations to the Legislature regarding the educational officers concerns.

Your Committees have amended this measure by replacing the contents of the measure with language requiring the DOE and the exclusive representative for bargaining unit 6 to study the inequity of pay for educational officers. The DOE and exclusive representative shall also submit a report, including findings, recommendations, and any draft legislation to the legislature prior to the 2000 regular session.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1638, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1638, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Bunda, Chun Oakland, Matsunaga, Tam).

SCRep. 360 (Joint) Education and Technology and Labor and Environment on S.B. No. 106

The purpose of this measure is provide the School-to-Work (STW) Executive Council with the necessary guidance, direction, and operational framework to implement the School-to-Work Opportunities system.

This measure requires the STW Executive Council to establish, among other things, a clear mission statement, controls over expenditures, and methods of appraising outcomes, and to implement current laws relating to school-to-work work-based learning, workers' compensation coverage for children and students, and student safety at the premises of an employer.

Testimony supporting the intent of this measure was received from the STW Executive Council and the Department of Education. However, these testifiers determined that the central issue is the need to clarify the roles of the STW Executive Council and the Department of Education within the School-to-Work Opportunities system.

Your Committees find that the School-to-Work Opportunities system is an effective tool to provide Hawaii's students the opportunities needed to acquire real life work experience. However, the system has not been fully utilized and implemented because it lacks a clear mission, goals, assessment measures, and a general operational framework for implementation. Your Committees find that this measure will provide the STW Executive Council with the guidance, direction, and focus needed for full implementation and utilization of the School-to-Work Opportunities system.

Your Committees have amended this measure by making technical, nonsubstantive amendments to reflect current statutory language and to correct statutory references.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 106, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 106, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 2 (Bunda, Ige, M.).

SCRep. 361 (Joint) Education and Technology and Transportation and Intergovernmental Affairs on S.B. No. 673

The purpose of this measure is to ensure funding for the Hawaii National Guard Youth Challenge Program by requiring that the Department of Education transfer moneys to the Department of Defense to match additional federal funds and finance the operations of the Hawaii National Guard Youth Challenge Program.

Attending the hearing were all of the participants of the current class of the Hawaii National Guard Youth Challenge Program. Testimony in support of this measure was submitted by the Department of Defense, the Office of Youth Services, and the Parent Support Advisory Group of the Youth Challenge Program. Verbal testimony in support of this measure was given by a concerned individual. The Department of Education submitted testimony in support of the intent of this measure, but cited its problematic financial impact on other educational programs.

Your Committees find that the Hawaii National Guard Youth Challenge Program is an excellent program for helping "at risk" children learn the skills to create better lives for themselves. It is necessary that State funding continue for this valuable program.

Your Committees also find that the Department of Education would not be able to transfer the sums directed by this measure without causing a debilitating effect on other critically important programs that were included in the budget. Your Committees further find that a direct appropriation to the Department of Defense to finance the program for the 1999-2001 fiscal biennium will centralize

the program's budget and audit management within the Department of Defense and eliminate the Department of Education from the budgetary process. The Department of Defense is the lead agency in administering the Youth Challenge Program, and the Department of Education concurs with this proposal.

Accordingly, this measure was amended to delete the transfer of funds from the Department of Education to the Department of Defense, and to appropriate matching State funds directly to the Department of Defense to finance the operations of the Hawaii National Guard Youth Challenge Program. This measure was also amended to clarify the calculation of the amount the State must appropriate to match the federal funds.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 673, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 673, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chumbley, Iwase, Matsunaga, Tam, Taniguchi).

SCRep. 362 Education and Technology on S.B. No. 826

The purpose of this measure is to prohibit persons, on the basis of their sex, from being discriminated against in any interscholastic, club, or intramural athletics offered by a public school.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission, the Hawaii State Commission on the Status of Women, Gender Equity Sports Club, the Hawaii Congress of Parents, Teachers and Students, the Hawaii State Teachers Association, Hawaii Women Lawyers, and eight individuals. The Department of Education (DOE) submitted comments.

Your Committee finds that the DOE has been working on gender equity in sports, making a special effort to encourage female participation. For example, girls teams have been formed this school year for wrestling and golf, and the public school athletic leagues chose to form junior varsity girls' volleyball teams while the formation of boys' teams have been delayed due to funding limits. In addition, coaches' salaries and allocations for transportation, equipment, and supplies are evenly divided between boys' and girls' teams.

Your Committee further finds that as a result of these efforts, girls' participation in public high school sports has more than doubled in the last twenty years, while the number of boys participating has grown twenty percent. Your Committee believes, however, that there is still much to be done.

Your Committee has amended this bill to:

- (1) Delete the references to "bodily contact sport";
- (2) Authorize the Superintendent of Education and the Advisory Commission on Gender Equity in Sports, not the Civil Rights Commission, to determine the equal opportunities available;
- (3) Establish the Advisory Commission within the Department of Education, rather than the Department of Labor and Industrial Relations;
- (4) Clarify that consideration by the Civil Rights Commission of the failure to provide necessary funding for teams for one sex is for determination of violations under this Act;
- (5) Change the composition of the Advisory Commission from eleven to seven members, all to be appointed by the Superintendent;
- (6) Delete the July 1, 2000, completion date, and require the Superintendent rather than the Advisory Commission define equity in athletics for public schools;
- (7) Delete the subsection that would require the Board of Education to implement enforcement mechanisms;
- (8) Delete the penalties section; and
- (9) Change "public school" to "public high school" throughout this measure.

Your Committee believes that this measure, as amended, will provide a firm basis for achieving gender equity in public high school sports.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 826, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 826, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Bunda).

SCRep. 363 (Joint) Education and Technology and Judiciary on S.B. No. 1274

The purpose of this measure is to transfer the functions and authority relating to after hours security contracts at Department of Education facilities from the Department of Public Safety to the Department of Education.

Testimony in support of this measure was received from the Department of Public Safety and the Department of Education.

Your Committees find that the Department of Education is in a better position to manage and control the security contracts for their own facilities. By eliminating the necessity to involve the Department of Public Safety, the Department of Education will have improved accountability and management of their security services and be able to efficiently respond to their security needs.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1274 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Bunda, Ihara, Tanaka, Anderson).

SCRep. 364 (Joint/Majority) Education and Technology and Judiciary on S.B. No. 1313

The purpose of this bill, as received by your Committees, is to clarify provisions within existing law that provide immunity to government entities for claims arising out of, or relating to, year 2000 errors generated by a government computer system.

Your Committees find that year 2000 errors occur when a computer-based system inaccurately processes or stores data into, or between, the years 1999 and 2000 and beyond. Hawaii law presently limits the State's immunity from tort liability for year 2000 errors to errors that occurred prior to June 30, 1999. However, due to the interdependence of most government services upon computer-based technology, your Committees agree that the State's immunity for claims resulting from year 2000 errors should be extended for a limited period to allow the State and other government entities sufficient time to correct the problems. Your Committees further believe that this immunity should not be extended for errors resulting from gross negligence on the part of the defendant government entity, provided that a good faith effort was made by the government entity to correct the problem which caused the year 2000 error.

Testimony in support of this measure was submitted by the Attorney General, the Department of Accounting and General Services, the Department of Transportation, the University of Hawaii, Hawaii Health Systems Corporation, Hawaii Credit Union League, Hawaii Medical Service Association, and the Queen's Health Systems. Testimony in opposition to the measure was submitted by Small Business Hawaii.

Upon further consideration, your Committees have amended this measure by:

- (1) Inserting a provision that immunity shall be extended unless the error results from gross negligence on the part of the defendant government entity;
- (2) Inserting a provision that failure to fix an error after a good faith effort shall not constitute gross negligence;
- (3) Clarifying that an individual's immunity shall be based solely upon government errors;
- (4) Changing the repeal date of this Act to January 1, 2003; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1313, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1313, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 4 (Bunda, Ihara, Tanaka, Anderson).

SCRep. 365 (Joint) Education and Technology, Economic Development, and Labor and Environment on S.B. No. 1583

The purpose of this measure is to foster and support the growth and development of high technology industries in Hawaii.

Specifically, this measure:

- (1) Consolidates the State's high technology agencies, divisions, and offices, under the coordination of a special advisor for technology development, and creates a governor's special advisory council for technology development to assist the advisor;
- (2) Offers tax incentives through technology training or job creation tax credits;
- (3) Offers a tax incentive for investments in qualified high technology businesses;
- (4) Establishes the Hawaii Internet Exchange to serve as a catalyst for the development of Internet focused businesses;
- (5) Focuses on work force development programs to ensure a pool of technology professionals; and
- (6) Accelerates high speed access to the internet for the University of Hawaii and the public schools.

Testimony in support of the intent of this measure was submitted by the University of Hawaii, the Department of Business, Economic Development, and Tourism, the Department of Taxation, the High Technology Development Corporation, and Transoceanic Navigation Company.

Your Committees strongly believe in the necessity of this measure. If Hawaii is truly going to overcome its economic hardships, and develop and diversify its economy, then the State must take full advantage of the advances of telecommunications, information technology, and the explosive growth of the Internet. This measure attempts to facilitate Hawaii's growth in high technology industries, and this progress will lead the State effectively into the twenty-first century.

Your Committees appreciate the testimony submitted and have amended this measure to conform with some suggestions from the University of Hawaii and the Department of Taxation by:

- (1) Deleting the references to "resident" in section six of this measure to better allow for interstate commerce;
- (2) Replacing, in sections 6 and 7 of this measure, the term "technology" with "qualified high technology business", and providing a more specific definition of this new term to prevent any possible compliance problems for taxpayers and administrative difficulties for the Department of Taxation; and
- (3) Establishing the Hawaii Internet Exchange within the University of Hawaii Information Technology Services as opposed to the Office of Technology Transfer and Economic Development.

Your Committees have further amended this measure to incorporate additional ideas which are essential to this measure's effectiveness. Your Committees have added new sections which:

- (1) Foster the development of information based industries to enhance Hawaii's tourism industry;
- (2) Establish a Hawaii Internet Tax Freedom Act, thereby prohibiting the imposition of income tax, general excise tax, or use tax on Internet electronic commerce for five years; and
- (3) Establish and provide funding for E Academy programs statewide, which are devoted to providing students with industry and academic standards-based instruction in technology, science, math, and engineering.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Economic Development and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1583, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1583, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, none. Excused, 4 (Bunda, Chun Oakland, Matsunaga, Tam).

SCRep. 366

(Joint) Labor and Environment and Judiciary on S.B. No. 895

The purpose of this measure is to appropriate money to the Judiciary to increase wage classifications of qualified technical personnel in declared shortage categories.

Your Committees received testimony in support of this measure from the Judiciary.

Your Committees find that in the past eighteen months the Judiciary has been actively recruiting to fill vacancies in the information technology support area, but five positions remain unfilled. In competing with other government entities, as well as the private sector, the Judiciary is currently the lowest paying government employer which places the Judiciary at a recruiting disadvantage.

Your Committees are supportive of the intent of this measure and believe it will bring the Judiciary in line with other agencies for salaries of information technology personnel. However, your Committees defer to the Committee on Ways and Means in setting the amount of the appropriation and have amended this measure by changing the dollar amount to zero.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 895, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 895, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, Fukunaga, Ige, M., Sakamoto, Anderson).

SCRep. 367 Transportation and Intergovernmental Affairs on S.B. No. 17

The purpose of this measure is to reimburse the counties for amounts of general excise tax passed on to them by businesses.

Testimony in support of this measure was received from the Department of Budget of the City and County of Honolulu, Office of the Mayor, Maui County, County Council of Maui County, County Council of Hawaii County, and the Department of Finance of Hawaii County. The Department of Budget and Finance and the Tax Foundation of Hawaii submitted comments on this measure.

The Department of Taxation submitted testimony opposing this measure.

Your Committee finds that it is currently estimated that the counties pay approximately \$30 million a year in general excise taxes passed on to them by businesses. Your Committee recognizes the present fiscal situation in the counties, and believes that the legislature should assist the counties by alleviating the burden of the general excise tax.

Your Committee has amended this measure by deleting its contents and substituting more specific and substantial provisions that will allow each county to apply to the director of finance for a reimbursement of the general excise taxes passed on to the county by a business.

The amendments made by your Committee will allow the counties to apply on a semi-annual basis for a reimbursement of the general excise taxes paid. The counties are required to submit an itemized claim for the reimbursement that the director of finance may accept or may request proof to justify the claim. Section 237-31, Hawaii Revised Statutes, is amended to allow the director of finance to keep sufficient moneys collected under the general excise tax in special accounts to pay to the counties. This will work in the same manner as transient accommodations tax transfers to the county.

While your Committee realizes that the current fiscal situation in the counties requires state assistance, the State's fiscal situation does not allow the immediate full reimbursement of general excise taxes to the counties. Your Committee, therefore, has provided for a four-year phase-in of the reimbursements.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 17, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 17, 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, none.

SCRep. 368 Transportation and Intergovernmental Affairs on S.B. No. 658

The purpose of this measure is to redefine "drug" for purposes of the offense of driving under the influence of drugs to mean any chemical substance, natural or synthetic, that, when taken into the human body, can impair the ability of the person's normal mental faculties or ability to care for the person and guard against casualty.

This measure also provides that legal entitlement to use alcohol or any drug is not a defense to the offense of driving under the influence of drugs.

Testimony in support of this measure was received from the Department of Transportation, Governor's Highway Safety Council, Department of the Prosecuting Attorney of the City and County of Honolulu, Police Department of the City and County of Honolulu, Police Department of the County of Maui, and Mothers Against Drunk Driving.

Your Committee finds that persons may consume substances, other than the controlled substances listed on schedules I through IV of 329, Hawaii Revised Statutes, that impair their driving ability. A person under the influence of these other substances or drugs while driving a motor vehicle are at greater risk of becoming involved in a serious motor collision. The broader definition of "drug" provided in this measure will ensure that persons are penalized for using any chemical substance that impairs their ability to carefully and prudently operate a motor vehicle.

Your Committee further finds that persons may inadvertently mismanage their prescription drugs under the direction of their physicians. Persons, especially the elderly, who take prescription drugs as directed and proceed to drive may unknowingly commit the offense of driving under the influence of drugs.

Therefore, your Committee has amended this measure by:

- (1) Deleting the language in this measure providing that legal entitlement to use alcohol or any drug is not a defense; and
- (2) Making it an affirmative defense to the offense of driving under the influence of drugs if the person took the drug as directed and the person informed the prescribing authority of any other drugs being taken at the time the prescription was issued.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 658, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 658, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Iwase, Taniguchi).

SCRep. 369 (Joint) Transportation and Intergovernmental Affairs and Health and Human Services on S.B. No. 1385

The purpose of this measure is to require health care providers to notify the county police of a person involved in motor vehicle accident who is found to have a drug in his or her blood during the normal course of medical evaluation and treatment.

In order to make the notification, the health care provider must have a reasonable belief that the person was the driver of the motor vehicle involved in the collision.

Testimony in support of this measure was received from the Department of Transportation. Mothers Against Drunk Driving submitted testimony in support of the intent of this measure but indicated that this measure may be premature.

Your Committees find that although the law requiring health care providers to report alcohol impaired drivers to county police has only been in effect for two years, the law is effective and should be expanded to include drug impaired drivers. Your Committees find that this measure aligns the law relating to drug impaired drivers in parity with that of alcohol impaired drivers and will help in reducing the number of motor vehicle accidents caused by drug impaired drivers.

Your Committees have amended this measure by redefining "drug" in section 291-7, Hawaii Revised Statutes, to mean any chemical substance, natural or synthetic, that, when taken into the human body, can impair the ability of the person's normal mental faculties or ability to care for the person and guard against casualty. Your Committees have made technical, nonsubstantive changes to this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1385, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1385, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Bunda, Taniguchi, Anderson).

SCRep. 370 Commerce and Consumer Protection on S.B. No. 215

The purpose of this measure is to require health insurance policies and workers' compensation insurance policies to reimburse for services of advanced practice registered nurses.

Testimony in support of this measure was presented by the Department of Health, Hawaii Medical Service Association, and Hawaii Nurses Association. Hawaii Nurse-Midwives and seven private citizens, though not present, submitted written testimony in support of the measure. The Hawaii Medical Association, though not present, submitted written testimony in opposition. Kaiser Permanente, though not present, submitted written informational testimony.

Your Committee finds that advanced practice registered nurses are required to be certified and must meet high professional standards for that purpose. They are trained and competent health care professionals who render a much needed medical service. As such, your Committee believes that their services, like any other health care provider's services, should be reimbursed by 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. 215 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Matsuura).

SCRep. 371 Commerce and Consumer Protection on S.B. No. 1136

The purpose of this measure is to abolish the Board of Osteopathic Examiners and transfer its functions to the Board of Medical Examiners.

The measure also adds an osteopath to the Board of Medical Examiners to ensure osteopathic representation is provided.

Testimony in support of the measure was received from the Director of Commerce and Consumer Affairs and the Auditor.

The Board of Osteopathic Examiners testified in opposition to the measure.

Your Committee finds that a sunset review of the Board of Osteopathic Examiners was conducted by the Auditor in 1992. As a result of that review, the Auditor essentially recommended what is contained in the measure, citing:

- (1) Minimal activity of the Board of Osteopathic Examiners;
- (2) The growing similarity between professions; and
- (3) That twenty-one other states (at the time of the sunset review in 1992) had a single medical board that regulated both professions.

Your Committee believes that the measure is consistent with the Legislature's recent efforts to streamline government and will not adversely affect the welfare of the general public.

Your Committee has amended the measure by increasing the proposed number of osteopaths to be appointed to the Board of Medical Examiners from one to two and by making a technical, nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1136, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Matsuura).

SCRep. 372 Commerce and Consumer Protection on S.B. No. 1137

The purpose of this measure is to extend medical insurance benefit coverage to unmarried children of employee-beneficiaries of the Public Employees' Health Fund who are less than twenty-four years of age and who are full-time students.

Testimony in qualified support of the measure was received from the Department of Budget and Finance. The Public Employees' Health Fund submitted comments on the measure.

Your Committee finds that the medical insurance plan currently offered by the Public Employees' Health Fund is not competitive with similar plans offered by other employee organizations. Consequently, public employees who have the opportunity to subscribe to better valued medical insurance plans for themselves and their children often do so. This exodus from the Public Employees' Health Fund has left its demographic membership with an inordinately high percentage of older participants who, by nature, require more costly medical care. This higher cost for medical care translates to higher costs for the Health Fund and derivatively to participating members and public employers. Your Committee believes that by providing a competitive medical insurance plan to members, the Health fund will be able to attract younger participants, thereby reducing demographic inequity and lowering costs.

Your Committee also finds that providing health insurance to unmarried children of employee-beneficiaries of the Public Employees' Health Fund who are less than twenty-four years of age and who are full-time students will assist many families by ensuring that reasonably priced medical insurance coverage is available for their children who are attending college.

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. 1137 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 373 Commerce and Consumer Protection on S.B. No. 1326

The purpose of this measure is to facilitate lending from sources outside of the State by eliminating certain registration and licensing requirements for foreign lenders.

The Commissioner of Financial Institutions (Commissioner) presented testimony in favor of the measure.

Currently, foreign lenders operating in this State who seek an exemption from the requirements of the Code of Financial Institutions, the Insurance Code, the Hawaii Business Corporation Act, and the laws relating to income tax, general excise tax, and the

tax on banks and financial corporations, are required to file a statement with the Commissioner and pay an annual registration fee. These lenders are also subject to licensing and registration requirements for mortgage brokers and solicitors and real estate collection servicing agents.

This measure repeals the filing and fee requirements and exempts qualified foreign lenders from the professional and vocational licensing and registration requirements. Your Committee finds that this measure will encourage and promote lending from sources outside the State by reducing the time, expense, and administrative work foreign lenders must undertake in order to operate in this State.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1326 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 374 (Joint) Commerce and Consumer Protection and Judiciary on S.B. No. 1544

The purpose of this measure is to provide deputy sheriffs of the Department of Public Safety with the same retirement benefits as firefighters and police officers.

Specifically, the measure places deputy sheriffs of the Department of Public Safety in the special contributory class of the Employees Retirement System which requires the member to pay twelve and two-tenths percent of their earnings to the System, in addition to the Social Security and Medicare deductions, for the following enhanced benefits:

- (1) A two and one-half percent per year pension accrual rate;
- (2) The ability to retire prior to age fifty-five without having their pensions actuarially reduced; provided that they have at least twenty-five years of service in that capacity;

This benefit option would only be provided to existing qualified deputy sheriffs. Any deputy sheriff hired after the effective date of the Act would be a Class C noncontributory member.

Testimony in support of the measure was received from the Department of Public Safety, the Hawaii Government Employees Association, and a deputy sheriff. The Employees Retirement System submitted comments on the measure.

During its deliberations, your Committees found that conflicting views were presented as to whether Class C noncontributory deputy sheriffs actually wanted to convert their Employees Retirement System membership over to Class A contributory membership.

To alleviate any dispute over this issue, your Committees have decided to amend the measure by deleting the majority of the proposed amendments and retaining only the amendment that allows deputy sheriffs to retire without penalty after twenty-five years of service in that capacity.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1544, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1544, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 5 (Bunda, Hanabusa, Sakamoto, Tanaka, Anderson).

SCRep. 375 Commerce and Consumer Protection on S.B. No. 364

The purpose of this measure is to include within the general excise tax exemption for insurance companies' gross proceeds those proceeds received by a corporate attorney-in-fact in connection with administrative functions performed on behalf of a reciprocal insurer.

Testimony was presented at the hearing in support of this measure by a representative of the Hawaii Captive Insurance Council and the Medical Insurance Exchange of California. Though not present at the hearing, the Hawaii Medical Association submitted written testimony in support of this measure.

At the hearing, a representative of the Department of Taxation testified in opposition to the measure, and the Insurance Commissioner presented comments on the measure.

Your Committee finds that, by their nature, reciprocal insurers must utilize an attorney-in-fact to provide for administrative functions for its insured subscribers. The imposition of an excise tax on the business which a reciprocal insurer's attorney-in-fact must perform has the potential to discourage captive insurance companies formed as reciprocal insurers from organizing and operating their attorney-in-fact in Hawaii.

Your Committee finds, however, that it is imprudent to provide a retroactive effective date in this measure. Your Committee has amended this measure by changing the effective date to any taxable year ending after July 1, 1999 and making other conforming amendments.

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. 364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 364, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 376 Commerce and Consumer Protection on S.B. No. 485

The purpose of this measure is to entitle certain recipients of public assistance medical services benefits and recipients of Social Security Disability Insurance benefits to free motor vehicle insurance coverage under the joint underwriting plan.

The Department of Human Services presented testimony in support of this measure and proposed amendments to the measure. An individual presented testimony in support of the measure. Two individuals, though not present, submitted written testimony in support of the measure. The Insurance Commissioner presented comments on the measure. State Farm Insurance presented testimony in opposition to the measure.

Your Committee finds that, in 1994, recipients of public assistance in the form of medical services were disqualified from receiving free motor vehicle insurance coverage pursuant to Act 225, Session Laws of Hawaii (SLH), 1994. This measure would re-establish coverage to those individuals affected by Act 225, SLH, 1994, and who also currently receive public assistance medical services.

Your Committee has amended this measure by describing the class of drivers entitled to receive no-cost motor vehicle insurance coverage on the basis of the receipt of public assistance in the form of medical services as those drivers who are currently receiving the benefits and who received the benefits prior to July 1, 1994. Your Committee has also removed a reference to recipients of Social Security Disability Insurance benefits.

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. 485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 485, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 377 Commerce and Consumer Protection on S.B. No. 613

The purpose of this measure is to create a statewide licensure mechanism for retail tobacco sales that provides for licensing retail tobacco vendors, inspections and enforcement, adjudication of fines and penalties, training and education for retail merchants, and public awareness of the State's law governing the sale of tobacco to minors.

The Coalition for a Tobacco Free Hawaii and Legislative Information Services of Hawaii, while not present, submitted written testimony in support of the intent of the measure, with recommendations for amendments.

One of the Healthy Hawai'i Year 2000 objectives is to reduce tobacco use among youth so that no more than fifteen percent are smoking by age eighteen. This is a tremendous challenge, since the 1997 Hawai'i Youth Risk Behavior Survey conducted by the Department of Education found that thirty-four percent of twelfth graders and nearly twenty-seven percent of ninth graders are regular smokers.

Reducing youth access to tobacco products is an instrumental component in reducing youth tobacco use, and compliance by merchants is of utmost importance. This measure addresses a critical health issue for Hawaii's young people, their families, and the public in general.

Your Committee has amended this measure to delete the appropriations sections, and to make technical amendments to conform to the language of 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. 613, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 613, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 378 Commerce and Consumer Protection on S.B. No. 778

The purpose of this measure is to establish enhanced 911 service for mobile phones.

The Police Department of the City and County of Honolulu and Honolulu Cellular Telephone Company presented testimony in support of this measure. The Department of Health and GTE presented supportive testimony and recommended amendments. The Police Department of the County of Kauai and VoiceStream Wireless, while not present, submitted testimony in support of the measure. The Consumer Advocate presented testimony in opposition. The Office of Information Practices submitted written comments.

Your Committee finds that wireless telephone service and its usage have become fairly common in Hawaii. In recognition of the public service and safety benefits, wireless carriers allow their customers to make 911 calls without any airtime charges and many wireless users take advantage of this service.

However, unlike landline telephone networks with enhanced 911 systems that provide the location and telephone number of the caller, wireless calls to 911 currently do not have that capability. For these calls, the emergency dispatchers must rely solely on the information provided by the caller in order to respond to and treat life-threatening situations.

Passage of this measure will provide significant benefits to both the wireless phone user and to emergency police, fire, and ambulance service personnel who must respond in the timeliest manner possible.

Your Committee has amended this measure to make technical, nonsubstantive amendments to reflect the preferred style of drafting.

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. 778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 778, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 379 Commerce and Consumer Protection on S.B. No. 947

The purpose of this measure is to create a new chapter in the Hawaii Revised Statutes to regulate telemarketing activity in the State.

This measure creates the Telemarketing Fraud Prevention Act (TFPA) which:

- (1) Provides that a seller or telephone solicitor that makes false representations or is abusive commits an unfair deceptive act or practice;
- (2) Requires licensing and registration of persons who engage in telemarketing in this State;
- (3) Exempts certain persons, entities, and activities from being subject to the TFPA;
- (4) Deems voidable contracts or agreements made as a result of telemarketing activity that violates the TFPA.

Testimony in support of the intent of this measure was presented by the Department of the Prosecuting Attorney of the City and County of Honolulu. Testimony supporting this measure with suggested amendments was received from the Office of Consumer Protection, the Police Department of the City and County of Honolulu, AT&T, AARP, GTE, and Hawaii Financial Services Association.

The Legislative Information Services of Hawaii presented testimony in opposition.

Your Committee finds that telemarketing fraud is an insidious crime that often aggressively preys on the elderly. Telemarketers commonly employ abusive, misleading, and/or high pressure tactics in order to manipulate victims into giving the telemarketers money in exchange for worthless or non-existent goods or services. This measure, in conjunction with federal law, will aid in deterring further acts of telemarketing abuse and fraud.

Your Committee has amended this measure by:

- (1) Deleting the definition of "communication" as it is not referenced in the measure;
- (2) Defining "payment" to mean anything of value, including any interest, benefit, privilege, claim or right with respect to anything of value, whether real or personal, tangible or intangible;
- (3) Clarifying that material information must be disclosed by the seller or telephone solicitor prior to receiving payment from the consumer;

- (4) Allowing sellers and telephone solicitors to request or accept payment without first receiving the consumer's express verifiable authorization if they adopt the following policies: (A) a seven-day consumer inspection period; (B) processing of full refund within thirty days; and (C) disclosure of refund policies orally and in writing;
- (5) Prohibiting credit repair businesses from requesting fees until the time frame in which the business promised results has expired and the consumer is provided with documentation that the credit was repaired as promised;
- (6) Increasing the number of telephone rings that constitute abusive conduct from five to ten rings;
- (7) Deleting the broad language describing abusive conduct as any other conduct that would be considered abusive to any reasonable consumer;
- (8) Deleting the provisions requiring licensing and registration of persons engaged in telemarketing activity because the Office of Consumer Protection lacks the resources to process and maintain the licenses and registrations;
- (9) Requiring telephone solicitors to keep true and accurate records of all telemarketing activities in this State or directed to consumers located in this State;
- (10) Requiring that the records be made available to the authorized government agencies for inspection, be retained for a period of two years after the date of any telephone call, and include certain information on the telephone solicitor and its employees, including any fictitious names used, sales and marketing materials, product information on health, nutritional, or diet related goods, procedures, and certain consumer records;
- (11) Exempting from the recordkeeping requirements of this measure, those telemarketing activities that are regulated by the public utilities commission or the federal communications commission;
- (12) Making the commission of an unfair deceptive or abusive telemarketing act or practice and noncompliance with the recordkeeping requirements a class B felony in order to provide for further deterrents against and penalties for such acts; and
- (13) Making technical, nonsubstantive amendments for purposes of clarity and preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 947, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Matsuura).

SCRep. 380 Commerce and Consumer Protection on S.B. No. 1128

The purpose of this measure is to strengthen the enforcement of the insurance laws, facilitate the ability of mutual benefit society members and health maintenance organization (HMO) enrollees to understand their health insurance policies and contracts, and clarify the law applicable to the licensing of fraternal benefit society agents.

The Insurance Commissioner presented testimony in support of this measure. The Hawaii Medical Services Association presented testimony in support of the measure and proposed an amendment to its effective date.

Your Committee finds that the current range of fines for violations of the insurance laws are too low to be an effective deterrent against unlicensed activity and other illegal acts. Increasing the fines from a range of \$10 to \$1,000 per violation to a range of \$100 to \$10,000 per violation will enable the Insurance Division to impose a fine appropriate to the seriousness of the violation that will hopefully deter against future violations.

Your Committee further finds that there is no justification for holding mutual benefit societies and HMOs to standards different than those applicable to insurers under chapter 431, Hawaii Revised Statutes (HRS), with respect to the readability of insurance contracts. For instance, section 431:10-105(a), HRS, requires every insurer to utilize the Flesch reading ease test to determine the readability of any contract. Imposing this and other contract readability requirements established under the Insurance Code on mutual benefit societies and HMOs will assist their members and enrollees in better understanding the extent and specifics of their health insurance coverage and benefits.

Your Committee also finds that fraternal benefit society agents who are currently licensed as solicitors have been confused as to whether the current insurance laws permit them to obtain other types of insurance licenses. Your Committee believes that the recodification of Hawaii's insurance laws may have contributed to the confusion and further believes that this measure will clarify that fraternal benefit society agents licensed as solicitors may obtain other types of insurance licenses.

Your Committee is mindful that if the proposed amendments to the health care coverage disclosure provisions are enacted, mutual benefit societies and HMOs will require additional time to come into compliance with the law. Accordingly, your Committee has amended this measure by changing the effective dates for sections 2 and 4 to January 1, 2000. Your Committee has also made technical, nonsubstantive amendments to the measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1128, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 381 Commerce and Consumer Protection on S.B. No. 1131

The purpose of this measure is to increase mandatory insurer contributions to the Insurance Examiners Revolving Fund (IERF) and to remove the sunset date of the fund.

The Insurance Commissioner presented testimony in support of this measure.

Your Committee finds that pursuant to Act 116, Session Laws of Hawaii 1998, four general fund positions were transferred to the IERF. This measure would allow the Insurance Division to collect fees to meet the added expenses of these four positions.

Your Committee further finds that it is necessary to remove the sunset date of the IERF in order to assist the Division's effort in becoming independent of general funding.

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. 1131 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 382 Commerce and Consumer Protection on S.B. No. 1133

The purpose of this measure is to allow the Insurance Commissioner to hire staff attorneys who are exempt from civil service.

The Insurance Commissioner presented testimony in support of this measure.

The Insurance Division is in the process of establishing a legal section. Without this measure, those attorneys would become civil service employees, according to state personnel policy. The measure would give the Insurance Commissioner flexibility to hire attorneys with insurance expertise. Moreover, there are no other civil service attorneys in the Executive Branch.

This measure would give the Insurance Commissioner flexibility to hire and retain attorneys with insurance expertise conforming these positions with state government policy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1133 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 383 Commerce and Consumer Protection on S.B. No. 1279

The purpose of this measure is to ensure the viability of universal telecommunications service in the State by precluding the use of moneys in the Universal Service Fund (Fund) for purposes other than those related to the provision of universal telecommunications service.

The Public Utilities Commission (PUC) presented testimony in support of the measure. The Consumer Advocate, Oceanic Communications, AT&T, GTE, TelHawaii, Inc., GST Telecom Hawaii, and the AARP State Legislative Committee, though not present at the hearing, submitted written testimony in support of the measure.

Your Committee finds that the principles of the Universal Service Program are:

- (1) To maintain affordable, just, and reasonable rates for basic residential telecommunications service; and
- (2) To assist individuals or entities who cannot afford to or who need assistance in obtaining or maintaining basic services or equipment.

The Universal Service Fund was created to cover the costs of the program's activities. This measure ensures that the moneys in the Fund will be available to meet the goals of universal service and will not be diverted for other purposes or applied towards administrative expenses.

Your Committee has amended this measure by:

- (1) Authorizing the PUC to temporarily borrow funds from the Public Utilities Special Fund to start the Fund and to repay the amounts borrowed when sufficient moneys are collected in the Fund;
- (2) Appropriating \$300,000, from the Public Utilities Special Fund for fiscal year 1999-2000, to carry out the purposes of the Universal Service Program; and
- (3) Adding two new sections to prevent the actions taken in this measure that amend sections 36-27 and 36-39, Hawaii Revised Statutes, from being repealed under Act 216, Session Laws of Hawaii 1997 and Act 142, Session Laws of Hawaii 1998.

Your Committee intends that the dollar amount inserted into the appropriation provision is an approximation only and that this amount should be further reviewed by the Committee on Ways and Means.

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. 1279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1279, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Matsuura).

SCRep. 384 Commerce and Consumer Protection on S.B. No. 1472

The purpose of this measure is to require the forfeiture of certain trade property belonging to unlicensed contractors.

Testimony in support of this measure was presented by the Department of Commerce and Consumer Affairs (DCCA), Subcontractors Association of Hawaii and Hidano Construction, Inc. Hawaii Woodcrafts, Inc., Maui Construction Association, Jas. W. Glover, Ltd., Building Industry Association of Hawaii, Contractors Association of Kauai, S & M Sakamoto Inc., CC Engineering & Construction, Inc., G.S. Onaga General Contractor, Inc., and Armstrong Builders, Ltd., though not present, submitted written testimony in support of the measure. Oral testimony in opposition was presented by the Attorney General.

Your Committee finds that unlicensed contracting continues to be a problem in Hawaii for consumers, and believes that this measure provides an effective enforcement tool against unlicensed contractors. Seizure and subsequent forfeiture of tools would render the unlicensed contractor incapable of continuing to operate to the detriment of the public.

Your Committee has amended this measure on the recommendation of the DCCA to delete references to the Attorney General and to require that forfeiture proceeds be deposited into the compliance resolution special fund under the DCCA. Your Committee has also made a technical, nonsubstantive amendment to insert a missing word.

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. 1472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1472, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 385 (Joint) Education and Technology and Health and Human Services on S.B. No. 191

The purpose of this measure is to require the University of Hawaii to develop standards to measure child development outcomes and to make an appropriation to the University for purchase of health and human services contracts.

Your Committees received testimony in support of this measure from the Department of Education, the Department of Health, the University of Hawaii, the Office of the Governor, and Hawaii Kids Count.

Your Committees find that the most efficient way to achieve desired outcomes is through timely and appropriate feedback on the progress being made toward the goals. This measure would provide a common framework and data collection and reporting mechanisms that currently are not available.

Your Committees believe the information generated as a result of this measure will provide a valuable resource for the individuals and agencies working to improve the lives of Hawaii's children and youth.

Your Committees have amended this measure to include the Department of Human Services in section one of this measure, at the request of the Department of Health. Your Committees have further amended this measure allow greater flexibility to the University of Hawaii in regard to the implementation of the appropriation section.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 191, as amended

herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 191, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Matsunaga, Tam, Anderson).

SCRep. 386 (Joint) Education and Technology and Water, Land, and Hawaiian Affairs on S.B. No. 456

The purpose of this measure is to provide tuition waivers to students of Hawaiian ancestry to attend the University of Hawaii.

Specifically, the measure requires the University of Hawaii to provide tuition waivers, which are in addition to any tuition waivers already granted, to students of Hawaiian ancestry who are:

- (1) Financially needy; and
- (2) Enrolled in graduate or undergraduate courses within the university system for the purpose of obtaining a degree; or
- (3) Participating in student recruitment programs within the university system.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the University of Hawaii's Center for Hawaiian Studies, the Oahu Council of the Association of Hawaiian Civic Clubs, the Ilio'ulaokalani Coalition, Kuikalahiki Hawaiian Student Organization, Kalai Po Native Hawaiian Student Organization, the Associated Students of the University of Hawaii, and a number of concerned citizens and college students.

The University of Hawaii's Vice President for Student Affairs testified that the University supported the intent of the measure but felt that its purpose conflicted with that of Act 161, Session Laws of Hawaii 1995, which granted autonomy to the University of Hawaii in these matters. The Vice President for Student Affairs also testified that currently, approximately nine hundred students of Hawaiian ancestry are granted full or partial tuition waivers based on their ancestry and financial need.

Your Committees find that under section 5(f) of the Admission Act, the public land trust and the revenues derived therefrom may be used for the support of public schools and other public educational institutions. Because the University of Hawaii is indeed a public educational institution, it is compliant with the purpose of section 5(f) of the Admission Act. While much of the supporting testimony indicated that these tuition waivers should be considered as an entitlement since the University of Hawaii at Manoa is situated on ceded lands, it is the contention of your Committees that the University is not obligated to grant tuition waivers to Native Hawaiians because of its fulfillment of the educational purpose of section 5(f) of the Admission Act.

However, your Committees recognize the duty of the State to provide increased opportunities and access to higher education for native Hawaiians. Your Committees find that increased educational opportunities would create positive role models for young Hawaiians, and allow for greater advancement for native Hawaiians as a whole.

Your Committees further find that another purpose of section 5(f) of the Admission Act is to provide for the betterment of the conditions of native Hawaiians. Thus, your Committees believe that while the University is not obligated to provide tuition waivers solely because it is located on ceded lands, the provision of these waivers would fall under another purpose of section 5(f) of the Admission Act. As such, your Committees believe that any money appropriated or allocated for the purposes of providing tuition waivers for native Hawaiian students should be credited against the State's pro rata share of ceded land revenue obligations.

Your Committees are also aware of the provisions of Article XII, section 6, of the Constitution of the State of Hawaii which requires the State to "...manage and administer the proceeds from the sale or disposition of the lands, natural resources, minerals and income derived from whatever sources for native Hawaiians and Hawaiians, including all income and proceeds from that pro rata portion of the trust referred to in section 4 of this article for native Hawaiians;..." (emphasis added). Your Committees interpret this provision to mean that any ceded land revenues for which the State seeks to claim credit in satisfaction of the pro rata share of revenue obligation first would have to either be allocated to the Office of Hawaiian Affairs prior to disbursement for the qualifying purpose, or be mutually agreed upon by the State and the Office of Hawaiian Affairs as a creditable expenditure of a pro rata share of ceded land revenues by the State.

In light of these concerns, your Committees have amended the measure by deleting its substance and inserting provisions that:

- (1) Appropriate funds to the Office of Hawaiian Affairs for the specific purpose of offsetting the costs incurred by the University of Hawaii in providing tuition waivers to students of Hawaiian ancestry;
- (2) Declare that any moneys expended for the purpose of providing tuition waivers to students of Hawaiian ancestry shall be credited against the State's pro rata share of ceded land revenue obligation to the Office of Hawaiian Affairs; and
- (3) Establish an accounting process to effectuate the intent of the measure.

Your Committees further amended this measure to delete the "financially needy" provision as a requirement for tuition waivers. Your Committees believe that all native Hawaiian students should be eligible for tuition waivers regardless of their financial status.

Your Committees believe that the funding mechanism provided in the measure should:

- (1) Provide students of Hawaiian ancestry with the resources to obtain a post secondary education;
- (2) Fulfill at least in part, the State's obligation to use a portion of ceded land revenues for the purposes stated under the Admission Act, Article XII, Section 6, of the State Constitution, and Chapter 10, Hawaii Revised Statutes; and
- (3) Ensure that the University of Hawaii possesses the necessary financial resources to educate students of Hawaiian ancestry who receive tuition waivers.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 456, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 456, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 4 (Chumbley, Matsunaga, Tam, Anderson).

SCRep. 387 (Joint) Education and Technology and Health and Human Services on S.B. No. 743

The purpose of this measure is to appropriate funds to convert Linapuni school to an early childhood development and education center for infants and children up to four years of age.

Your Committees received testimony in opposition to this measure from the Department of Education, Linapuni School, Good Beginnings Alliance, the Hawaii Association for the Education of Young Children, KCAA Pre-Schools of Hawaii, Hawaii State Teachers Association, Information Services, and four individuals.

Your Committees find that all those who testified strongly supported more facilities for early childhood education, but felt that Linapuni School was an exemplary model of an elementary school for kindergarten through grade two. Your Committees further find that the intent of this measure could be accomplished by developing a new early childhood education center, with the support of the many partnerships already formed at Linapuni School.

Your Committees have amended this measure accordingly to delete all references to Linapuni School, and instead authorize development of an early childhood development and education center for infants and children up to four years of age in the Kalihi area of Honolulu. In developing this center, the department of education shall draw on the partnerships already developed between Farrington high school, the University of Hawai'i college of education, VISTA tutors, partners from the community, private businesses, organizations, foundations, and parents.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 743, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 743, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Matsunaga, Tam, Anderson).

SCRep. 388 Government Operations and Housing on S.B. No. 36

The purpose of this measure is to enable condominium associations to recover delinquent maintenance fees.

More specifically, this measure allows condominium associations to collect up to six months of delinquent maintenance fees, terminate common privileges, including utilities, and collect rent from a tenant up to the amount of delinquency. In the case of utilities a vote of a majority of those attending an annual or special meeting of the association, in person or by proxy is required. This measure also provides for timely transfer of title from a foreclosure in order to prevent a condominium owner from receiving common privileges, yet avoiding having to pay maintenance fees.

Testimony in support of this measure was received from the Real Estate Commission, Hawaii Association of Realtors, Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Hawaiiana Management Company, Ltd., Community Associations Institute, Association of Apartment Owners for Makakilo Hale 1, five residents of The Mauna Luan, and fourteen individuals. Testimony in favor only of the section of the measure that would enable associations to obtain timely payment of fees from the mortgagee-owners was received from the Department of Commerce and Consumer Affairs. Testimony in favor of this measure with amendments was received from two individuals. Testimony opposed to this measure was received from the Mortgage Bankers Association. Oral testimony was received from the Association of Apartment Owners for Marco Polo.

I. Collecting Unpaid Maintenance Fees

Your Committee finds that currently, condominium owners have no means of collecting delinquent maintenance fees, particularly once an apartment is sold in foreclosure. As a result, delinquent owners are receiving benefits, such as common utilities, security, building maintenance, and recreational facilities without paying for them. Non-delinquent owners in the association carry the burden of maintaining the condominium association's budget. Your Committee, therefore, finds that the condominium association should be entitled to terminate common benefits for nonpayment.

Your Committee finds that once a condominium goes into foreclosure, condominium associations have difficulty collecting delinquent maintenance fees which increase due to the fact lenders purposely delay recording the deed until a sale is confirmed. This measure proposes a reasonable time limit for transferring the condominium to the purchaser in foreclosure in which liability for common expenses will begin to accrue to the new owner.

The measure requires the purchaser or mortgagee of record to begin paying maintenance fees when the sale is confirmed. Your Committee finds that occasionally, a delinquent owner is not paying maintenance fees to the association but the owner is still collecting rent from a tenant. This measure will allow the association to demand the rent from the tenant to pay the maintenance fees.

Your Committee recognizes the concerns of some of the Committee members that this measure appears to interfere with the contract between an owner and tenant. However, your Committee finds that when the owner took title to the condominium, the owner simultaneously agreed to abide by and be governed by the condominium board's rules and regulations, including the payment of maintenance fees.

II. Six Month Priority Lien

Your Committee has amended this measure by incorporating the provision from S.B. No. 641 and S.B. No. 701 allowing a six month priority lien on a foreclosed condominium, which results in the condominium association collecting six months of maintenance fees.

Your Committee finds that currently, state law allows condominium associations a lien for unpaid maintenance fees. However, since many condominiums are valued at less than their mortgages, and since mortgages have priority over the associations' claim, associations usually receive no money from the proceeds of the sale of foreclosed unit. This amendment will allow for a six month priority lien that will allow condominium associations to collect delinquent maintenance fees.

Your Committee finds that the banking industry is under the impression that a six month priority lien will chill the secondary mortgage market. However, your Committee finds that 15 jurisdictions that contain a priority lien in their statutes have not had a negative impact on the secondary mortgage markets.

In order to give the Housing and Community Development Corporation of Hawaii time to negotiate with the bond buyers of the Hula Mae bond program, the six month priority lien provision will not take effect until July 1, 2000.

III. Condominium Reserves

Your Committee also has amended this measure to incorporate provisions from S.B. No. 372 and S.B. No. 642 to allow the deposit of condominium reserves in out-of-state financial institutions and credit unions.

Your Committee finds that currently, condominium associations are required to deposit their funds in a financial institution in the State. However, there is an inadequate number of financial institutions in the State in which condominium associations may legally deposit their funds. Due to the \$100,000 federal insurance limit on accounts, many associations have uninsured moneys deposited in financial institutions in Hawaii, which may cause a breach of their fiduciary duty to the condominium owners.

Your Committee finds that allowing condominium associations to deposit funds in out-of-state financial institutions and credit unions will expand investment opportunities as well as provide protection to the condominium associations' reserve funds.

Your Committee encourages both the banking industry and condominium associations to continue the dialogue regarding the issues in this measure and to make recommendations to the Legislature.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 36, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 36, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 389

Government Operations and Housing on S.B. No. 105

The purpose of this measure is to streamline and improve the delivery of government services by restructuring state government.

More specifically, this measure will create an advisory commission on government restructuring to develop appropriate policies for restructuring and provide for a comprehensive implementation strategy to be utilized in the review of the departments and offices of the executive branch of state government.

Testimony in support of this measure was received from the Boat Owners Association of the State of Hawaii. Testimony opposed to this measure was received from United Public Workers AFSCME Local 646 AFL-CIO.

Your Committee finds that there continues to be a need to eliminate the duplication of government services and also a need for government agencies to adapt to the ever-changing needs and demands of the public they serve. Your Committee finds that in order to achieve improved government efficiency and productivity, restructuring of the government must take place.

Your Committee finds that studies to improve the responsiveness and efficiency of state government have been conducted, including the 1996 study conducted by the governor, entitled, "Restructuring State Government Services," and reports ranging from 1974 and 1977 from the commission on organization of government ("CORE"), to the 1993 report of the interim commission on government redesign, all of which supported the need to redesign the delivery of state government services. Your Committee finds that these studies need to be re-visited in order to determine the best means to increase government productivity and realize savings.

Your Committee finds that this measure will enable the structure of our State government to be researched and analyzed thoroughly. This will enable the public to actively contribute to the reorganization and evaluation of our government's organization. Consequently, the public will have an improved understanding of the organization and employees that compile the State agencies and departments. Government employees will benefit from this measure through improved efficiency which in return will lower their anxiety and increase productivity.

Your Committee finds that this measure addresses the State's economic stagnation by enabling state government to enhance its productivity and to fill the budget gap with the resultant savings. This measure encourages re-direction of government first to a commitment to education of our children and more efficient delivery of services to stimulate economic growth of small businesses and re-shape economic development programs.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 105 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 (Hanabusa, Matsunaga, Sakamoto, Anderson).

SCRep. 390 Government Operations and Housing on S.B. No. 450

The purpose of this measure is to expand the duties of the managed process committee and eliminate the sunset provision created in Act 230, Session Laws of Hawaii, 1998.

Testimony in favor of this measure was received from Pacific Geotechnical Engineers, Inc. Testimony opposed to this measure was received from Hawaii Government Employees Association.

Your Committee finds that the state government's budgeting, accounting, and procurement systems should serve as effective tools for the efficient use of scarce resources in pursuing the goals and objectives of the people of Hawaii.

Your Committee finds that in Act 230, Session Laws of Hawaii, 1998, a special committee was established to begin the task of transforming the State's accounting, procurement, and budgeting systems. This committee was established to develop prototype models for transforming the budgeting and accounting systems of three departments.

Your Committee finds that currently there is a need to expand the duties and roles of the managed process committee by allowing the committee to monitor and review the management process and develop costing models and costs of conversion to the private sector.

Your Committee amended the measure to:

- (1) Establish specific criteria that the managed process committee shall use when executing its duties, including costing models and ensuring correct allocations of overhead costs;
- (2) Add specific dates by when the managed process should be completed; and
- (3) Eliminate the managed process committee's duty to ensure merit principles are not violated.

Your Committee also made technical, nonsubstantive changes to the measure.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 450, 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 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 391 Government Operations and Housing on S.B. No. 797

The purpose of this measure is to impose a dollar limit on nonbid contract awards to the same entity within a five year period and require the chief procurement officer to maintain records of competitive sealed proposals and small purchase procurements.

Testimony in opposition to this measure was received from the State Procurement Office, the Department of Transportation, ADI Design Group Inc., American Institute of Architects Hawaii State Council, Pacific Geotechnical Engineers, Inc., PBR Hawaii, R.M. Towill Corporation, SSFM Engineers, Inc., and five individuals.

Your Committee finds that currently, nonbid contract awards are being awarded to a limited number of contractors. Your Committee finds that this measure is an attempt to lessen the politics and favoritism that may occur in the nonbid contract procurement process.

Your Committee finds that in order to stimulate business and expand employment opportunities, more public contracts should be awarded to a variety of contractors.

Your Committee amended this measure to impose a numerical limit only to competitive sealed proposals and professional services contracts that can be awarded to a contractor within a five year period. Your Committee also amended this measure to allow for an exception to the numerical limit if all eligible contractors have received at least one contract award within the five year period.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 797, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 797, 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 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 392 (Joint) Government Operations and Housing and Transportation and Intergovernmental Affairs on S.B. No. 1073

The purpose of this measure is to clarify that projects created and established as condominium property regimes are subject to county land use ordinances, rules, and regulations.

More specifically, this measure ensures that projects established as condominium property regimes conform to the provisions of underlying county zoning ordinances and development requirements and are consistent with the intent of county land use policies and state land use laws.

Testimony in support of this measure was received from the Department of Business, Economic Development and Tourism, the Department of Planning and Permitting for the City and County of Honolulu, the County Council for the County of Hawaii, Hawaii's Thousand Friends, and one individual. Testimony in opposition to this measure was received from the Land Use Research Foundation of Hawaii.

Your Committees find that county land use ordinances and regulations ensure that a site is suitable for a proposed project, in terms of its impact on traffic, drainage, and other important services, and that cumulative project impacts on the physical environment and the surrounding community are adequately addressed.

Your Committees find that currently there exists a lack of clarity in the counties' authority over the uses and development proposed by condominium property regimes.

Your Committees find that the lack of clarity in the condominium property regimes statute has been a barrier to county efforts to effectively manage the land use impacts of certain types of condominium property regime projects.

Your Committees are particularly concerned with the problems associated when condominium property regimes are developed in areas zoned for agricultural use, resulting in the bypass of underlying state and county land use laws and regulations.

Your Committees amended this measure by excluding condominium property regimes from agricultural zoned land.

As affirmed by the records of votes of the members of your Committees on Government Operations and Housing and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1073, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1073, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 6 (Ige, D., Iwase, Levin, Matsunaga, Tanaka, Anderson).

SCRep. 393 Government Operations and Housing on S.B. No. 1100

The purpose of this measure is to clarify and streamline the Hawaii public procurement laws and process, consolidate procurement legislation in chapter 103, Hawaii Revised Statutes (HRS), into chapter 103D, HRS.

In addition, the measure deletes unnecessary or incorrect provisions and makes other housekeeping amendments to improve the efficiency of the procurement process. This measure also provides that pursuant to county charter, the managers or chief engineers of the respective county water supply authorities are the designated chief procurement officers.

Testimony in support of this measure was received from the the State Procurement Office (SPO) and the Department of Water for the County of Kauai. The SPO also submitted suggested amendments.

Your Committee finds that the Hawaii procurement code needs improvement and refining and that this measure will make the State procurement process more efficient and cost-effective.

Your Committee further finds that nonprofit rehabilitation facilities tend to receive less than fair market value because competitive bidding is not implemented when a public agency procures from these facilities. That procurement process needs to be changed.

Your Committee has amended this measure by deleting the provisions that transfer the sections relating to purchases from qualified community rehabilitation programs into chapter 103D, HRS. As a result, this measure, which repeals part V of chapter 103, HRS, repeals the provisions relating to procurements from qualified community rehabilitation programs. Your Committee believes this issue is more appropriately addressed in S.B. No. 129.

Your Committee further amended this measure by making technical, nonsubstantive changes for purposes of clarity and preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1100, 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 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 394

(Joint/Majority) Government Operations and Housing, Labor and Environment, and Transportation and Intergovernmental Affairs on S.B. No. 1438

The purpose of this measure is to establish a definition of "state resident" within the preference provision of the state procurement code and to raise the percentage preference to bidders on state agency contracts to fifteen percent.

Testimony in favor of this measure was received from the Hawaii Electricians Market Enhancement Program Fund, Hawaii Operating Engineers Industry Stabilization Fund, Industry Management Consultants, Incorporated, and Maui Construction Association. Testimony in favor of the intent of this measure was received from the Department of Transportation, the General Contractors Association of Hawaii, and the Hawaii Government Employees Association. Testimony opposed to this measure was received from the State Procurement Office, Associated Builders and Contractors, Inc., and Construction Industry Legislative Organization, Inc.

Your Committees find that all too often, out-of-state construction contractors employ out-of-state workers to work on federal projects in Hawaii. This leads to profits and tax revenues not being re-circulated in Hawaii's economy, and hinders employment opportunities for Hawaii residents, particularly in this time of economic doldrums.

Your Committees find that a definition of "state resident" is needed in the state procurement code that will provide a clear, objective, measurable standard that can be easily enforced by federal contracting officers in determining eligibility for preferences under the Federal Acquisition Regulations.

Your Committees find that raising the bid preference percentage will create more business and employment opportunities for Hawaii's struggling construction industry.

Your Committees amended the measure by:

- (1) Clarifying the application of the definition of "state contractor" or "state subcontractor" to various business entities and moving the definition to section 2 of the measure which amends the definitions section in the procurement code (HRS 103D-1001);
- (2) Exempting from the two hundred day residency requirement in the definition of "state resident", those residents who leave the State to attend school or serve in the armed forces of the United States; and
- (3) Making technical, nonsubstantive changes for clarity purposes to the section that sets forth a state contractor's eligibility for a full or portioned preference.

Your Committees note this measure is being passed based primarily on its concept, rather than the specifics of the measure, as the fifteen percent preference is still open for discussion and review. Your Committees encourage all parties involved with this measure to continue to participate in the legislative process as this measure moves to the next Committee.

As affirmed by the records of votes of the members of your Committees on Government Operations and Housing and Labor and Environment and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1438, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1438, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 16. Noes, 2 (Chumbley, Slom). Excused, 6 (Ige, D., Ige, M., Iwase, Matsunaga, Tanaka, Anderson).

SCRep. 395 Water, Land, and Hawaiian Affairs on S.B. No. 35

The purpose of this measure is to appropriate funds to match federal funds for the Hawaii Forestry and Communities Initiative.

Testimony in support of the measure was received from the Departments of Land and Natural Resources, Agriculture, Hawaiian Home Lands, and Labor and Industrial Relations, the University of Hawaii's College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, the Nature Conservancy of Hawaii, the Hawaii Farm Bureau, the Big Island Farm Bureau, the Hawaii Society of American Foresters, the Hawaii Forest Industry Association, and two concerned private citizens.

Your Committee finds that according to the Department of Land and Natural Resources, Hawaii's forest industry is a productive, value adding industry that generates net revenues of \$29,000,000, and employs over eight hundred people. Through the Hawaii Forestry and Communities Initiative program, the State has the opportunity to assist the private sector in expanding the forest industry, not only by leasing state land for such activities, but also with job training and helping with inventory, marketing, and research.

Your Committee believes that supporting the Hawaii Forestry and Communities Initiative will play an important role in bringing focus and direction to the State's forest industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 35 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 (Anderson).

SCRep. 396 Water, Land, and Hawaiian Affairs on S.B. No. 952

The purpose of this measure is to provide for an elected Hawaiian Homes Commission to oversee the Department of Hawaiian Home Lands.

The measure provides that commissioners would be elected in a special election held in conjunction with the general election for four year terms. To ensure that there is continuity on the elected commission, the measure requires that in the inaugural special election, the four commissioners with the highest vote totals will serve for four year terms. The other two commissioners will serve for two years.

The measure also empowers the elected commission to elect its chairperson and to appoint the director of the department.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, the Nanakuli Hawaiian Homestead Community Association, the Ahupua'a O Moloka'i, and a private citizen. The Department of Hawaiian Home Lands, the Native Hawaiian Legal Corporation, the State Council of Hawaiian Homestead Associations, the Waimanalo Hawaiian Homes Association, the Waimea Hawaiian Homesteaders' Association, and two concerned private citizens supported the measure with reservations.

The Kawaihae Hawaiian Homes Community Association opposed the measure's passage. The Office of Elections submitted comments on the measure.

Your Committee has amended the measure by;

- (1) Adding a provision that enables successors of lessees to be Hawaiian Homes Commission candidates and to vote in the election of commissioners; and
- (2) Making technical amendments for the purpose of clarity

Your Committee believes that an elected Hawaiian Homes Commission would be more truly representative of the beneficiaries of the Hawaiian Home Lands Trust, thereby making the Commission more responsive to the needs of its constituency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 952, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 397 Water, Land, and Hawaiian Affairs on S.B. No. 1303

The purpose of this measure is to re-start the four-year cycle to review the salaries of the Trustees of the Office of Hawaiian Affairs.

Testimony in support of the measure was received from the Office of Hawaiian Affairs. The Attorney General testified in support of the measure with amendments.

Testimony in opposition to the measure was received from the Hawaiian Political Action Council of Hawaii and the Spiritual Nation of Ku.

Your Committee finds that the process originally envisioned under Act 358, Session Laws of Hawaii 1993, was to initially have a salary commission appointed by the Governor prior to November 30, 1996, and in four-year increments thereafter. By the fortieth legislative day of the next regular legislative session, the salary commission would submit its recommendations for any trustee salary adjustments to the Legislature. Unfortunately, through inadvertence, the initial salary commission was not appointed and the four-year review cycle was never initiated. This measure attempts to remedy the problem by changing the appointment date of the initial salary commission from November 30, 1996, to November 30, 1998.

Testimony from the Attorney General noted, however, that the measure should have included a provision authorizing the Governor to appoint commissioners upon enactment to enable the commission to report to the Legislature by March 30, 1999.

Accordingly, your Committee has amended the measure by:

- (1) Adding a provision that authorizes the Governor to appoint salary commission members immediately so that the process of reviewing trustee salaries may begin this year;
- (2) Changing the dates to accommodate the immediate appointment of salary commissioners; and
- (3) Making technical, nonsubstantive amendments for the purpose of style and clarity.

Your Committee believes that the amended measure will provide for establishment of the salary review process originally envisioned under Act 358, Session Laws of Hawaii 1993.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1303, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun, Anderson).

SCRep. 398 Water, Land, and Hawaiian Affairs on S.B. No. 1635

The purpose of this measure is to sunset section 10-13.3, Hawaii Revised Statutes, relating to paying the Office of Hawaiian Affairs (OHA) a set interim revenue amount while the dispute over ceded land revenues between the State and OHA is being resolved.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, the Native Hawaiian Chamber of Commerce, the Hawaiian Political Action Council of Hawaii, and the Kukahi Coalition. A private citizen testified in support of the intent of the measure.

The Attorney General and a private citizen testified in opposition to the measure.

Your Committee finds that Act 329, Session Laws of Hawaii 1997 (Act 329), established a process to finally resolve the dispute over the pro rata share of ceded land revenues to which OHA is entitled. While the dispute was to be resolved, Act 329 provided for an interim revenue amount to be paid to OHA which was fixed at \$15,100,000 in each year of Fiscal Biennium 1997-1999. The interim revenue authorization, codified as section 10-13.3, Hawaii Revised Statutes, and Act 329, only provided specified amounts, and appropriated funds for that fiscal biennium.

Your Committee believes that a resolution to this longstanding dispute must be forged in the very near future in order for the State to be able to effectively plan for its financial future. Unfortunately, your Committee finds that the two parties are no closer to resolving this dispute than they were two years ago. To this end, your Committee believes that in order for any resolution to occur, a "safe" negotiating environment must be maintained.

In light of this belief, your Committee has amended the measure by deleting the proposed sunset of the interim revenue provision and inserted in its stead, provisions that;

- (1) Reconvene the Joint Committee established under Act 329 to resolve the ceded land revenue dispute between OHA and the State;
- (2) Require the Auditor to recommend the scope of the settlement negotiations, and then to coordinate the comprehensive inventory of ceded lands;
- (3) Extend the interim revenue paid to OHA and increase the amount to \$16,060,000 annually for the next two fiscal years; and
- (4) Appropriate moneys to fund the provision of interim revenue to OHA.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1635, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 399 Commerce and Consumer Protection on S.B. No. 194

The purpose of this measure is to establish a State income tax credit equal to fifty per cent of a taxpayer's long-term care insurance costs.

The Insurance Commissioner, the Hawaii State Commission on the Status of Women, the Hawaii State Association of Life Underwriters, and State Farm Insurance Companies presented testimony in support of the measure. The Hawaii Medical Services Association, the Hawaii Long Term Care Association, AssistGuide, Inc., and an individual, though not present at the hearing, submitted written testimony in support of the measure. The American Council of Life Insurance presented testimony in support of the measure with proposed amendments. The Department of Taxation presented comments on the measure.

Your Committee finds that Hawaii residents age seventy and older comprise the fastest growing segment of the State's population. As Hawaii's population ages and more residents require long-term care, the problem of how to finance such care becomes more urgent.

Long-term care services can cost an average of \$65,000 to \$75,000 for skilled nursing or intermediate care facilities, and nursing home costs often exceed a family's ability to pay. Additionally, seventy per cent of Medicaid payments in the State go towards nursing home care and the cost of paying for long-term care for indigent individuals creates a drain on the State's resources.

By providing taxpayers with a fifty per cent State income tax credit for long-term care insurance costs, this measure provides an incentive for individuals to purchase long-term care insurance during their younger years when premiums are more affordable.

Your Committee further finds that in order for premium payments to qualify for a federal income tax deduction under section 213 of the Internal Revenue Code, payments must be made for a "qualified long-term care insurance contract" as defined in section 7702B of the Internal Revenue Code. In order to ensure that premium payments also qualify for a federal tax deduction, your Committee has amended this measure by:

- (1) Providing that the tax credit shall be in an amount equal to fifty per cent of the premium costs paid during the taxable year for a qualified long-term care insurance contract as defined in section 7702B of the Internal Revenue Code that covers either the taxpayer, the taxpayer's spouse, the taxpayer's parent, or a dependent as defined in section 152 of the Internal Revenue Code; and
- (2) Deleting definitions from section 2 of this measure.

Your Committee has also made a technical, nonsubstantive amendment to the measure to conform it to preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 194, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 400 Commerce and Consumer Protection on S.B. No. 528

The purpose of this measure is to exempt health insurance offered under federally funded programs by insurers, mutual benefit societies, health maintenance organizations, and managed care plans from mandated coverage requirements.

The Department of Human Services, and The Insurance Commissioner presented testimony in support for this measure. The Hawai'i Early Intervention Coordinating Council presented testimony in opposition.

Your Committee feels that there is some uncertainty about whether federal program requirements prevail over mandated benefits within state insurance laws. This measure would clarify that certain federally funded programs, are exempt from these mandated benefits requirements.

It is not your Committee's intent to interfere with the benefits received by federal employees. Therefore, Your Committee has amended this measure to clarify that only those programs under the Social Security Act should be exempted.

Your Committee is concerned that certain benefits and rights may be compromised, but would like to pass the measure along for the purpose of continuing discussion.

Furthermore your Committee notes that the Insurance Division's regulatory role over fiscal solvency should not be affected by this measure and that a health insurer contracting with a federally funded program must still meet other requirements of the State's Insurance Laws.

As affirmed by the record of vote 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. 528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 528, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 401 Commerce and Consumer Protection on S.B. No. 651

The purpose of this measure is to make unsolicited or misleading transmission of electronic mail messages or the unsolicited transmission of facsimile messages an unfair or deceptive trade practice.

The Office of Consumer Protection of the Department of Commerce and Consumer Affairs presented testimony in support of the measure with proposed amendments. The Direct Marketing Association, Soc.Culture.Hawaii, and an individual presented testimony in support of the measure. Although not present, the Pacific Information Exchange, Inc., and an individual, submitted written testimony in support of the measure.

Your Committee finds that the number of unsolicited electronic advertisements, including unsolicited bulk e-mail (UBE) and unsolicited facsimile transmissions, have dramatically increased in recent years. Unlike traditional bulk postal mailings, these advertisements shift the cost of the advertising away from the advertiser, and onto the consumer, who indirectly pays for the advertising through loss of time due to overloaded, malfunctioning computer servers, or deteriorating and broken facsimile machines.

Unsolicited electronic advertising costs consumers in the United States between one hundred million and one billion dollars a year. Even so, few states have taken action against such advertising. Your Committee finds that it is in the public's interest to take action against unsolicited electronic advertisement.

Your Committee has amended this measure by deleting its contents and adding language which:

- (1) Establishes violations for misrepresenting information regarding point of origin or subject matter of an electronic message, or for using a third party's e-mail address (domain name) without authorization;
- (2) Provides immunity to interactive computer services from liability for blocking transmissions which they reasonably believe violate this measure;
- (3) Establishes violations for unsolicited facsimile machine transmissions;
- (4) Provides that violations of this measure constitute an unfair or deceptive act or practice actionable under Section 480-2, Hawaii Revised Statutes; and
- (5) Provides for treble damages to any person suffering harm due to a violation of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 402 Commerce and Consumer Protection on S.B. No. 656

The purpose of this measure is to establish a citizen review committee within the Department of Commerce and Consumer Affairs to review annually the activities of the Public Utilities Commission and advise the consumer advocate to ensure public participation in decisions.

The Hawai'i Green Party, Ho'olaulima O Palolo, Life of the Land, and Na Leo Pohai of The Outdoor Circle presented testimony in support of this measure. Three individuals, though not present, submitted written testimony in support of the measure. The Public Utilities Commission, the Consumer Advocate, GTE, Hawaiian Electric Company, Inc., The Gas Company, and Kauai Electric presented testimony in opposition.

Your Committee finds that there is strong public interest in utility projects that affect the health and wellbeing of their communities and families. Your Committee further finds that while there are means available to allow for public participation and input into the decisions made by the Public Utilities Commission, the process is burdensome, complicated, and difficult to follow.

Your Committee further finds that while the consumer advocate's role is to represent the people of this State, additional public participation is essential, especially in instances when the consumer advocate's position is not the same as the affected community. Your Committee would also provide the consumer advocate with a broader public perspective in the development of policy.

Your Committee has amended the measure to rename the citizen review committee the citizen advisory committee, and to make technical, nonsubstantive amendments.

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. 656, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 656, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 403 (Joint/Majority) Commerce and Consumer Protection and Labor and Environment on S.B. No. 792

The purpose of this measure is to clarify the automatic permit approval process established by Act 164, Session Laws of Hawaii 1998.

The Attorney General, the Environmental Center, and the Sierra Club, Hawaii Chapter presented testimony in support of this measure with amendments. The League of Women Voters presented testimony in support of the intent of this measure. Hawaii's Thousand Friends, although not present at the hearing, submitted testimony in support, and the Department of Planning and Permitting of the City and County of Honolulu, although not present at the hearing, submitted testimony supporting the intent of the measure with reservations.

The Department of Business, Economic Development, and Tourism, the Land Use Research Foundation of Hawaii, the Hawaii Business Roundtable, the Chamber of Commerce of Hawaii, Hawaiian Electric Company, and the Estate of James Campbell presented testimony in opposition. Although not present, the Hawaii Association of Realtors, the Hawaii Leeward Planning Conference, the AIA Hawaii State Council, the Building Industry Association of Hawaii, Hawaii Resort Developers Conference, the Pacific Resource Partnership, the Gentry Companies, and Grove Farm Company Incorporated submitted written testimony in opposition.

Your Committees find that there has not been sufficient time for departments affected by Act 164, Session Laws of Hawaii 1998, to implement the new permit processes. Thus, it is premature at this time to amend the automatic permit process established by this Act.

However, in order to facilitate further discussion, your Committees have amended this measure by replacing the contents of the measure with an amendment which clarifies that automatic permits will not be granted by a county or state agency relating to health or safety.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 792, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 792, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 6 (Bunda, Chumbley, Chun Oakland, Hanabusa, Ige, M., Matsuura).

SCRep. 404 Commerce and Consumer Protection on S.B. No. 813

The purpose of this measure is to authorize the issuance of special purpose revenue bonds and refunding special purpose revenue bonds to assist the gas utility in providing gas service to the general public.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, the Consumer Advocate, and The Gas Company.

Your Committee finds that the bonds authorized by this legislation, in the amount of \$19,600,000, will be used by The Gas Company to finance capital improvements to the underground transmission and distribution pipeline system. Your Committee also finds that the capital improvements proposed serve a public interest that is related to the general public health, safety, and general welfare of the citizens of this State.

Your Committee has amended this measure by changing the language for the refunding special purpose revenue bonds from "times subsequent to December 31, 1999", to "times subsequent to December 31, 2002", to clarify that refunding bonds may be issued after the lapse date of the measure for the issuance of bonds.

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. 813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 813, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 405 Commerce and Consumer Protection on S.B. No. 957

The purpose of this measure is to extend the deadline for submission of the Motor Vehicle Insurance Benefits Task Force's (Task Force) final recommendations for a comprehensive motor vehicle insurance plan.

The State Insurance Commissioner and the Consumer Lawyers of Hawaii presented testimony in support of the measure. State Farm Insurance Companies presented testimony reserving comment on the proposed extension and suggesting an amendment to the measure.

Act 251, Session Laws of Hawaii 1997, required that the Task Force review the State's motor vehicle insurance system and develop a comprehensive plan to reduce costs, pay for the cost of motor vehicle insurance or benefits, maximize coverage and benefits, and alleviate the uninsured motorists problem. The Act further required the Task Force to submit its final recommendations to the Legislature and the Governor no later than twenty days before the convening of the 1999 Legislature.

Your Committee finds that several motor vehicle insurance issues remain, which preclude the Task Force from developing and issuing its final recommendations. The following reasons justify an extension of the deadline to June 30, 2000:

- (1) The State Actuary's analysis indicates that motor vehicle insurance premium rates are decreasing as a result of reform measures effected by Act 251. However, due to an eighteen month lag in the availability of earned premium data, the information necessary to accurately assess the impacts of the Act on premium rates will not be available until mid-1999;
- (2) The implementation of the Honolulu Police Department's mobile data terminal system, scheduled for the fall of 1999, may render a comprehensive data base system unnecessary;
- (3) The impact of prepaid health care insurers offering optional personal injury protection coverage requires further study before allowing health insurers to compete with auto insurers in this market; and
- (4) An expert report on a per gallon fuel surcharges, which is necessary to consider a statewide pay-at-the-pump model of insurance, remains forthcoming.

Upon careful consideration, your Committee has amended section 2 of this measure, adding a requirement that the Task Force's comprehensive plan balance the maximum coverage and benefits for victims of motor vehicle accidents with the lowest possible cost for purchasers of motor vehicle 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. 957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 957, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 406 Commerce and Consumer Protection on S.B. No. 970

The purpose of this measure is to clarify that bail bond rates are not subject to insurance rate filing requirements.

The Professional Bail Agents Association presented testimony in support of the measure. The Insurance Commissioner (Commissioner), though not present at the hearing, submitted written testimony expressing no opposition to the measure provided that the premium rate allowed under the bail law does not exceed fifteen per cent.

Your Committee finds that presently, premium rates for bail bonds are established and regulated in two different sections of the law. Chapter 431, Hawaii Revised Statutes (HRS), governs the rates for a surety insurance bond, while chapter 804, HRS, governs the rates for all other types of bail bonds. These differing rate requirements have created confusion among bail bondspersons, attorneys,

and the public. This measure provides that bail bonds issued pursuant to section 804-62, HRS, are not subject to the rate filing requirements of section 431:14-104, HRS.

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. 970 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 407 Commerce and Consumer Protection on S.B. No. 1127

The purpose of this measure is to establish a health insurance revolving fund to be administered by the Insurance Commissioner.

The Insurance Commissioner and the American Association of Retired Persons presented testimony in support of this measure. State Farm Insurance and the Hawaii Medical Services Association presented testimony in support of the measure with proposed amendments.

Your Committee finds that the Insurance Division needs specialized staff to monitor and regulate the health care industry. Your Committee further finds that, like the motor vehicle industry, the health care industry should pay to cover the costs associated with the work performed on their behalf by the Insurance Division. This measure would establish a special fund for this purpose.

Your Committee heard several measures which propose to assess certain health insurers for staff and other costs of regulating health insurance. Your Committee is concerned that total funding for health insurance regulation may become confusing if various amounts are proposed through different measures. Accordingly, your Committee has amended this measure to indicate a sum which reflects the total cost to regulate health insurance and fund various programs related to health insurance.

Specifically, your Committee has included funding from S.B. No. 1452 and S.B. No. 131 so that your Committee on Ways and Means understands the total cost for health insurance regulation. Although this amount seems high, the assessment is necessary in order to directly help the health insurance industry deal with unscrupulous competitors and provide the consumer with a higher degree of protection.

Finally, your Committee finds that the motor vehicle insurance revolving fund should be reimbursed by the health insurers for costs used from the fund to date to pay for the regulation and monitoring of the health insurance industry. Therefore, your Committee has also amended this measure by adding a new section that would authorize the Insurance Commissioner to assess health insurers to reimburse the motor vehicle insurance revolving fund.

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 is in accord with the intent and purpose of S.B. No. 1127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1127, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 408 Commerce and Consumer Protection on S.B. No. 1145

The purpose of this measure is to allow the Department of Commerce and Consumer Affairs (DCCA) greater flexibility in the management of its funds in order to support its goal of fiscal self-sufficiency.

DCCA presented testimony in support of this measure.

Over the last four years, general fund support for DCCA's programs has declined significantly and the department has moved steadily towards fiscal self-sufficiency. This measure continues that trend by combining moneys from the Cable Television Fund, Division of Consumer Advocacy Fund, Financial Institution Examiners' Revolving Fund, Special Handling Fund Special Fund, and revenues, fees, and fines collected by the business registration and professional and vocational licensing divisions into the Compliance Resolution Fund (CRF).

The consolidation of the abovementioned funds will provide DCCA with the flexibility it requires to be self-supporting. The department will continue to account for all sources of funding separately in order to track each division's revenues against its expenses.

Additionally, this measure:

- (1) Removes a reference to the Director of DCCA as the Commissioner of Securities since the law authorizes the Director to appoint the Commissioner;

- (2) Eliminates the requirement that the fees for the CRF bear a reasonable relationship between the fee revenues and the cost or value of services rendered since limitations on fees will be maintained in the statutory provisions authorizing the various revenues being combined into the CRF;
- (3) Amends the definition of "compliance resolution" to clarify the CRF's purpose as a department-wide funding source and to allow for greater flexibility in the use of CRF funds;
- (4) Exempts the department's special funds from administrative assessments; and
- (5) Clarifies that any special or revolving fund established by any Act of the 1999 Regular Session should not be included in the CRF.

Your Committee has made technical, nonsubstantive amendments to this measure and conformed it to preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1145, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 409 (Joint) Commerce and Consumer Protection and Health and Human Services on S.B. No. 1160

The purpose of this measure is to amend Hawaii's Uniform Controlled Substance Act to conform to changes in federal and State law.

The Department of Public Safety presented testimony in support of and proposed amendments to the measure. The Honolulu Police Department, the Dietary Supplement Safety and Science Coalition, and Longs Drug Stores presented testimony in support of the measure's intent. The Office of the Public Defender presented comments on the measure.

The Hawaii Medical Association, though not present at the hearing, submitted written testimony proposing an amendment to the measure. The Hawaii Academy of Physician Assistants, the Nonprescription Drug Manufacturers Association, and the Hawaii Nurses' Association presented testimony in opposition to certain provisions in the measure and proposed amendments to the measure.

Some of the amendments to the State's Uniform Controlled Substance Act proposed by this measure include:

- (1) Extending the requirements relating to prescriptions to mid-level practitioners;
- (2) Increasing record retention periods;
- (3) Standardizing the paper size requirements for prescriptions;
- (4) Expanding the list of chemicals subject to mandatory reporting requirements;
- (5) Establishing reporting requirements for suspicious purchases of exempt items and tableting or encapsulating machines;
- (6) Removing the exemption for ephedrine products, but creating an exception for dietary supplements containing ephedrine alkaloids extracted from the plant Ephedra;
- (7) Establishing penalties for sellers of ephedrine products who make certain claims about the product's effects; and
- (8) Increasing the penalties for the sale or distribution of a regulated chemical without a permit or by a person convicted for the second time of a violation of section 329-67, Hawaii Revised Statutes, and increasing the level of offense for other illegal acts.

Your Committees find that the amendments to the State's Uniform Controlled Substance Act proposed by this measure will create consistency between federal and State requirements, assist law enforcement in the investigation of drug-related offenses, and strengthen the enforcement of the drug laws.

Upon careful consideration, your Committees have amended this measure by:

- (1) Deleting the provisions in section 4 of this measure establishing prescription requirements for mid-level practitioners registered to prescribe controlled substances under the authorization of a supervising physician and making corresponding deletions of the definitions for "mid-level practitioners" and "supervising physician";
- (2) Deleting sections 5 and 6 of this measure;

- (3) Requiring that a record of transactions involving the sale, transfer, or furnishing of an encapsulating or tableting machine be kept for two years;
- (4) Clarifying that regulated transactions required to be reported to the administrator of the Narcotics Enforcement Division of the Department of Public Safety (administrator) are those involving chemicals of an above threshold, suspicious, or out of the ordinary quantity;
- (5) Requiring all single entity ephedrine transactions to be reported to the administrator to coincide with the removal of ephedrine products from the exemption provision;
- (6) Establishing an exception to the reporting requirement for certain transactions involving any over-the-counter drug product containing pseudoephedrine or norpseudoephedrine of a certain quantity;
- (7) Increasing the retention period for filled prescription records from two years to five years; and
- (8) Making technical, nonsubstantive amendments, and amendments to conform this measure to preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1160, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1160, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Levin, Matsuura, Anderson).

SCRep. 410 Commerce and Consumer Protection on S.B. No. 1176

The purpose of this measure is to eliminate the duplicate taxation of single-member limited liability companies.

Specifically, the measure exempts single-member limited liability companies recognized under Chapter 428, Hawaii Revised Statutes, that, for state and federal income tax reporting purposes:

- (1) Has no registration or filing requirements separate and apart from the member;
- (2) Is subject to the requirement that all items of income, deduction, and credit are to be reported by the member; and
- (3) Is an entity that is disregarded as an entity separate from the member;

from the licensing, registration, or filing requirements; provided that the member is licensed and pays the appropriate general excise tax on the gross income derived by the limited liability company.

The Departments of Taxation and Commerce and Consumer Affairs presented testimony in favor of the measure. A Hawaii attorney, although not present, submitted written testimony in favor of the measure. The Tax Foundation submitted comments on the measure.

Your Committee finds that the measure will make the general excise tax treatment of single-member limited liability companies consistent with tax treatment under state and federal income taxes. Your Committee further finds that the measure would reduce the general excise tax licensing burden on single-member limited liability companies, thereby making it a more attractive means of organizing a business.

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. 1176 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 411 (Joint) Commerce and Consumer Protection and Health and Human Services on S.B. No. 1452

The purpose of this measure is to amend the Hawaii Patient Bill of Rights and Responsibilities Act as recommended by the Patient Rights and Responsibilities Task Force (Task Force).

The Hawaii Health Information Corporation and the AARP presented testimony in support of the measure. The Hawaii Nurses' Association and the Task Force's Access to Services Subcommittee, though not present at the hearing, submitted written testimony in support of the measure.

Testimony in support of the measure, but requesting amendments thereto was presented by the following: the Insurance Commissioner (Commissioner), the Legal Aid Society of Hawaii, Kaiser Permanente, the Hawaii Medical Association, the Hawaii

Medical Services Association, the University Health Alliance, and the Hawaii Insurers Council. The Hawaii Coalition for Health, though not present at the hearing, submitted written testimony in support of the measure with proposed amendments. State Farm Insurance Companies presented testimony in support of certain provisions and in opposition to other provisions of the measure.

Act 178, Session Laws of Hawaii 1998, established the Hawaii Patient Bill of Rights and Responsibilities Act (Act) that established certain rights and protections for enrollees in managed care plans. Additionally, Act 178 required the Commissioner to convene a task force comprised of members from the public and private sectors to review laws relating to patient rights and responsibilities, determine whether further action was required to protect patients under the Act, and report its findings and recommendations to the 1999 Legislature.

This measure implements the Task Force's recommendations. Some of the key recommendations included in this measure:

- (1) Establish a health insurance revolving fund and authorize appropriations out of the fund to pay for medical experts and to fund educational activities;
- (2) Require the accreditation of managed care plans;
- (3) Clarify review hearing rights, procedures, and standards in the case of an appeal to the Commissioner from a managed care plan's adverse decision;
- (4) Strengthen the enrollee information requirements for managed care plans; and
- (5) Establish detailed requirements for a health plan's provision of emergency services.

Your Committees find that the recommendations proposed by the Task Force will further strengthen patients' rights in the area of health care.

Your Committees are aware that various amendments have been proposed to this measure by several of the groups that presented testimony. Although your Committees are passing this measure out in its original form, it is your Committees' intent that there be further consideration of these proposed amendments as the measure moves through the legislative process.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1452 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Levin, Matsuura, Anderson).

SCRep. 412 (Joint/Majority) Commerce and Consumer Protection and Economic Development on S.B. No. 1513

The purpose of this measure is to protect consumers from risk of financial loss caused by making advance purchases for charter tours.

The Department of Commerce and Consumer Affairs (DCCA) presented testimony supporting the measure's intent, but expressed concerns about the burdensome nature of the application and monitoring requirements and the disparate treatment accorded existing charter tour operators and new applicants. Boyd Gaming presented testimony in support of the measure.

Your Committees find that although current law requires travel agents to maintain a client trust account, there is no mechanism for detecting non-compliance with this requirement. Moreover, public concern was raised when one tour operator left hundreds of consumers, who paid in advance for tours, with little or no recourse after the tour operator filed bankruptcy. This measure offers a solution by providing greater regulatory oversight of certain charter tour operators.

This measure proposes to regulate any person who offers or sells travel tours by requiring: licensing; scheduled financial performance audits; maintenance of accounting books; minimum asset reserves; the reporting and filing of certain information; and, penalties for violations of the law.

After careful consideration of the testimony presented, your Committees have amended this measure by requiring:

- (1) Travel tour operators to register as a travel agency in lieu of establishing a separate licensing program;
- (2) Travel tour operators to maintain a separate client trust account;
- (3) A bond or irrevocable letter of credit if the travel tour operator sells more than six tours a year;
- (4) The filing of quarterly reports prepared by an independent CPA to show compliance; and
- (5) The travel tour operator to bear the costs for any necessary audits.

Your Committees have also amended this measure by permitting the DCCA to issue citations, impose fines, and issue cease and desist orders for noncompliance with laws proposed by this measure, as amended.

Your Committees believe that these amendments provide sufficient regulatory oversight without imposing any unnecessary or burdensome regulations on charter tour operators.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1513, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1513, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Slom). Excused, 3 (Bunda, Ige, M., Matsuura).

SCRep. 413 Commerce and Consumer Protection on S.B. No. 1580

The purpose of this measure is to require health care providers to be licensed if providing benefits under the motor vehicle insurance law.

The measure also provides for investigative and containment policies for the overutilization of treatments by these health care providers.

Testimony in support of this measure was presented by the Department of Commerce and Consumer Affairs. The Hawaii Insurers Council and State Farm Insurance Companies presented testimony in support of the intent of this measure. Opposing testimony was presented by the Consumer Lawyers of Hawaii. The Hawaii Medical Association and Dwyer, Imanaka, Schraff, Kudo, Meyer, and Fujimoto, Attorneys at Law, although not present, submitted written testimony in opposition.

Your Committee finds that while it is evident that there is a need to make more effective the process of dealing with providers who continually overutilize and overprescribe treatments and procedures, your Committee believes that the process for the resolution of this issue needs to be improved.

There is a growing use of independent bill reviewers administrators (IBRs) by insurers for the evaluation of providers' billing submissions. IBRs, in general, are independent contractors hired by insurers to review providers' submissions of codings and bills. They review and recommend to insurers whether the submissions should be accepted or rejected.

Your Committee further finds that the Department of Commerce and Consumer Affairs has been receiving complaints from providers that the IBRs, because of their discretionary power, have been exercising harsh and unreasonable tactics, thereby causing the providers to withdraw from the workers' compensation and motor vehicle insurance markets.

While not all IBRs perform their work in this alleged fashion, your Committee believes that their work must be regulated, as the use of IBRs are becoming standard industry practice.

Accordingly, your Committee has deleted section one and amended this measure to ensure that:

- (1) IBRs are licensed by the Department of Commerce and Consumer Affairs Insurance Division; and
- (2) IBRs are not allowed to be paid on a contingency fee basis.

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. 1580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1580, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 414 Commerce and Consumer Protection on S.B. No. 236

The purpose of this measure is to prevent consumers who participate in prize drawings from being misled or deceived regarding their prospects of winning a prize.

Specifically, this measure prohibits the offering of a prize in a drawing or other contest of chance unless the offeror has provided written representation to the offeree that the prize may not be awarded. The measure also provides that a consumer injured by a violation of the written representation requirement may sue for treble damages and attorneys' fees and costs.

The Department of Commerce and Consumer Affairs testified in support of the measure and proposed amendments to clarify its scope. The Legislative Information Services of Hawaii, though not present at the hearing, submitted written comments, including proposed revisions.

Your Committee finds that a recent event in the State in which contest organizers failed to award a prize of real property to any of the individual contestants has brought to your Committee's attention the potential for future consumer deception in drawings or other contests of this nature.

Your Committee received testimony that it would be inappropriate to create a blanket notice requirement for all contests since many retailers, restaurants, hotels, and charitable organizations use contests as a promotional tool and prizes are awarded in a majority of these contests. Testimony also noted that the language establishing a consumer's right to sue for damages and attorneys' fees and costs is unnecessary since victims of these violations, deemed unfair or deceptive acts or practices, may already sue for treble damages and attorneys' fees and costs under section 480-13, HRS. Your Committee was also advised that other states have banned the offering of real property as prizes.

Upon careful consideration of all the testimony, your Committee has amended this measure by:

- (1) Requiring that the written disclosure provided to offerees in a contest or sweepstakes be made in a conspicuous manner prior to the acceptance of the offeree's entry and disclose:
 - (A) That some or all of the prizes may not be awarded; and
 - (B) The date or dates on which a determination of winners will be made; and
- (2) Removing language allowing a consumer injured by a violation of the disclosure requirement to sue for damages and attorneys' fees and costs; and
- (3) Prohibiting the offering of real property as a prize.

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. 236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 236, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 415 Commerce and Consumer Protection on S.B. No. 509

The purpose of this measure is to establish a dietitian licensing program within the Department of Commerce and Consumer Affairs (DCCA).

Testimony supporting the measure was presented at the hearing by representatives of the Hawaii Dietetic Association, the Queen's Medical Center, and four individuals.

Written testimony in support of the measure was submitted by the National Kidney Foundation of Hawaii, the American Dietetic Association, the Kauai Rural Health Association, the Pacific Health Research Institute, the Hawaii Society for Parenteral and Enteral Nutrition, St. Francis Healthcare System of Hawaii, St. Francis Medical Center, Samuel Mahelona Memorial Hospital, Island Nursing Home, Molokai General Hospital, Kaiser Permanente Hawaii Region, Koloa Chiropractic Clinic, Leeward Radiation Oncology, Nutrition Entrepreneurs, Wilcox Health System, and fifty-nine individuals.

The DCCA Professional and Vocational Licensing Division, and one individual testified at the hearing in support of the measure with amendments.

Testimony in opposition to the measure was presented at the hearing by two individuals. Written testimony in opposition to the measure was received from seventy-two individuals.

Your Committee finds that the Auditor's 1995 Sunrise Review of Nutritionists/Dieticians recommended against licensure for this group because the lack of regulation does not pose a threat to public health or safety. Regulation, to become a viable element of consumer protection, must demonstrate that it unequivocally meets a public need and will serve the interests of the public over those of the profession.

Your Committee also finds that the practice of dietetics is a subset of the practice of nutrition. Many allied health and fitness professionals include nutrition practices as a component of their services. Limiting the practice of nutrition to dieticians would adversely impact many businesses in Hawaii.

However, your Committee believes that there is justification for some form of certification of dieticians which identifies the education and qualifications of the dietician.

Your Committee has amended this measure by:

- (1) Changing "licensing" to "certification" and "licensed" to "certified" throughout;

- (2) Changing the licensing requirements to a certification process;
- (3) Replacing the purpose section with language that focuses on the regulation, public health and safety, protection, and professional conduct with regard to dietetic services;
- (4) Adding a definition of "dietetic practice";
- (5) Changing the definition of "dietician" to "certified dietician";
- (6) Deleting the definition of "medical nutrition therapy";
- (7) Deleting the exemption from the licensing requirements for the initial members of the advisory committee within the "powers and duties of the director" section;
- (8) Reordering sections; and
- (9) Making technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 509, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 416 Commerce and Consumer Protection on S.B. No. 746

The purpose of this measure is to allow the chairpersons and members of the Labor and Industrial Relations Appeals Board, the Hawaii Labor Relations Board, and the Public Utilities Commission to become Class A contributory members of the Employees Retirement System.

Your Committee received general comments on the measure from the Employees Retirement System.

Your Committee finds that the measure excludes the executive directors of the Labor and Industrial Relations Appeals Board and the Hawaii Labor Relations Board from Class A contributory membership and replaces in their stead the chairpersons and members of the respective boards. Additionally, the measure provides the chairperson and members of the Public Utilities Commission with Class A contributory membership.

Your Committee believes that the provision of these retirement benefits is consistent with those of other public sector employees in similar appointed capacities.

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. 746 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 417 Commerce and Consumer Protection on S.B. No. 777

The purpose of this measure is to clarify certain provisions of the alternate power of sale foreclosure law and to effect substantive changes to other provisions of the law by removing certain requirements.

The Department of Commerce and Consumer Affairs presented testimony in support of certain provisions of the measure and in opposition to other provisions. The AARP Hawaii State Legislative Committee presented testimony in opposition to the deletion of the public information requirement. The Legal Aid Society of Hawaii, though not present at the hearing, submitted written testimony in opposition to the measure.

The Hawaii Financial Services Association and the Community Associations Institute presented testimony in support of the measure. The Hawaii Association of Realtors presented testimony in support of the measure's intent. The Hawaii Credit Union League, Security Title Corporation, First American Long and Melone Title Company, Ltd., the Hawaii Council of Associations of Apartment Owners, and three law firms, though not present at the hearing, submitted written testimony in support of the measure. An individual, though not present at the hearing, submitted written comments on the measure.

This measure makes certain clarifying amendments to the alternate power of sale foreclosure law by omitting the term "guarantor" which is a redundancy because the term "borrower" includes a guarantor, and by requiring that a public notice of a public sale be mailed or delivered, rather than "sent". Your Committee finds, however, that other provisions in this measure effect material changes to the law that remove certain consumer protection features from the foreclosure process.

This measure removes the requirements that a foreclosing mortgagee conduct two open houses of the mortgaged property before the public sale, that the mortgagor sign the document conveying title to the purchaser at a foreclosure auction, and that the foreclosing mortgagee develop public information materials about the alternate power of sale foreclosure process. The latter requirement is replaced by a requirement that the mortgagee place a warning in the mortgage agreement regarding the risk of foreclosure upon default.

Your Committee finds that an open house requirement ensures that mortgagors with equity in their property have an opportunity to show the property and maximize its sale potential. Your Committee further finds that the language proposed in lieu of the public information requirement is inadequate to protect consumers. The language provides no specifics about the alternate power of sale foreclosure process, and is not required to be conspicuously placed or acknowledged. Your Committee further finds that the substantive changes to the foreclosure law effected by this measure would create an imbalance in the foreclosure process that favors the lender.

Therefore, upon careful consideration of the testimony presented, your Committee has amended this measure by:

- (1) Deleting sections 3 and 4 which would have deleted the requirement of two open houses, and making conforming amendments to sections 2 and 6 in order to retain the open house requirement;
- (2) Deleting section 5 in order to retain the requirement that the mortgagor or borrower sign the conveyance document;
- (3) Deleting section 7 relating to power of sale, and retaining the public information requirement;
- (4) Amending section 667-41, Hawaii Revised Statutes (HRS), to require that the Office of Consumer Protection (OCP) approve any informational materials developed by a foreclosing mortgagee;
- (5) Amending section 667-22, HRS, to require that the foreclosing mortgagee provide informational materials with the first notice of default; provided that if the mortgagee has not yet developed informational materials that have been approved by the OCP, the mortgagee shall provide a copy of the alternate sale of foreclosure law with the notice of default;
- (6) Amending the purpose section of this measure to conform to the above amendments; and
- (7) Making technical, nonsubstantive amendments.

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. 777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 777, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Matsuura).

SCRep. 418 Commerce and Consumer Protection on S.B. No. 828

The purpose of this measure is to prohibit businesses from charging women differently from men for similar services.

The Commission on the Status of Women and the Hawaii Civil Rights Commission presented testimony in support of the measure.

Your Committee finds that existing law already prohibits any business from discriminating against any person based on gender. This measure specifically prohibits businesses from discriminating, with respect to the price charged for services of the same or similar nature, against a person based on gender.

Your Committee believes that although existing law already prohibits such practices, further clarification is needed to ensure that the practice of inequitable pricing based solely on gender is not perpetuated.

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. 828 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 419 Commerce and Consumer Protection on S.B. No. 948

The purpose of this measure is to allow eligible retired beneficiaries of the Public Employees' Health Fund (Health Fund) to participate in a supplemental plan to Medicare Part B offered by an employee organization.

The measure accomplishes this by authorizing the Health Fund to pay Medicare Part B reimbursements to retired employee-beneficiaries and their spouses who are enrolled in a supplemental plan managed by a separate employee organization.

Testimony in support of the measure was received from the Hawaii State Teachers Association. The Department of Budget and Finance testified in opposition to the measure. The Public Employees' Health Fund provided comments on the measure.

Your Committee finds under existing law, retirant-beneficiaries of the Public Employees' Health Fund who choose to subscribe to another organization's supplemental plan to Medicare Part B are not eligible to receive the same supplemental moneys provided to retirant-beneficiaries who contract their supplemental plan to Medicare Part B from the Health Fund.

Your Committee believes that the measure will help in addressing the anti-competitive nature of the Health Fund in that it will encourage retired employee-beneficiaries to enroll in employee organization health plans. The resultant effect will be an exodus of older members of the Health Fund who, because of their age, cost the Health Fund more to insure. Consequently, the loss of older members will lower health plan costs for the younger members who remain.

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. 948 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 420 Commerce and Consumer Protection on S.B. No. 1129

The purpose of this measure is to require insurance agents to complete an approved continuing education course in order to renew a license.

This measure also:

- (1) Creates an insurance licensing administration special fund to pay for expenses of the Insurance Commissioner relating to licensing and continuing education of insurance agents; and
- (2) Increases the licensing fees for insurance agents and insurance companies.

Testimony in support of this measure was presented by the Insurance Commissioner, State Farm Insurance Companies, Hawaii State Association of Life Underwriters, and Hawaii Independent Insurance Agents Association.

Your Committee finds that the lack of a continuing education program has put local agents and solicitors at a disadvantage because their licenses are not entitled to reciprocity in other states, and they cannot sell insurance products in other states.

This measure would establish new licensing guidelines for all insurance agents that include continuing education credit requirements. However, your Committee notes a concern regarding the provision requiring an automatic appropriation of a portion of the moneys credited to the fund each year for continuing education expenses of the Insurance Commissioner. No other state fund is allowed such automatic appropriation, as the appropriation process is the legislature's power of oversight.

Accordingly, your Committee has amended this measure by deleting the automatic appropriation provision and by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1129, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Matsuura).

SCRep. 421 (Joint) Commerce and Consumer Protection and Education and Technology on S.B. No. 1238

The purpose of this measure is to transfer to the Department of Commerce and Consumer Affairs the responsibility for the licensing and regulation of schools for acupuncture, barbering, cosmetology, massage, and real estate.

The Department of Education (DOE) presented testimony in support of the measure's intent. The Department of Commerce and Consumer Affairs (DCCA) presented testimony in opposition to the measure and proposed amendments. An individual not present at the hearing submitted written testimony on the measure.

Currently, the DOE has jurisdiction over the licensing and regulation of private trade, vocational, or technical schools, subject to certain exceptions. This measure proposes to establish responsibility for the licensing and regulation of acupuncture, barbering, cosmetology, massage, and real estate with the respective profession's licensing body within the DCCA.

Your Committees find that certain provisions in this measure are flawed or redundant for the following reasons:

- (1) Effective September 1, 2000, only acupuncture schools accredited by the Accreditation Commission for Acupuncture and Oriental Medicine will be recognized by the Board of Acupuncture and the Board's recognition of DOE-licensed trade schools will become obsolete. Since DOE licensure will no longer be necessary, a transfer of the oversight for licensing acupuncture schools to the Board of Acupuncture is similarly unnecessary;
- (2) The DCCA, through the Real Estate Commission, already licenses and regulates real estate schools; and
- (3) The DCCA, through the Board of Barbering and Cosmetology, already licenses and regulates cosmetology schools.

Upon careful consideration of all the testimony presented, your Committees have amended this measure by:

- (1) Deleting from the purpose section (section 1) and section 12 of this measure relating to the licensing of private trade schools, references to acupuncture, cosmetology, and real estate;
- (2) Deleting sections 2 and 3 of this measure relating to the licensing and regulation of acupuncture practitioner schools;
- (3) Deleting sections 6 and 7 of this measure relating to the licensing and regulation of beauty operator schools;
- (4) Deleting sections 10 and 11 of this measure relating to the licensing and regulation of real estate schools;
- (5) Deleting section 13 of this measure which makes the unlicensed operation of an acupuncture practitioner school a misdemeanor;
- (6) Deleting section 15 of this measure which establishes penalties for the unlicensed operation of a beauty operator school;
- (7) Deleting section 17 of this measure which establishes a penalty for a violation of chapter 467, Hawaii Revised Statutes, by a real estate school;
- (8) Requiring the DCCA to conduct an assessment on the need for the regulation of barbering and massage therapy schools, and the resources and legislation required to implement regulation, and to report its findings to the 2000 Legislature;
- (9) Extending the effective date for licensing and regulating massage and barbering schools to January 1, 2001, with the rest of the bill effective upon approval; and
- (10) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1238, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1238, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Chumbley, Hanabusa, Matsunaga, Matsuura).

SCRep. 422 Commerce and Consumer Protection on S.B. No. 1287

The purpose of this measure is to provide identifiable employee-beneficiaries of the Public Employees' Health Fund (Health Fund) who contributed moneys to the Health Fund in years where an excess was collected with a rate credit.

The measure also enables the Health Fund to utilize the excess available funds to subsidize health plan costs.

Testimony in support of the measure was received from the Public Employees' Health Fund.

Your Committee finds that the Health Fund currently has an available balance of \$17,723,841 in employee contributions that are in excess of the needs of the Health Fund. Under existing law, the Health Fund does not have the authority to rebate this money back to the employee-beneficiaries who contributed to the fund. Additionally, the Health Fund is holding \$1,459,996 in employer contributions that could be refunded to the public employers if this measure was enacted.

Your Committee has amended the measure by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1287, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 423 Commerce and Consumer Protection on S.B. No. 1294

The purpose of this measure is to require eligible employee-beneficiaries of the Public Employees' Health Fund and their spouses to enroll in the Federal Medicare Part B insurance program.

The measure accomplishes this by mandating enrollment upon penalty of an employee-beneficiary being excluded from receiving contributions for a supplemental insurance plan and from participating in Public Employees' Health Fund benefit plans. The measure also enables the Public Employees' Health Fund to grant exceptions on a case-by-case basis for those employee-beneficiaries who are either ineligible or otherwise not able to enroll in Medicare Part B coverage.

Testimony in support of this measure was submitted by the Public Employees' Health Fund.

Your Committee finds that requiring eligible employee-beneficiaries of the Public Employees' Health Fund and their spouses to enroll in the Federal Medicare Part B insurance program will result in reduced costs to the Health Fund as well as to public employers.

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. 1294 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 424 (Joint) Health and Human Services and Commerce and Consumer Protection on S.B. No. 1235

The purpose of this measure is to establish a temporary Governor's Task Force on Alternative Medicine.

The Department of Health presented testimony in support of the measure's intent, but recommended that in lieu of establishing a Task Force, the State continue to seek information about alternative medicine through national and local organizations. The Insurance Commissioner, though not present at the hearing, submitted written testimony supporting the measure's intent and proposing that the alternative medicine issue be reviewed by the Patient Rights and Responsibilities Task Force.

The Hawaii Nurses' Association presented testimony in support of the measure and proposed an amendment to add a professional nursing representative to the Task Force. Two individuals presented testimony in support of the measure and proposed an amendment to include naturopathic physicians on the Task Force. The Hawaii Medical Services Association, although not present at the hearing, submitted written testimony supporting the measure and proposing that a health plan representative be added to the Task Force.

Your Committees find that a growing number of individuals seeking treatment for a variety of medical conditions, including HIV, cancer, arthritis, and back pain often turn to alternative forms of treatment such as folk medicine, herbal medicine, diet fads, homeopathy, faith healing, new age healing, chiropractic, acupuncture, naturopathy, massage, aroma therapy, and music therapy. Your Committees further find that certain alternative medical treatments, such as acupuncture, have achieved greater medical acceptance than other types of treatment, and that the record of treatment effectiveness in the field of alternative medicine is uneven.

This growth in the use of alternative forms of medical treatment affects consumers, providers, and insurers, alike. Your Committees believe that there is extensive research on the efficacy of alternative medicine available to the Task Force. The primary focus of the Task Force, then, should be to examine the various forms of alternative medicine and make recommendations to the Governor and the Legislature regarding the ways to stimulate growth of alternative medicine.

Your Committees have amended this measure by:

- (1) Revising the make-up of the membership of the Task Force to add two members representing health insurers, and representatives of nurses and naturopaths;
- (2) Deleting the requirement that the Task Force examine the efficacy or ineffectiveness of alternative medicine; and
- (3) Making technical, nonsubstantive amendments for clarity and to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Health and 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. 1235, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1235, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Fukunaga, Ihara, Levin, Matsuura).

SCRep. 425 Health and Human Services on S.B. No. 843

The purpose of this measure is to make an appropriation for the rehabilitation of members of youth gangs.

Your Committee received testimony in support of this measure from the Department of Human Services, the Adult Friends for Youth representatives from five high schools on Oahu, and three individuals associated with it.

The prevailing view of youth gangs is that they are a menace to society, whether they are making graffiti, committing thefts, using and selling drugs, possessing weapons, or engaging in violent conduct. Most of these acts are criminal and the juveniles are considered to be law violators by the family courts. Gang members appear to be aware that their lives are precarious, while they hope for something better they are still uncertain about what to do to improve their lives. The legislature finds that there are private programs that can help gang members to turn their lives around for the better.

Your Committee has amended this measure by:

- (1) Deleting a reference to the Adult Friends for Youth;
- (2) Deleting a paragraph relating to the National Resource Center for Youth Services;
- (3) Deleting a paragraph stating that the State has no rehabilitation plan or program;
- (4) Clarifying that the funds are to be used by the Office of Youth Services to partner with nonprofit, youth service organizations; and
- (5) Changing the appropriation to be allocated over the next two fiscal years at \$500,000 a year.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 843, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 426 Health and Human Services on S.B. No. 47

The purpose of this measure is to eliminate, reduce, or alleviate the general excise tax on certain health care services.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, Central Oahu Physician Hospital Organization, and Wahiawa Hospital Association which presented a petition with numerous signatures. Informational testimony was presented by the Tax Foundation of Hawaii. The Department of Taxation submitted testimony that commented on the measure.

Your Committee finds that this measure is intended to alleviate the imposition of the general excise tax on health care services in recognition of the reshaping of the health care delivery system through a system of managed care and medical consultation through telecommunications. By reducing or eliminating the general excise tax when the services are sold to a foreign patient or provided in a site out of the State, this measure enables Hawaii to become a center for health care in the Pacific Rim. It also clarifies the taxation of the various formations and relationships in the health field.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 47 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. 427 (Joint) Health and Human Services and Education and Technology on S.B. No. 1196

The purpose of this measure is to make an appropriation for drug treatment, counseling, and intervention services at King Intermediate School.

Your Committees received testimony in support of this measure from the Department of Education (DOE), Department of Health (DOH), Governor Samuel Wilder King Intermediate School (King Intermediate), Alcoholic Rehabilitation Services of Hawaii, Inc., seventeen teachers and staff at King Intermediate, and a private citizen.

Your Committees find that there is a critical need for drug treatment, counseling, and intervention services at the intermediate school level in schools such as King Intermediate. The program at King Intermediate is operated by Teen Care, which has many substance abuse treatment, counseling, and intervention programs in the high schools.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1196 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Matsunaga, Tam, Anderson).

SCRep. 428 (Joint) Health and Human Services and Judiciary on S.B. No. 601

The purpose of this bill, as received by your Committees, is to establish a substance abuse policy council within the Office of the Governor to develop statewide policy regarding education, prevention, and treatment programs.

Your Committees find that substance abuse and its attendant problems has risen to a level of epidemic proportion that needs to be addressed in a comprehensive manner within our State. However, your Committees note that statewide policy and interagency collaboration is non-existent, and the efforts of the several state agencies to address substance abuse have been fragmented. In order to effectively address this growing problem and eliminate fragmentation of the State's efforts, your Committees believe that there is an urgent need to establish a state-level integrated policy council to develop statewide policy and identify funding sources for substance abuse education, intervention and treatment programs and services.

Testimony in support of this measure was submitted by the Office of Youth Services, the Community Alliance on Prisons and one private citizen. Testimony in opposition to this measure was submitted by the Department of Health and the Hawaii Substance Abuse Coalition. Testimony with comments was submitted by the Libertarian Party of Hawaii.

Upon further consideration, your Committees have amended this measure by:

- (1) Changing the membership of the substance abuse policy council to add the mayors from each county, add the chair of a community alliance advisory committee, and delete all other community members;
- (2) Designating the Governor as the chair of the policy council and requiring the council to meet not less than once per month;
- (3) Requiring the policy council to establish and appoint members of the community to serve in an advisory capacity to assist the council in the development of the statewide integrated substance abuse policy;
- (4) Repealing the duties of the Department of Health with regard to the development of a state substance abuse plan;
- (5) Requiring the Department of Health to submit an annual report to the policy council detailing its progress in the implementation of the statewide master plan adopted by the policy council;
- (6) Repealing the duties of the Department of Public Safety and other agencies to establish an advisory board to implement the provisions of the Criminal Offender Treatment Act; and
- (7) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 601, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 601, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 429 Health and Human Services on S.B. No. 1052

The purposes of this administration measure is to make clarifying amendments to Act 302, Session Laws of Hawaii (SLH) 1996, relating to a child protective services reform coordinating committee and to extend the sunset date for Act 302 from June 30, 1999, to June 30, 2002.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Office of Youth Services, Neighborhood Place of Kona, and Blueprint for Change. Testimony in opposition was received from the Hawaii Government Employees Association.

This measure permits the Director of Human Services rather than the Governor to appoint members of the child protective services reform coordinating committee. It allows the DHS to share information with the neighborhood places, with applicable confidentiality. Finally, this measure extends the sunset date of Act 302, SLH 1996. Your Committee believes that this measure will allow the coordinating committee to be more effective and efficient in performing its required functions.

The Hawaii Government Employees Association (HGEA) expressed concerns that the Child Protective Services Coordinating Committee should have more representatives from the line staff, such as employees from assessment, case management, and foster home licensing, on the committee. Your Committee concurs with the HGEA suggestion and recommends strongly that the DHS ask representatives from these groups of line staff to become members of the committee. The Director of the Department of Human Services expressed enthusiasm and willingness to invite representatives from these groups of line staff to be on the committee.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1052, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 430 Health and Human Services on S.B. No. 159

The purpose of this measure is to make an appropriation for vocational rehabilitation and services for the blind.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Hawaii State Coordinating Council on Deafness, Aloha State Association of the Deaf, and Hawaii Association of the Blind.

This measure would enable the DHS to increase its resources to provide vocational rehabilitation services to the blind to enable them to return to work.

Your Committee has amended this measure on the recommendation of the DHS to include an amount for an American sign language/English interpreter.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 159, 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 (Fukunaga, Anderson).

SCRep. 431 Health and Human Services on S.B. No. 217

The purpose of this measure is to appropriate funds to assist the Hana Community Health Center in the development of a wellness center. In particular, this measure will provide the funding to develop and assess the feasibility of the wellness center, including a business plan.

Testimony in favor of this measure was received from members of the Maui County Council and Hana Community Health Center. Testimony in favor of the intent of this measure was received from the Hawaii State Department of Health and one member of the Maui County Council.

Your Committee finds that residents of East Maui have produced some of the lowest health and socio-economic indicators in the State. It has been the goal of the Hana Community Health Center to develop a wellness center as a part of a three year strategic plan to address the future needs of the rural community. The wellness center should empower the people of Hana to become actively involved in their own wellness through the provision of culturally appropriate programs that modify behavior and lead to long term healthy lifestyles.

The wellness center supported by this measure will assist residents to integrate healthful patterns, such as good nutrition and exercise, into their current lifestyles. The project includes the following programs: nutrition and healthy cooking, fitness training, relaxation and alternative healing remedies, and behavior modification classes.

It is your Committee's intent that funding provided in this measure should not displace the annual base subsidy requested by Hana Community Health Center of \$1 million for each year of the Biennium in order to assure a successful transition from State to non-profit ownership.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 217 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. 432 Health and Human Services on S.B. No. 175

The purpose of this measure is to make appropriations for the protection of children and families.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Department of Health (DOH), University of Hawaii School of Nursing, PACT, Hawaii Community Foundation, Catholic Charities, Waipahu Neighborhood Place, YMCA, Neighborhood Place of Kona, Hawaii Children's Trust Fund, The Salvation Army Family Treatment Services, Blueprint for Change Task Force, Hawaii Family Support Center, The Junior League of Honolulu, Inc., Hawaii Chapter of American Physical Therapy Association, and two private citizens.

Specifically, this measure makes appropriations for:

- (1) DOH child death review teams to hire personnel;
- (2) Attorney General's family law division to hire personnel;
- (3) DHS to prevent child abuse and neglect;
- (4) Hawaii Children's Trust Fund;
- (5) Healthy Start program for services for families "at risk";
- (6) Substance abuse and treatment services of the DHS for pregnant and parenting women and their families;
- (7) Blueprint for Change program ("Neighborhood Place") of the DHS;
- (8) Foster parent training; and
- (9) Psychosocial support services programs ("The Parent Line" and "Home Reach") of the DOH.

Your Committee finds that the appropriations contained in this measure are necessary to prevent child abuse. The various programs focus on different aspects of a total matrix of effective prevention with proven success. Each program fits into continuum of enforcement and prevention services that are necessary to effectively address child abuse and neglect in Hawaii.

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

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 175, 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 (Fukunaga).

SCRep. 433 Health and Human Services on S.B. No. 178

The purpose of this measure is to make an appropriation for the Healthy Start program.

Your Committee received testimony in support of this measure from the Department of Health (DOH), PACT, American Academy of Pediatrics, Hawaii Family Support Center (Healthy Start), The Salvation Army Family Treatment Services, American Physical Therapy Association, and a private citizen.

Your Committee finds that child abuse and neglect causes mental health problems in children, which is one of the most critical issues for the State to address. Cases of child abuse have escalated in numbers and severity. Your Committee believes that Healthy Start has demonstrated its success in preventing child abuse and neglect through early intervention and family support such as education and counselling.

This measure provides funds for current services and to expand services of the Healthy Start program, a purchase of service by the DOH. The Felix Consent Decree requires that Healthy Start programs have the capacity to conduct universal screening of all children by the end of the year 2000, but does not require the provision of services to families determined to be at risk. This requires that Healthy Start programs are adequately funded for this purpose.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 178 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 434 Health and Human Services on S.B. No. 103

The purpose of this measure is to appropriate funds to implement the Ka'u Rural Health Plan.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Hawaii State Primary Care Association, Office of Hawaiian Affairs, ILWU Local 142, Bay Clinic, and two private citizens.

The DOH, in its 1996 study "Primary Care Needs Assessment", found that the Kula area ranked second as the highest risk area in terms of health and socio-economic risk, and has the highest risk in maternal and child health risk indicators, such as infant mortality,

inadequate prenatal care, low birth weight, medically risky births, and teen births. This measure implements the DOH's rural health plan for the Island of Hawaii, including the districts of Puna and Ka'u, to ensure the improvement of health facilities and to make available sufficient medical services to all area residents.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 103 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. 435 Health and Human Services on S.B. No. 579

The purpose of this measure is to appropriate funds for a dialysis machine for Molokai patients.

Your Committee received testimony in support of this measure from Molokai General Hospital (MGH), Council Chair Patrick S. Kawano and Council Members J. Kalani English and Mike Davis of the County Council of the County of Maui, and Office of Hawaiian Affairs. The Hawaii Health Systems Corporation (HHSC) provided comment.

According to MGH, this measure is not for the purchase of a dialysis machine, but to continue existing home hemodialysis services to patients on Molokai. Molokai does not currently have a dialysis facility, but St. Francis Medical Center has committed to establishing a facility this year. In the meantime, patients remain at home to receive their life-sustaining treatments. MGH administers a program for home hemodialysis services to those patients who can medically remain at home with home dialysis machines rather than travelling off-island for treatment.

Your Committee has amended this measure by:

- (1) Changing the purpose of the appropriation to funding for home hemodialysis services;
- (2) Adding a purpose section; and
- (3) Changing the expending agency to the Department of Health, because the HHSC is not involved with these services.

Your Committee notes that the amended measure may not be covered by its title and requests the Committee on Ways and Means find an appropriate measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 579, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 436 Health and Human Services on S.B. No. 1197

The purpose of this measure is to make an appropriation for the Waianae Coast Comprehensive Health Center (WCCHC).

Your Committee received testimony in support of this measure from the Department of Health, WCCHC, Office of Hawaiian Affairs, Aloha Care, and two private citizens.

Your Committee finds that the WCCHC may close its emergency room unless it receives funds appropriated by this measure.

Your Committee has amended this measure on the request of the WCCHC to change the amount appropriated from \$266,446, to \$855,433, for each of the next two fiscal years.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1197, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 437 Health and Human Services on S.B. No. 1231

The purpose of this measure is to require employers to adopt written smoking policies with specified minimum standards.

Your Committee received testimony in support of this measure from the Department of Health (DOH), American Lung Association, Hawaii Nurses' Association, and Coalition for a Tobacco Free Hawaii. Informational testimony was provided by the

Department of Education and American Heart Association. Testimony in opposition was received from the United Public Workers and Legislative Information Services of Hawaii.

According to the DOH, environmental tobacco smoke (ETS), commonly known as secondary smoke, is the third leading preventable cause of death in the United States today, behind active smoking and alcohol. The Environmental Protection Agency classifies ETS as a "Class A" carcinogen. This category is reserved for the most serious cancer causing substances, such as radon, asbestos, and benzene. Nationally, 53,000 deaths annually are attributable to ETS exposure.

According to the DOH, existing laws are obsolete. However, your Committee believes that the problem is one of enforcement rather than obsolescence. This measure is intended to clarify and strengthen the law while equitably balancing the competing concerns of business and public health.

Your Committee has amended this measure on the recommendation of the DOH by:

- (1) Deleting the requirement that employers adopt a written smoking policy with specified standards;
- (2) Changing from five to two the number of persons employed by a private entity for purposes of defining "employer"; and
- (3) Clarifying the definition of "office workplace" to exclude partially enclosed structures.

Your Committee also has made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1231, S.D. 1, and be referred to the Committee on Labor and Environment.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 438 Health and Human Services on S.B. No. 104

The purpose of this measure is to require licensure of physician assistants.

Your Committee received testimony in support of this measure from the Board of Medical Examiners, State Auditor, Hawaii Academy of Physician Assistants, and a private citizen. Comments were provided by the Hawaii Nurses' Association.

This measure is a recommendation of the Auditor, as contained in "Analysis of a Proposal to Modify the Regulation of Physician Assistants", Report No. 98-19, November 1998. The current statutory terminology is "certification". The change to "licensure" means that physician assistants would be able to prescribe controlled substances under chapter 329, Hawaii Revised Statutes, which restricts the writing of prescriptions to "licensed" practitioners who are also registered with the Department of Public Safety's Narcotics Enforcement Division. However, the division does not interpret "certification" to mean "licensure", and will not register physician assistants even though the Board of Medical Examiners administrative rules allow supervising physicians to allow physician assistants to prescribe medications, including controlled substances.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 104 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 (Anderson).

SCRep. 439 Health and Human Services on S.B. No. 513

The purpose of this measure is to allow family child care homes to operate in condominiums, townhouses, and apartments.

Testimony in support of this measure was received from the Children with Special Needs Branch of the Family Health Services Division of the Department of Health, Good Beginnings Alliance, Parents and Children Together, People Attentive to Children, five child care providers, twelve private citizens, and numerous private citizens who signed petitions submitted to your Committee. Testimony in opposition was received from the Department of Human Services (DHS), Hawaii Association of Realtors, Management Specialists Company, Association of Apartment Owners of Makakilo Hale 1, and a private citizen. Informational testimony was provided by the Real Estate Commission, Adults and Childrens Alliance, State Farm Insurance Company, and Redleaf National Institute.

Your Committee finds that current laws do not permit family child care homes to operate in condominiums, townhouses, and apartments. Yet, your Committee feels that the need for child care is undisputed and that more child care homes should be allowed in these buildings. However, apartment owner associations typically disallow child care homes for fear of liability. This measure is intended to assuage the concerns over liability by requiring the family child care home to obtain liability insurance to cover the child care home.

Your Committee has considered the comments of the Real Estate Commission and its reference to the Attorney General's Report pursuant to Act 303, Session Laws of Hawaii 1996. Your Committee responds to the concerns raised as follows:

- (1) The "unintentional conflict" between subsections (a) and (b) in section 1 is resolved in the measure, as amended;
- (2) Additional costs are a factor, but your Committee believes that the competition among insurers and the relatively safe track record of child care homes will mitigate against high insurance premiums;
- (3) The measure, as amended, applies to existing and future family child care homes, and since there are no large numbers of family child care homes, the imposition upon the common interest communities should be minimal and outweighed by a legitimate state interest in the matter; and
- (4) Potential unlimited liability to the association is resolved in the measure, as amended, by providing that the association's liability is limited to the amount of indemnification from the family child care home.

Your Committee has amended this measure by:

- (1) Providing that family child care homes shall not be prohibited in a condominium, apartment, or townhouse;
- (2) Requiring that any improvements to the family child care home or to the common elements to comply with the Americans With Disabilities Act (ADA) shall be done and paid for by the family child care home;
- (3) Allowing the family child care home and the association of apartment owners (APO) to consult with the Commission on Persons with Disabilities for advice on ADA compliance;
- (4) Requiring the operator of the family child care home to obtain approval of the APO before doing any construction to the home or to the common areas for APO compliance purposes;
- (5) Providing immunity from liability for the APO for injuries to a child being cared for, or to the child's relatives, guardians, and caretakers that occur in the family child care home or on the common elements;
- (6) Allowing the APO to require a family child care home, as a condition precedent to operating a child care home, to:
 - (A) Indemnify the APO for damages;
 - (B) Reimburse the APO for increases in insurance premiums;
 - (C) Require the child's parent, guardian, or caretaker to sign a waiver of liability against the APO; and
 - (D) Obtain liability insurance covering the family child care home and the common elements, and naming the APO as an additional insured;
- (7) Providing definitions for terms used;
- (8) Deleting the:
 - (A) Limitation on indemnification of the APO as to excluding the common elements and as to policy limits of the liability policy of the family child care home;
 - (B) Prohibition on the child care home from settling any claims without prior approval of the APO;
 - (C) Liability of the APO for injury or death to the amount of indemnification from the family child care home;
 - (D) References to "homeowners association" and including this term in the new definition of "association of apartment owners"; and
 - (E) Section 2 of the measure, relating to property insurance.

Your Committee has also made technical, nonsubstantive amendments for clarity and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 513, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 513, S.D. 1, and be referred to the Committee on Government Operations and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 440 Health and Human Services on S.B. No. 856

The purpose of this measure is to reorganize and streamline adult residential care facilities.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Department of Health (DOH), Executive Office on Aging, State Planning Council on Developmental Disabilities, Healthcare Association of Hawaii, Policy Advisory Board for Elder Affairs, American Association of Retired Persons, Hawaii Long Term Care Association, Alliance for Residential Care Administrators, Hawaii Women Lawyers, and Big Island ARCH Association.

This measure is a recommendation of the Joint Legislative Committee on Long-Term Care Financing (JLC), created pursuant to Act 339, Session Laws of Hawaii (SLH) 1997. House Concurrent Resolution No. 225, SLH 1998, directed the JLC to create a Subcommittee to study long-term care (LTC) residential facilities in Hawaii.

Your Committee finds that the need for adequate and decent long-term residential care for Hawaii's elders is growing immensely with the demand outstripping the supply. Unfortunately, the organization and regulation of residential care facilities in Hawaii are fragmented. This tends to reduce cost-effectiveness and hampers operational effectiveness in the delivery of residential care services.

Your Committee further finds that there is a lack of overall direction and guidance at the state level regarding the delivery of LTC to Hawaii's residents. Specifically, there is no vision of how residential care facilities and services may be used to alleviate the burden of LTC in Hawaii. This is reflected in the fragmented structure of regulation for a plethora of residential care category types in the Hawaii Revised Statutes (HRS) and the Hawaii Administrative Rules.

This measure is intended to respond to a compelling need to clearly define how residential care facilities and their services can be utilized effectively and efficiently. Your Committee desires to improve the organizational structure and regulatory processes based on a more rational, consolidated, and equitable reorganization of the LTC residential care system, in order to benefit consumers of the system.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "adult foster home for persons with developmental disabilities" by adding assistance to residents to increase or maintain self-help and decision-making skills and promoting inclusion and self-determination;
- (2) Deleting a reference to "handicapped" under the definition of "adult residential care home" and inserting "persons with a disability";
- (3) Clarifying the definition of "developmental disabilities domiciliary home" by adding that residents not be related to the home operator or facility staff;
- (4) Clarifying the definitions of "expanded adult foster home for persons with developmental disabilities" and "expanded developmental disabilities domiciliary home" by adding that residents not be related to the family living in the home and that the primary caregiver be qualified to care for more than two residents who may require intermediate care facility for the mentally retarded level of care;
- (5) Changing a reference from "three" to "two" facility categories under section 321-E, in section 1 of the measure;
- (6) Clarifying in section 321-H that the DOH shall maintain a current inventory of vacancies in all of the adult residential care facility categories, rather than only adult residential care homes and expanded adult residential care homes;
- (7) Deleting the entire section 321-L relating to authority for licensure, and inserting provisions to require the DOH to adopt rules to license each of the entities defined in section 321-B with specific requirements for developmental disabilities domiciliary homes and adult foster homes for persons with developmental disabilities;
- (8) Clarifying the definition of "adult residential care facility" in section 46-15.3, HRS, to mean any of the entities defined under section 321-B of this measure;
- (9) Deleting sections 16, 17, and 24 of the measure which repeal two statutory provisions and inserting a repeal of section 1 of Act 132, SLH 1998, which is the equivalent effect and is a more appropriate manner of repeal;
- (10) Adding an appropriation of \$1,000,000, for fiscal year 2000-2001, for the DOH to implement the Act;
- (11) Providing that existing administrative rules continue in effect until new rules are adopted; and
- (12) Making technical, nonsubstantive amendments.

Your Committee intends that residents of LTC facilities not have their lives disrupted when the new administrative rules take effect if a home operator is found to be noncompliant with the new rules.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 856, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 856, 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 (Anderson).

SCRep. 441 Health and Human Services on S.B. No. 1609

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to fund the establishment of health care facilities in the State by not-for-profit corporations.

Specifically, the measure authorizes the issuance of \$13,100,000 in special purpose revenue bonds and appropriates the same sum for the Wahiawa Central-Oahu Health Center, Inc., a not-for-profit Hawaii corporation, to establish and operate a health care facility in Central Oahu.

Testimony in support of the measure was received from the Wahiawa Hospital Association, Wahiawa General Hospital, Central Oahu Physician Hospital Organization, and a petition containing numerous supporters of the measure.

Your Committee finds that there is a pressing need to provide affordable, quality health care facilities for Hawaii's citizens. By authorizing the issuance of special purpose revenue bonds for this purpose, the State will be assisting in the provision of low cost financing for projects that meet this pressing need.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1609 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 (Anderson).

SCRep. 442 Health and Human Services on S.B. No. 824

The purpose of this measure is to enact statutory provisions for osteoporosis prevention and treatment education.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Hawaii State Commission on the Status of Women, and League of Women Voters of Hawaii.

This measure requires the DOH, in cooperation with the Department of Education and the Executive Office on Aging, to establish, promote, and maintain an osteoporosis prevention and education program in order to raise public awareness, educate consumers, and educate and train health professionals, teachers, and humans services providers.

According to the DOH, osteoporosis is a serious chronic condition, especially for women, because of its silent progression over many years and its lack of a cure. A large percentage of the aging population are women and osteoporosis decreases their quality of life and increases health care costs. Since there is no cure for osteoporosis, the key is prevention, early detection, and treatment.

Your Committee finds that the creation of a statewide osteoporosis prevention and treatment program, which includes all ages of the population is a very worthwhile endeavor for the State.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 824 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 (Anderson).

SCRep. 443 Health and Human Services on S.B. No. 1049

The purpose of this administration measure is to allow foster boarding payment if the eligible foster child is attending an accredited institution of higher learning on a part-time basis for the first academic year.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS).

Your Committee believes that foster boarding children should be given the opportunity to better themselves by attending an institution of higher learning on a part-time basis for the first year. Many foster children must attend school part-time in order to work to support themselves while attending school. This measure allows them to do that without losing their foster boarding support.

Your Committee has amended this measure to make technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1049, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1049, 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 (Fukunaga, Anderson).

SCRep. 444 Health and Human Services on S.B. No. 395

The purpose of this measure is to appropriate funds for the medically underserved populations.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Health, Hawaii State Primary Care Association, Aloha Care, Kalihi-Palama Health Center, Waianae Coast Comprehensive Health Center, Kokua Kalihi Valley, Hawaii Nurses' Association, and a private citizen.

Your Committee finds that the need to support health care for medically underserved populations is critical. It is well known that these patients have disproportionately more serious and chronic diseases than the general population. Their only source of medical care is community health centers which are considered primary health care providers. The situation is especially critical for children who need adequate medical care and attention in order to grow and develop properly and to reach their full learning potential.

Your Committee has amended this bill by:

- (1) Clarifying the last finding paragraph to include nonprofit organizations and the uninsured population; and
- (2) Deleting the appropriation for medically underserved populations and inserting an appropriation of \$5,854,062 for eight community health centers on three islands.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 395, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 445 Health and Human Services on S.B. No. 853

The purpose of this measure is to establish a safety net health plan program for the distribution of QUEST funds.

Your Committee received testimony in support of this measure from the Hawaii State Primary Care Association, Waikiki Health Center, Aloha Care, Bay Clinic Hilo, Hana Community Health Center, Kalihi-Palama Health Center, Waianae Coast Comprehensive Health Center, Hawaii Nurses' Association, and Kokua Kalihi Valley. Testimony in partial support was received from the Hawaii Medical Association. Testimony in opposition was received from the Department of Human Services (DHS).

This measure facilitates the transformation of the QUEST payment system of compensating providers from fee-for-service to managed care. QUEST providers are primarily community health centers, which bid annually for QUEST contracts with the DHS. Because of the capitated reimbursement structure of managed care, and particularly bid contracts, community health centers have become financially at-risk of closing or severely curtailing services. This measure is an attempt to equitably compensate QUEST managed care providers while assuring they do not profit unreasonably from QUEST.

Your Committee acknowledges that the DHS is in the process of procuring services for their QUEST program and that this process will not be completed until the end of February, 1999; however, your Committee also recognizes that the issue of safety net provider plans should be discussed further. Your Committee would like to pass this measure in an unamended form to provide the opportunity for the DHS and interested parties to discuss this issue further after the DHS's procurement process is completed.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 853 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 (Fukunaga).

SCRep. 446 Health and Human Services on S.B. No. 398

The purpose of this measure is to make an appropriation to implement cost-effective programs for youths that teach character, responsibility, positive social values, and non-violence, in partnership with private sector and nonprofit organizations.

Your Committee received testimony in support of this measure from the Young Men's Christian Association of Honolulu.

Your Committee finds that there is a need for increased involvement by the State in the prevention and intervention of delinquent behaviors among the State's youth. There are programs to teach character, responsibility, positive social values, and non-violence. This measure provides valuable funding for these programs.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 398, and recommends that it pass Second Reading in 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 (Anderson).

SCRep. 447 Health and Human Services on S.B. No. 120

The purpose of this measure is to make an appropriation for the Kauai Food Bank, Inc.

Your Committee received testimony in support of this measure from the Kauai Food Bank, Inc.

Your Committee finds that the Kauai Food Bank, Inc., an independent agency, serves the largest percentage of any county population in the State. It is the only food bank in the State to operate a fresh produce farm to feed the needy.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 120 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. 448 Health and Human Services on S.B. No. 994

The purpose of this measure is to establish a temporary elder abuse review commission.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Department of Commerce and Consumer Affairs (DCCA), Executive Office on Aging, Department of the Prosecuting Attorney of the City and County of Honolulu, American Association of Retired Persons, ILWU, Policy Advisory Board on Elder Affairs, and a private citizen.

Your Committee finds that the frail and elderly dependent adult segment of Hawaii's elderly population is particularly vulnerable to abuse, neglect, and exploitation. Abuse crimes such as physical abuse, sexual abuse, emotional abuse, financial exploitation, neglect, abandonment, and self-neglect are all too common but not often reported to authorities. This measure is intended to study and analyze the issues and resources relating to elder and dependent adult abuse. Your Committee hopes that the findings and recommendations of the elder and dependent adult abuse review commission can provide remedies to the problem.

Your Committee has amended this bill on recommendation of the DHS and DCCA, as follows:

- (1) Changing all references to "elder abuse" to "elder and dependent adult abuse";
- (2) Substituting the DCCA for the office of consumer protection for representation on the commission;
- (3) Combining the legal services representation into one organization providing legal services to elders; and
- (4) Requiring representation on the commission from the Protection and Advocacy Agency of Hawaii and the Commission on Persons with Disabilities.

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

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 994, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 994, 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 (Iwase, Anderson).

SCRep. 449 Health and Human Services on S.B. No. 1257

The purpose of this measure is to make appropriations for the development of a traumatic brain injury statewide strategic plan and the office of the project coordinator for that plan.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Department of Education (DOE), Traumatic Brain Injury Advisory Board, Hawaii Medical Service Association (HMSA), Hawaii Neuropsychology Community Research Bureau (Bureau), Brain Injury Association of Hawaii, and three private citizens.

This measure is intended to facilitate the work of the traumatic brain injury advisory board, created by Act 333, Session Laws of Hawaii 1997 (section 321-28, Hawaii Revised Statutes), to advise the DOH in the development and implementation of a comprehensive plan to address the needs of persons affected by disorders and disabilities involving the brain and developing services for persons with traumatic brain injury (TBI).

Your Committee finds that TBIs are unlike other illness or injury. There is very little known about recovery, and there are very few treatment programs. Those programs that do exist are incredibly expensive and located thousands of miles away on the mainland.

According to HMSA, over seven million TBIs occur annually in the United States, with 500,000 of them admitted to hospitals. In 1997, HMSA had 3,799 members diagnosed with TBI.

According to the Bureau, the Hawaii Health Information Corporation recorded an average of approximately 1,200 TBI hospital discharges annually, of which approximately fifty-six are children age 0-14. These figures do not include the mild and moderate TBI infants who do not receive immediately appropriate medical care and are therefore not included in these figures and are not treated appropriately. These figures do not reflect the secondary disabilities and impairments due to TBI. Although the prevalence of TBI is high, fewer than five per cent of TBI patients are hospitalized. The median age of TBI survivors is 18 years old, and approximately 29 per cent of them have a brain injury impairment by age 18. TBI survivors increase the risk for a second injury by three times, and for a third injury by eight times.

Further, according to the Bureau, the DOE's 1997 statistics for special education students identified and served 58 TBI disabled students, plus 2 Felix class TBI students. This number is probably a gross underestimation and reflects a lack of understanding about TBI impairments. Mild head injuries are often mistakenly attributed to other causes, resulting in treating the symptoms and not documenting a TBI.

Your Committee further finds that the costs of TBI are enormous and encompass every area of life. TBI significantly diminishes the quality of life for the survivor, family members, caregivers, and other community support persons. According to the Childrens' Safety Network, an average of two per cent of TBI children are discharged annually from hospitals, with functional limitations that were expected to last at least two years. The documented costs of TBI to children do not include costs related to lost time from work, court expenses, rehabilitation, and the like. The National Brain Injury Association reports that the lifetime costs of a severe TBI can exceed \$7 million. The cost of TBI is estimated at more than \$25 billion annually in the United States.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1257 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 (Anderson).

SCRep. 450 Health and Human Services on S.B. No. 228

The purpose of this measure is to make an appropriation to establish a Maui Food Bank, Inc.

Your Committee received testimony in support of this measure from the Chair and Vice-Chair of the Maui County Council. Maui Foodbank, Inc., gave oral testimony in support of this measure.

Your Committee finds that the Maui Food Bank, Inc., presently serves approximately 9,000 clients per month, although assessing figures for rural areas is inherently difficult. There is still a great unmet need. The Maui branch of the Hawaii Foodbank, Inc., based on Oahu, closed abruptly in September, 1994, because of a lack of funds. Maui Food Bank, Inc., is presently trying to re-establish the Maui food bank operations as an independent entity. This measure is to assist in that regard.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 228 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. 451 Health and Human Services on S.B. No. 865

The purpose of this measure is to establish a blue ribbon panel to improve services to the deaf, hard of hearing, and deaf-blind.

Your Committee received testimony in support of this measure from the Department of Human Service (DHS), Department of Health (DOH), American Sign Language/Interpreter Education Program at Kapiolani Community College, Aloha State Association of

the Deaf, Hawaii Services on Deafness, and a private citizen. Informational testimony was provided by the Commission on Persons with Disabilities.

Your Committee finds that there are an estimated 72,000 persons in Hawaii who are deaf, hard of hearing, or deaf-blind, who are receiving inadequate or unacceptable levels of public services. This measure convenes a blue ribbon panel to review existing services and to make recommendations accordingly to the legislature and the Governor.

Your Committee has amended this measure on the recommendations of the Commission on Persons with Disabilities, as follows:

- (1) Changing "deaf and blind" to "deaf-blind";
- (2) Making the "blue ribbon panel" the "governor's blue ribbon panel" and requiring the governor to make the appointments;
- (3) Changing the organizations to be represented on the panel;
- (4) Modifying the objectives of the panel's study;
- (5) Changing the programs and services to be reviewed by the panel;
- (6) Providing for a progress report before the 2000 session and a final report before the 2001 session; and
- (7) Changing the appropriation amount from \$5,000, to \$75,000, to include specified services.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 865, 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 (Fukunaga).

SCRep. 452 Health and Human Services on S.B. No. 1057

The purpose of this administration measure is to conform existing state law to the federal Rehabilitation Act Amendments of 1998.

Testimony in support of this measure was received from the Department of Human Services, Commission on Persons with Disabilities, and Workforce Development Council.

This measure will change the name of the State Advisory Council on Rehabilitation to State Rehabilitation Council; increase the number of members on the council from nineteen to twenty-one; and require one representative of the state educational agency responsible for the public education of students with disabilities, one representative of the state workforce development council, and the administrator of the vocational rehabilitation division of the department of human services to the State Rehabilitation Council.

This measure will additionally require the council to advise the vocational rehabilitation division of the department on the extent, scope, and effectiveness of services provided, and performance of state agencies that affect or potentially affect the ability of individuals with disabilities in achieving employment outcomes; require the council to develop state goals and priorities, advise the vocational rehabilitation division of the department of human services regarding authorized activities, and assist in the preparation of the state plan and amendments to the plan, applications, reports, and evaluations.

The council will additionally have to conduct a review and analysis of the performance of the vocational rehabilitation division of the department, vocational rehabilitation services provided by state agencies, and employment outcomes achieved by eligible individuals receiving services.

Your Committee finds that this measure will conform state law with the federal Rehabilitation Act Amendments of 1998, which reflects the intent to increase the involvement of the State Advisory Council on Rehabilitation in improving services and to assure closer relationships with other government programs that are required to provide services to persons with disabilities.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1057 and recommends that it pass Second Reading and be referred to the Committee on Labor and Environment.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 453 Health and Human Services on S.B. No. 838

The purpose of this measure is to provide funding for the operation of the Hana Community Health Center.

Testimony in favor of this measure was received from the Office of Hawaiian Affairs, members of the Maui County Council, Hana Community Health Center, and Papa Ola Lokahi. Testimony in favor of the intent of this measure was received from the Hawaii State Department of Health and one member of the Maui County Council. Testimony opposed to this measure was received from UPS AFSCME Local 646, AFL-CIO.

Your Committee finds that the State transferred the Hana Medical Center to the Hana Community Health Center in July 1997, with a commitment to continue providing needed financial support for the center's medical programs. This transfer is costing the State \$500,000 less than it was costing to run the facility prior to the privatization in July, 1997.

The Hana Community Health Center is the only health provider for the Hana district. Your Committee finds that native Hawaiians account for 65% of the patients served by the Hana Community Health Center and that the majority of Hana residents fall within the poverty rates.

Consequently, the Hana Community Health Center provides prevention oriented health care, acute and chronic care, urgent care, limited laboratory testing, limited x-ray services, and prepacked medications in lieu of a full pharmacy. Home health care is also provided for patients who are unable to come to the health center.

Your Committee finds that in fiscal year 1997-1998, the Hana Community Health Center provided services to 2,300 patients, which resulted in 6,214 patient visits. This was an increase of 14% over the previous year. The Hana Community Health Center requires \$1 million in fiscal year 1999-2000 and \$1 million in fiscal year 2000-2001 to maintain the current level of operation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 838 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 454 Health and Human Services on S.B. No. 1504

The purpose of this measure is to make appropriations for emergency medical services for the City and County of Honolulu.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Emergency Services Department of the City and County of Honolulu (EMS), three members of the City Council of the City and County of Honolulu and one private citizen.

The City and County of Honolulu operates an emergency services system under contract with the DOH. According to EMS, the areas identified in this measure need additional emergency medical resources to take care of high rates of motor vehicle crashes, medical emergencies, and other trauma. Your Committee finds that rapid development and increased population in the Makakilo-Kapolei and Kahaluu-Kaaawa areas of the City and County of Honolulu, coupled with the limited existing ambulance services to these areas, necessitate that the State provide funds to increase emergency medical services for these areas.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1504 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. 455 Health and Human Services on S.B. No. 1030

The purpose of this measure is to authorize the Hawaii Health systems Corporation to issue revenue bonds.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation.

This administration measure is intended for Hilo Medical Center for \$25,000,000, and for Kona Community Hospital for \$5,000,000, for plans, design, construction, equipment, and furnishings relating to these facilities.

Your Committee has amended this measure to make a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1030, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1030, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 456 Health and Human Services on S.B. No. 102

The purpose of this measure is to improve the provision of adequate health care services and related public transportation services for rural communities.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Department of Transportation (DOT), Hawaii State Primary Care Association, Bay Clinic, Ka'u Rural Health Task Force which submitted a petition with numerous signatures, the Office of Hawaiian Affairs, ILWU Local 142, and two private citizens. Informational testimony was received from Hawaii Health Systems Corporation.

The intent of this measure is to qualify Hawaii for federal Medicare rural hospital flexibility grants through the development of a statewide rural health plan, a new certification category for small rural hospitals, and to create a rural health fund. Your Committee finds that adequate health care for rural districts, particularly the Big Island, are sorely lacking. This measure is an outgrowth of the DOH's rural health plan for the island of Hawaii, particularly Puna and Ka'u, to ensure the improvement of health facilities and to make available sufficient medical services.

Your Committee has amended this measure on the recommendations of the DOH and the DOT, by:

- (1) Deleting language requiring the DOH to have a new certification category for rural critical access hospitals, since current licensing and certification arrangements are sufficient;
- (2) Requesting each county to create a position for rural transportation coordinator, rather than requiring the DOH to create one since it is not a DOH or DOT function to provide county rural transportation services;
- (3) Clarifying that the coordinator should develop the plan with the assistance of the DOH, county public transportation agencies, and private nonprofit agencies that provide transportation services to the elderly and disabled to enable affordable and convenient access to health care services; and
- (4) Deleting the requirement that the DOH incorporate the plan into its rules, since a plan would now be developed by each county.

Your Committee has also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 102, 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. 457 Health and Human Services on S.B. No. 1547

The purpose of this measure is to increase the taxes on liquor and tobacco, and to require the amount of increases to be apportioned between the Hawaii Health Systems Corporation (HHSC) and early childhood development programs.

Your Committee received testimony in support of this measure from the HHSC. Testimony in opposition was received from the Brown & Williamson Tobacco Corporation, Lorillard Tobacco Company, Legislative Center (representing Anheuser Busch Companies), Legislative Information Services of Hawaii (representing Hawaii Food Industry Association, Retail Liquor Dealers Association, and Retail Gasoline Dealers Association), and two private citizens. Informational testimony was submitted by the Tax Foundation of Hawaii.

The intent of this measure is to generate more revenues for the State to assist the HHSC in financing the purchase of medical equipment for its health care facilities and to help fund early childhood education and care programs. Your Committee believes that the use of funds for those purposes are necessary and laudable, without reducing budget allocations. In essence, this measure creates a dedicated source of funding for programs that would otherwise be wholly funded from general funds.

Your Committee has amended this measure to correct a Ramseyer error.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1547, 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. 458 Health and Human Services on S.B. No. 1033

The purpose of this administration measure is to make an emergency appropriation for the Child and Adolescent Mental Health Division of the Department of Health (DOH).

Your Committee received testimony in support of this measure from the DOH.

This measure is recommended by the Governor for immediate passage to make up for a critical funding emergency. This appropriation will serve to prevent the reduction or discontinuance of services to certain emotionally disturbed children and adolescents. Your Committee wishes to make clear that the appropriated sum of \$31,928,758, is not reflective of the actual shortfall of \$44 million.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1033 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 (Fukunaga, Anderson).

SCRep. 459 Health and Human Services on S.B. No. 1051

The purpose of this measure is to allow the Department of Human Services (DHS) to make disclosure of its records in accordance with its rules, as required by federal law or regulation.

Your Committee received testimony in support of this measure from the DHS.

This is an administration measure to conform the DHS procedures for disclosing information on child abuse or neglect with federal law and regulations.

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

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1051, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 460 Health and Human Services on S.B. No. 1050

The purpose of this administration measure is to strengthen and to clarify the Child Protective Act (Act).

Your Committee received testimony in support of this measure from the Department of Human Services (DHS).

Specifically, this bill:

- (1) Adds a definition of "abandoned infant";
- (2) Adds "abandoned infant" to the definition of "aggravated circumstances" in the Act;
- (3) Allows for service of summons to be made by registered or certified mail if the party resides out of state;
- (4) Reduces from eighteen to twelve months the time in which the family court may set the case for a show cause hearing if the child's family home is determined not to be safe;
- (5) Requires the family court to set the case for a show cause hearing if the court determines that aggravated circumstances are present;
- (6) Places the burden of presenting evidence upon the child's family in a show cause hearing as to why the case should not be set for a permanent plan hearing;
- (7) Requires the family court to set the case for a show cause hearing within thirty days if the court determines that aggravated circumstances are present, or if the child has been residing outside the family home for twelve consecutive months;
- (8) Requires the DHS to file a motion to set the matter for a permanent plan hearing if the child has been residing outside the family home for an aggregate of fifteen out of the most recent twenty-two months; and
- (9) Reducing from three years to two years from the date on which the child was first placed in foster custody for the court to proceed with a permanent plan hearing if it is not reasonably foreseeable that the child's parents or guardians are able to provide a safe family home.

Your Committee believes that this measure will enable the family court to deal more effectively with child abuse. Your Committee finds that the Child Protective Act needs to be periodically updated to deal with new situations and to tighten up the statutory standards.

Your Committee has amended this measure on recommendation of the DHS to add clarifying language to the provision requiring the DHS to file a motion to set the matter for a permanent plan hearing. Your Committee also has made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1050, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 461 Health and Human Services on S.B. No. 170

The purpose of this measure is to make an appropriation for the Na Keiki Law Center.

Your Committee received testimony in support of this measure from the Office of Community Services, Child and Family Service, Keiki Injury Prevention Coalition, Hawaii Lawyers Care, Hawaii Women Lawyers, Catholic Charities, Na Loio, and a private citizen.

Your Committee finds that the economic and social well-being of a society is directly reflected by the state of its children, and by all indicators, Hawaii's children are not doing well in terms of child abuse and neglect and not having health insurance. The legal needs of our children need to be addressed to help them receive the services and care to which they are entitled and for which they need to become contributing and healthy adult members of our community.

The Na Keiki Law Center is a project of a non-profit entity and plans to form a private-public partnership of legal representation and advocacy for children. Private foundation moneys and public funds will be combined in a joint effort to sponsor a new initiative for increased recognition of the rights of children.

Your Committee has amended this measure by deleting a reference to Hawaii Lawyers Care and by changing "grant-in-aid" to "fund" in reference to the funds received by the Na Keiki Law Center.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 170, 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 (Anderson).

SCRep. 462 (Joint) Health and Human Services and Judiciary on S.B. No. 1020

The purpose of this administration measure is to allow the Department of Health (DOH) to conduct epidemiological investigations.

Your Committees received testimony in support of this measure from the DOH, Hawaii Medical Association (HMA), and Office of Informational Practices.

According to the DOH, this measure would update its ability to investigate significant causes of illness which threaten the public health, while protecting the confidentiality of information and shielding the providers of information from liability.

Your Committees have amended this measure on the recommendation of the HMA to limit the view of the authorized representative of the Director of Health to only that material which is relevant to the scope of the investigation. Your Committees have also made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1020, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1020, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 1 (Anderson).

SCRep. 463 Health and Human Services on S.B. No. 1499

The purpose of this measure is to authorize the Department of Human Services (DHS) to expend moneys from the Randolph-Sheppard Revolving Account (Account) to hire attorneys and to allow \$30,000 to be expended by the State Committee of Blind Vendors.

Your Committee received testimony in support of this measure from the State Committee of Blind Vendors. Testimony in opposition was provided by the DHS.

The intent of this measure is to empower the State's blind vendors to assert and protect their rights under chapter 347, Hawaii Revised Statutes, relating to blind and visually handicapped persons, especially as it relates to retaining their newsstand concessions at the Honolulu International Airport.

Your Committee has amended this measure to:

- (1) Require the establishment of a subaccount in the Account to hold federal moneys;
- (2) Impose a limit of \$30,000 on expenditures from the Account for the purposes of the Account;
- (3) Require the Director of Human Services to transfer \$30,000 yearly from the Account to an interest bearing account in a federally-insured financial institution; and
- (4) Require the DHS to report on the financial activities of the Account to the legislature each year.

Your Committee has also made technical, nonsubstantive amendments for clarity and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1499, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1499, 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 (Anderson).

SCRep. 464 Health and Human Services on S.B. No. 128

The purpose of this measure is to make an appropriation to establish a long term care volunteer ombudsman program.

Your Committee received testimony in support of this measure from the Executive Office on Aging (EOA), Policy Advisory Board for Elder Affairs, American Association of Retired Persons, Hawaii Long Term Care Association, and Hawaii Women Lawyers. The Healthcare Association of Hawaii submitted testimony with comments.

The long term care ombudsman program is a federally mandated program which is funded through the Older Americans Act of 1965. The program serves as an advocate for residents in licensed nursing facilities and adult care homes, especially those unable or afraid to speak for themselves. The program currently has two full-time positions covering 46 nursing homes and 542 adult care homes on six islands. This measure appropriates funds to pay travel and miscellaneous expenses for volunteer staff.

Your Committee has amended this measure on the recommendation of the EOA by inserting statistics regarding affected populations.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 128, 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 (Iwase, Anderson).

SCRep. 465 (Joint) Health and Human Services and Government Operations and Housing on S.B. No. 394

The purpose of this measure is to make an appropriation for the establishment of a range of supportive housing options for persons with serious and persistent mental illness (SPMI).

Your Committees received testimony in support of this measure from the Housing and Community Development Corporation of Hawaii (with budgetary reservations), Department of Human Services, Department of Health, Democratic Party of Hawaii, Health Care for the Homeless Project, and Network Enterprises.

Your Committees find that there is currently an urgent social problem in the care of persons with SPMI, who have multiple needs and lifestyles, with no single model of treatment appropriate for all of them. Your Committees further find that one of the most immediate pressing needs of the SPMI population is adequate and appropriate housing, since they tend to be homeless and to have social and criminal histories. They can be described as being the homeless mentally ill. This measure is intended to initiate discussion on providing housing for the SPMI population.

Your Committees have amended this measure to insert one dollar for the appropriation. Further, your Committees have amended this measure to require the Department of Human Services to develop and implement an action plan for the establishment of

supportive housing options for persons with SPMI. Your Committees believe that these supportive housing options cannot be established if an action plan has not been developed.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 394, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 394, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 466 Health and Human Services on S.B. No. 393

The purpose of this measure is to appropriate funds for homeless shelters and homeless services.

Your Committee received testimony in support of this measure from the Housing and Community Development Corporation of Hawaii, NAMI Oahu, Homeless Solutions Inc., Hawaii Lawyers Care, Gregory House Programs, Institute for Human Services, Inc., Affordable Housing and Homeless Alliance, United Self-Help, State Council on Mental Health, Kalihi-Palama Health Center, Ho'omau Ke Ola, and a private citizen.

Your Committee finds that the number of homeless persons in Hawaii has risen dramatically over the past five years. According to the Housing and Community Development Corporation of Hawaii, the number of homeless persons living in the State has increased from 5,532 individuals in 1992 to 12,887 individuals in 1998. Your Committee further finds that homeless shelters are on the brink of closing important programs due to lack of funds. This measure brings much needed financial relief to homeless shelters so that they can continue their invaluable work.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 393 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 (Fukunaga, Levin).

SCRep. 467 Health and Human Services on S.B. No. 1053

The purpose of this administration measure is to eliminate Medicaid reimbursement for the provision of personal care services under Section 346-64, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Human Services.

Your Committee finds that Section 346D, Hawaii Revised Statutes, entitled "Long Term Care," authorizes the Department of Human Services to administer the Medicaid home and community-based waiver programs. Your Committee further finds that Section 346-64, Hawaii Revised Statutes is a duplicative authorizing statute, and therefore is unnecessary.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1053 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 (Fukunaga, Anderson).

SCRep. 468 Health and Human Services on S.B. No. 855

The purpose of this measure is to establish an office of grant writing within the Office of Community Services (OCS).

Your Committee received testimony in support of this measure from the OCS and Na Loio.

Your Committee believes that OCS would greatly benefit from a grant writing office to assist it in performing one of its main functions, that of securing federal grants. Your Committee intends that the grant writing office shall service all State agencies if its help is requested. OCS states that its mission does allow for this activity. Currently, the OCS spends much of its time applying for grants rather than administering the funds to fulfill its mission of facilitating and enhancing the delivery and coordination of effective programs to assist economically disadvantaged persons, immigrants, and refugees.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 855 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 469 Health and Human Services on S.B. No. 861

The purpose of this measure is to require the Department of Budget and Finance to set aside funds each fiscal year for deposit into the healthy start special fund.

Your Committee received testimony in support of this measure from Healthy Mothers Healthy Babies and from a private citizen.

Your Committee finds that creating a healthy start special fund with a dedicated source of ongoing funding each year from the general fund is needed to ensure that there is adequate funding for valuable and indispensable programs meeting the needs of at-risk pregnant women and families with very young children. Dedicated funding of the healthy start program will avert social costs resulting from abuse, neglect, and poor family situations in the long run.

Your Committee has amended this measure by adding early childhood development as a supported program and changing the June 30, 2010, termination date to a June 30, 2006, termination date for the funding of the healthy start special fund.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 861, 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 (Anderson).

SCRep. 470 Health and Human Services on S.B. No. 836

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Kuakini Medical Center.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Kuakini Medical Center.

Your Committee believes that the Kuakini Medical Center is deserving of financial assistance for the construction of improvements and acquisition of equipment for its health care facilities.

Your Committee has amended this bill to delete a reference to section 3 in section 4 of the measure as being unnecessary.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 836, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 836, 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 (Anderson).

SCRep. 471 Health and Human Services on S.B. No. 1022

The purpose of this measure is to enact a Uniform Health Care Decisions Act.

Your Committee received testimony in support of this measure from the Executive Office on Aging (EOA), Governor's Surrogate Decision Making Committee, Commission on Persons with Disabilities, and Hawaii Medical Association. The American Association of Retired Persons presented oral testimony in support of this measure.

This is an administration measure. According to the EOA, this measure provides a single comprehensive chapter to replace statutory provisions for medical treatment decisions and durable power of attorney for health care decisions. This measure is intended to provide a blueprint on procedures for making critical end-of-life decisions in advance.

Your Committee has amended this measure by:

- (1) Deleting section 5 regarding standard form language and inserting authority for the DOH to develop a standard form in order to allow flexibility to adapt to changing demands over time, with the intent that the EOA advise the DOH on developing the form; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1022, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 472 Health and Human Services on S.B. No. 233

The purpose of this measure is to require the Department of Health (DOH) to conduct a study of the health consequences of the use of latex products in the provision of health care.

Your Committee received testimony in support of this measure from the Hawaii Nurses' Association (HNA). The DOH provided informational testimony.

Your Committee finds that about one to six per cent of the general population and about eight to 12 per cent of regularly exposed health workers have an allergy to latex products, especially latex gloves as used by health care workers.

One study of exposed hospital workers found 54 per cent of sensitized workers had latex asthma, with an overall prevalence of latex asthma found to be 2.5 per cent. If national statistics are applied to Hawaii's health care workers, 600 or 10 per cent of the approximately 6,000 registered and licensed practical nurses are sensitized to latex.

According to the HNA, glove powder is a strategic factor in allergen exposure. Cornstarch donning powder actively extracts and binds protein from latex, which accumulates on the glove wearer's hands, transfers onto objects, and aerosolizes. Airborne particles of powder and protein may remain suspended for up to five hours, contaminating the air, ventilation system, skin, hair, clothing, wounds, and objects which can result in occupational asthma. Low allergen, powder-free gloves decrease allergen exposure to patients and health care workers, and reduce the incidence of allergic reactions and occupational asthma among sensitized workers.

Your Committee believes that a comprehensive study is warranted to ascertain the nature and extent of the problem in order to determine solutions and alternatives. However, your Committee has amended this measure on the recommendation of the HNA to specify items that the DOH study should include.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 233, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 473 Health and Human Services on S.B. No. 818

The purpose of this measure is to require mammogram screening coverage by health maintenance organizations, and to require annual mammogram screening for women age forty and over.

Your Committee received testimony in support of this measure from the Department of Health, Insurance Commissioner, Hawaii State Commission on the Status of Women, American Cancer Society, and Hawaii Catholic Conference. Kaiser Permanente offered comments.

Under current law, mammogram screening coverage is required of health insurance companies and mutual benefit societies and coverage for annual screenings are required for women age fifty and over.

This measure is intended to broaden access to breast cancer screening for women in Hawaii. Your Committee believes that one of the barriers to preventive care is the prohibitive cost of screening if it is not covered by health insurance. This measure provides for timely screening.

Your Committee has amended this measure by:

- (1) Deleting section 2, requiring health maintenance organizations to cover mammogram screening, because the same coverage is required in section 432D-23, Hawaii Revised Statutes (HRS), which cross-references section 431:10A-116, HRS, which provides the same coverage; and
- (2) Deleting the second paragraph of section 1 and adding a purpose paragraph to state the purpose of the measure is to revise the frequency of mammogram screening.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 818, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 474 Health and Human Services on S.B. No. 837

The purpose of this bill is to require mutual benefit societies, fraternal benefit societies, and health insurance companies to cover dermatological services with or without a referral.

Your Committee received testimony in support of this measure from the Hawaii Dermatological Society and the Hawaii Federation of Physicians and Dentists. Your Committee received informational testimony from the Insurance Commissioner who stated that he could support the bill if it can be demonstrated that direct access to dermatologists will result in lower health care costs. Testimony in opposition was received from Kaiser Permanente.

Your Committee believes that skin diseases are common in the general population and should be treated like other ordinary diseases for health insurance coverage purposes, without requiring a referral from a primary care physician to a dermatologist in order to be reimbursed. In other words, dermatologists should be considered as primary care physicians for health insurance purposes.

Your Committee defers to the Committee on Commerce and Consumer Protection on whether to amend this measure to include the correct insurance entities for coverage purposes.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 837 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 475 Health and Human Services on S.B. No. 822

The purpose of this measure is to prohibit exclusion from health insurance coverage for contraceptive devices.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii State Commission on the Status of Women, Student Health Services of the University of Hawaii, Bay Clinic, Inc., Hamakua Health Center, Kalihi-Palama Health Center, Kokua Kalihi Valley, Healthy Mothers Healthy Babies, Hawaii Women Lawyers, Hawaii Medical Service Association, Alston, Hunt, Floyd, and Ing, Women's Coalition, one nurse practitioner, one community health nurse, one health educator, and a private citizen. Testimony in opposition was received from Brigham Young University-Hawaii, Hawaii Catholic Conference, and Kaiser Permanente which opposed being required to provide the coverage. Informational testimony was received from the Department of Commerce and Consumer Affairs (DCCA).

Your Committee believes that contraceptive coverage should become a fundamental part of basic health insurance, allowing families to delay or adequately space pregnancies. Maternal and child health would be improved by decreasing the incidences of abortion, infant mortality, poor child health and development, and avoiding the birth of an unwanted child who could be doomed to a life of child abuse and neglect.

Your Committee has amended this bill on the recommendation of the DCCA by deleting section 1 as being unnecessary, because the same coverage is included by statutory reference in section 432D-23, Hawaii Revised Statutes (HRS), which cross-references section 431:10A-116.6, HRS, already being amended in section 2. Your Committee also has made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 822, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 822, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 476 Health and Human Services on S.B. No. 1028

The purpose of this measure is to make permanent the statutory enactments of Act 216, Session Laws of Hawaii 1997.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Hawaii State Commission on the Status of Women, Violence Prevention Consortium, Sex Abuse Treatment Center, Women's Legislative Coalition, and a private citizen.

This is an administration measure that provides continued funding for the improvement of the vital statistics system and prevention of domestic violence and sexual assault.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1028, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1028, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 477 Health and Human Services on S.B. No. 1035

The purpose of this administration measure is to allow persons under twenty-one years of age to participate in authorized studies or enforcement of statutory provisions relating to the sale of liquor to minors.

Testimony in support of this measure was received from the Department of Health.

Your Committee finds that alcohol is the most socially accepted substance in our society and also one of the most abused. Your Committee further finds that education and enforcement are essential to preventing our youth from using liquor. Using underage individuals to participate in controlled purchases of liquor will enable the department to improve education and enforcement relating to the use of liquor by minors.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1035, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 478 Health and Human Services on S.B. No. 1616

The purpose of this measure is to make an appropriation for operating costs for Molokai General Hospital.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, and three members of the Maui County Council.

Your Committee finds that Molokai General Hospital fills a public need by providing the people of Molokai and visitors with primary medical care. It is the only hospital providing basic medical diagnostic and treatment services for a population base of 7,000 persons (including visitors). Of Molokai's resident population, over 50% are native Hawaiian. Visitors to the island average 70,000 per year.

Molokai, the fifth largest island in the State, is a rural community, with 38% of the families subsisting off the land. Molokai's economy has been depressed since pineapple plantations were phased out and unemployment rates average 17%.

Molokai General Hospital is requesting financial support from the State to meet operational expenses in order to provide quality healthcare to the community of Molokai. Seventy-five per cent of the hospital's patients are Medicare, Medicaid, and MedQuest patients. Reimbursements from these sources continue to diminish. Molokai General Hospital continues to explore and employ every alternative to contain costs but as reimbursements continue to decline, the survival of the hospital is in jeopardy.

Your Committee finds that without funding assistance from the State, Molokai General Hospital could not continue to provide the level of patient care and services currently being provided.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1616 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. 479 Health and Human Services on S.B. No. 844

The purpose of this measure is to require parity in health insurance coverage for alcohol and drug dependence benefits and mental illness benefits.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Equal Insurance Coalition, National Association of Social Workers, Hawaii State Alliance for the Mentally Ill, Hawaii Medical Association, HGEA, Hawaii Psychiatric Medical Association, Hawaii Psychological Association, Mental Health Association of Hawaii, Koku Council for Senior Citizens, and five private citizens. Testimony in opposition was received from Kaiser Permanente and Hawaii Medical Services Association. The Insurance Commissioner submitted informational testimony.

According to the DOH, the national trend in mental health and substance abuse treatment is to expand health insurance coverage to provide parity with other physical illnesses. Your Committee finds that sixteen other states have enacted parity laws to prohibit discrimination in insurance and managed care coverage for mental illness. Your Committee is cognizant of the recommendations of the Auditor's Report No. 97-19, but believes that mental health and alcohol and drug abuse treatment coverages are necessary in view

of the prevalence of these conditions in society today. Your Committee respectfully requests the Auditor to update its findings and recommendations.

Your Committee has amended this bill on recommendation of the Hawaii Psychiatric Medical Association by deleting reference to "psychologist" in section 2 of the measure, because the provision requires a medical necessity for coverage. A technical, nonsubstantive amendment also was made.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 844, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 480 Health and Human Services on S.B. No. 489

The purpose of this measure is to make an appropriation for the Big Island aeromedical unit.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Hawaii County Fire Department Aeromedical Program, and Hawaii Health Systems Corporation.

The DOH's "Strategic Plan and Progress Report on the Development of a Statewide Emergency Aeromedical System", dated November, 1998, recommended that the Hawaii County helicopter aeromedical unit be maintained and its hours of operation be expanded to twenty-four hours per day, from the current twelve hours. Your Committee finds that twelve hours per day is grossly inadequate to provide the necessary emergency medical services to rural areas of the Big Island. This measure would allow the unit to operate around the clock.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 489 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. 481 Health and Human Services on S.B. No. 493

The purpose of this measure is to appropriate funds to reimburse the Hawaii County Fire Department (HCFD) for provision of emergency medical services.

Your Committee received testimony in support of this measure from the HCFD. The Department of Health (DOH) submitted testimony in opposition.

This measure is intended to reimburse the HCFD for the balance of sums due for providing emergency medical services under contract with the DOH for fiscal years 1995-1996 and 1996-1997. The DOH has already paid a portion of those moneys but has not yet paid the balance and is continuing discussions with the HCFD.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 493 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. 482 Health and Human Services on S.B. No. 992

The purpose of this measure is to make appropriations for the Hana Community Health Center for fiscal years 1998-1999 and 1999-2000.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Hana Community Health Center, Office of Hawaiian Affairs, Aloha Care, and Hawaii Health Systems Corporation. Testimony in opposition was received from the United Public Workers.

Your Committee finds that the Hana Community Health Center is in desperate need of immediate legislative appropriations to continue its operations.

Your Committee has amended this measure by inserting \$200,000, in place of \$995,720, for the appropriation for 1998-1999.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 992, 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 (Fukunaga, Anderson).

SCRep. 483 Health and Human Services on S.B. No. 1036

The purpose of this measure is to establish a Disability and Communication Access Board (Board).

Your Committee received testimony in support of this measure from the Department of Health, Commission on Persons with Disabilities, Hawaii State Coordinating Council on Deafness, Architectural Access Committee, Aloha State Association of the Deaf, and a private citizen.

This is an administration measure which assigns the Board several existing statutory duties relating to persons with disabilities, including replacing the:

- (1) Architectural Access Committee, the Commission on Persons with Disabilities regarding consultation with the Housing and Community Development Corporation of Hawaii for purposes of the housing alteration revolving loan fund; and
- (2) Department of Transportation for purposes of selling removable windshield placards for disabled persons.

This measure repeals the Architectural Access Committee, Hawaii State Coordinating Council on Deafness, and Commission on Persons with Disabilities.

According to the Commission on Persons with Disabilities, this measure provides for a more efficient coordination of State efforts to comply with disability access and civil rights laws.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1036, 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 (Fukunaga, Anderson).

SCRep. 484 Health and Human Services on S.B. No. 802

The purpose of this measure is to create a compliance review special fund for the Commission on Persons with Disabilities (Commission) to be used for the review of private sector building plans compliance to requirements of the American with Disabilities Act (ADA).

Your Committee received testimony in support of this measure from the Commission.

This measure facilitates the accumulation of funds from fees charged by the Commission in its work of advising architects, contractors, and developers of private buildings on whether the building is ADA compliant. It is not the intent of your Committee to displace private sector services in this regard.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 802 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 485 Health and Human Services on S.B. No. 1031

The purpose of this administration measure is to make an emergency appropriation for the Hawaii Health Systems Corporation (HHSC).

Your Committee received testimony in support of this measure from the HHSC.

This measure is recommended by the Governor for immediate passage to provide emergency funding for HHSC for Year 2000 compliance for computer equipment, settlement of workers' compensation cases inherited by HHSC, and to cover collective bargaining increases.

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

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1031, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1031, 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 (Fukunaga, Anderson).

SCRep. 486 Health and Human Services on S.B. No. 154

The purpose of this measure is to create a developmental disabilities special fund, require the Department of Health (DOH) to administer supported living stipends for persons with developmental disabilities or mental retardation (DD/MR) and make an appropriation for increased home and community based services for persons with DD/MR.

Your Committee received testimony in support of this measure from DOH, State Planning Council on Developmental Disabilities, The Arc of Hawaii, The Arc of Hilo, Arc of Kauai, Kona Krafts, and fifteen private citizens. The Department of Human Services (DHS) submitted comments and deferred to DOH. Testimony in opposition to this measure was received from the Opportunities for the Retarded, Inc.

Your Committee believes that creation of a special fund will maximize funds for DOH for community services using matching federal funds, as required by section 333F-2(e), Hawaii Revised Statutes. Federal reimbursements would be directly deposited into the special fund rather than deposited into the general fund.

Your Committee intends that the supported living stipend operate in a manner similar to DHS' supplemental security income for the aged, blind, and disabled under Social Security. This would provide a modicum of financial relief to DD/MR persons who are trying to make it on their own.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 154 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 (Fukunaga).

SCRep. 487 Health and Human Services on S.B. No. 842

The purpose of this measure is to make an appropriation to provide additional statewide community-based gatekeeper training for teen suicide prevention and intervention.

Your Committee received testimony in support of this measure from the Keiki Injury Prevention Coalition.

Your Committee finds that suicide in Hawaii is the second leading cause of death in the fifteen to twenty-four year old age group. According to a 1997 survey of ninth to twelfth graders, approximately twenty-seven per cent have seriously considered suicide, twenty-one per cent have made suicide plans, and eleven and one-half per cent made a suicide attempt in the preceding twelve month period. This measure provides funding for additional statewide community-based gatekeeper training for teen suicide and prevention and intervention.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 842 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 (Anderson).

SCRep. 488 Health and Human Services on S.B. No. 157

The purpose of this measure is to appropriate funds to provide preventive dental services to adults on a fee for service or capitated basis through the MedQuest program.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Department of Health (DOH), State Planning Council on Developmental Disabilities, The Arc in Hawaii, Arc of Kauai, Hawaii State Primary Care Association, Kona Krafts, Kalihi-Palama Health Center, Kokua Kalihi Valley, Waianae Coast Comprehensive Health Center, The Arc of Hilo, AlohaCare, Hawaii Island MobileCare, and thirteen individuals.

Preventive dentistry services for adults covered by Medicaid and QUEST were discontinued on February 1, 1996, as a result of cutbacks in the state budget. At the present time, these clients can only receive emergency dental services. This measure provides matching funds for federal grants under the Medicaid and QUEST programs to restore preventive dental services.

As a society, we still fail to recognize dental care as an essential medical service. No one in public health today disputes the need for regular attention to the diseases of the mouth. New studies are now verifying the impact of dental plaque on the heart, lungs, and other internal organs. Diseases of the gums and tooth decay have a direct relationship to general health and morbidity. At a time when the United States Public Health Service is increasing its efforts to deal with dental diseases nationally, Hawaii has placed nearly ninety thousand residents at health risk by only addressing emergency dental interventions for adults in QUEST and Medicaid.

Your Committee has amended this measure by:

- (1) Deleting the option of providing preventive dental services on a capitated basis, thereby requiring services be provided on a fee for service basis;
- (2) Clarifying that only preventive dentistry is covered;
- (3) Requiring the DHS to consult with the DOH on what services constitute preventive dentistry; and
- (4) Adding an unspecified appropriation amount for fiscal year 2000-2001.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 157, 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 (Fukunaga).

SCRep. 489 Health and Human Services on S.B. No. 171

The purpose of this measure is to allow the Department of Human Services (DHS) to retain any appropriation for general assistance to households without minor dependents at the close of each fiscal year, to delete the 1993 federal income poverty level, and to require the Legislative Reference Bureau (LRB) to conduct a study of general assistance.

Your Committee received testimony in support of this measure from DHS, Hawaii State Commission on the Status of Women, Legal Aid Society of Hawaii, American Friends Service Committee, Na Loio, National Association of Social Workers, Affordable Housing and Homeless Alliance, and six private citizens. The Department of Budget and Finance submitted testimony in opposition.

Your Committee believes that allowing the DHS to retain unexpended general assistance funds at the close of each fiscal year is necessary to facilitate adequate funding of general assistance from year to year. Provisions are included in the measure that the retained funds shall not be used for any other purpose and shall not diminish future appropriations.

Your Committee further finds that the appropriations contained in the measure are for bona fide and meritorious programs that can bring relief to welfare recipients. Projections based on existing data suggest that investments in programs such as a Medicare advocacy project, a Supplemental Security Income advocacy project, a legal services for adoptive families advocacy project, and an earned income tax credit advocacy project can result in substantial financial gains for the State by increasing the use of federal funds that are available, but have not been accessed. For example, estimates suggest raising awareness about the federal earned income tax credit program can result in \$12 million of supplemental income for working poor in the State of Hawaii. Identifying individuals who are eligible for federal Supplemental Security Income can save the State approximately \$2.4 million in general assistance payments per year.

Your Committee intends the Legislative Reference Bureau study to provide guidance to the legislature to shed light on the the volatile issue of general assistance.

Your Committee has amended this measure by:

- (1) Requiring that the retained funds be used exclusively for case management;
- (2) Requiring the standard of need to be based on the 1993 rather than the "current" federal poverty level;
- (3) Substituting the Department of Taxation for the DHS as the expending agency for the earned income tax credit programs appropriation;
- (4) Requiring that the Senate Committee on Health and Human Services conduct the study with the assistance of the LRB, of general assistance, with input from government agencies and community representatives; and
- (5) Deleting references to the DHS collaborating and cooperating with the LRB and the LRB seeking input from the Legal Aid Society.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 171, 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 (Fukunaga, Levin).

SCRep. 490 Health and Human Services on S.B. No. 1048

The purpose of this measure is to allow foster boarding homes to take in six or more minor siblings and to require a criminal history records name inquiry for the first two years of certification and biennially thereafter.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS).

This is an administration measure to avoid separating large families with six or more siblings. This measure also allows the DHS to make a name inquiry into the criminal history records for the first two years of certification of a foster boarding home and biennially thereafter. Current law does not provide for follow-up criminal history checks after certification.

Your Committee has amended this measure by:

- (1) Clarifying the times of the criminal history records checks on the recommendation of the DHS;
- (2) Deleting the amendment to the definition of criminal history record check and inserting the same amendment into the criminal history record check statute, section 346-19.6, Hawaii Revised Statutes. This amendment was made to move substantive language from the definitions section; 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 Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1048, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 491 Health and Human Services on S.B. No. 1054

The purpose of this administration measure is to remove the sunset provision in Act 128, Session Laws of Hawaii 1997.

This measure will continue Hawaii's "opt out" of the Personal Responsibility and Work Opportunity Reconciliation Act, which terminates the eligibility for federal financial assistance and food stamps for any individual convicted of a drug related felony after August 22, 1996.

Testimony in favor of this measure was received from the Department of Human Services, the Hawaii State Department of Health, and Hawaii Substance Abuse Coalition (HSAC).

Your Committee finds that welfare payments and food stamps are a principal source of funding for substance abuse treatment programs. Your Committee further finds that this measure will help to ensure the continued availability of treatment, especially for women, increasing their likelihood of successfully moving from welfare to work and properly caring for their children. This measure will also help prevent an increase in crime that would result from the loss of support and access to drug treatment and other essential social services.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1054 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 (Fukunaga, Anderson).

SCRep. 492 Health and Human Services on S.B. No. 64

The purpose of this measure is to require the parent or legal guardian of a minor to be financially responsible for the support and maintenance of the minor until the minor attains age eighteen.

Your Committee received testimony in support of this measure from Iron Workers Stabilization Fund.

This measure is primarily intended for teen pregnancy situations when the parents of the newborn do not marry at all. The problem arises when the parents are unable to support the child, necessitating the grandparents to do so. If the grandparents offer no

financial support, the vicious cycle of poverty begins with its attendant socio-economic consequences. Eventually, the State provides the financial support with taxpayer moneys.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 64 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

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

SCRep. 493 (Joint) Health and Human Services and Government Operations and Housing on S.B. No. 1006

The purpose of this measure is to allow the Department of Health (DOH) to adopt rules for group living facilities.

Your Committees received testimony in support of this measure from the DOH, Health Care for the Homeless Project, residents of Niniko Place, and a private citizen. Testimony in opposition was received from the Church of the Crossroads.

This measure is intended to cover shelters for domestic abuse, alcohol abuse, halfway houses, and the like. Your Committees find that neighborhood acceptance of these facilities is low because of the increased activity at these shelters, with people coming and going all day. The community is also concerned about neighborhood safety and the potential for increased substance abuse in the neighborhood. Your Committees believe that the State has a responsibility to adopt appropriate administrative rules to govern the operation of group living facilities in order to alleviate community concerns.

Your Committees recognize that group living facilities may provide services that may be within the respective jurisdictions of the Department of Health or the Department of Human Resources. Therefore, your Committees have amended this measure by authorizing both the Department of Health and the Department of Human Services to adopt rules regulating group living facilities. This measure further requires the directors of those departments to meet and determine which type of group living facilities will be regulated by the respective departments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1006, as amended herein, and recommends that it pass second reading in the form attached hereto as S.B. 1006, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Matsunaga, Sakamoto, Tanaka, Anderson).

SCRep. 494 Health and Human Services on S.B. No. 788

The purpose of this measure is to require a cigarette stamp tax on packs of cigarettes sold in this State.

Your Committee received testimony in support of this measure from the Department of Taxation, Department of Health (DOH), and American Lung Association. The Hawaii Food Industry Association testified orally in support. The Tax Foundation of Hawaii submitted informational testimony.

Your Committee finds that this measure has two benefits in that it will provide a means of enforcing the payment of cigarette taxes to the State, and deter smoking, especially among youth.

On recommendation of the Department of Taxation, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 168, with technical, nonsubstantive changes. This amendment provides the necessary enforcement of the new stamping of cigarette packs requirements by involving the liquor commission, the attorney general, and the prosecuting attorney.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 788, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 788, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 495 (Joint) Health and Human Services and Labor and Environment on S.B. No. 995

The purpose of this measure is to allow a dependent adult or representative of a dependent adult to obtain verifiable information on criminal history or history of dependent adult abuse of a person or entity who is caring for the dependent adult.

Your Committees received testimony in support of this measure from the Department of Human Services (DHS), State Attorney General, Department of Commerce and Consumer Affairs, and Executive Office on Aging. The Department of Health submitted testimony deferring to the DHS.

Your Committees are aware of and are concerned with the growing number of incidences of abuse, neglect, and fraud of dependent adults. One avenue of prevention is to be assured of the reputable character of the person who cares for a dependent adult. This measure allows a dependent adult or a dependent adult's representative to access the criminal history, if any, of the person who cares for or who is applying for a job to care for a dependent adult.

Your Committees have amended this measure on the recommendation of the DHS to delete all the provisions and to insert provisions to allow the DHS to conduct criminal history records checks as part of its licensing process for day care centers for elder disabled and aged persons.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 995, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 995, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Ige, M., Anderson).

SCRep. 496 (Joint) Health and Human Services and Commerce and Consumer Protection on S.B. No. 817

The purpose of this measure is to establish individual development accounts (IDAs).

Your Committees received testimony in support of this measure from the Department of Community Services of the City and County of Honolulu, Hawaii State Commission on the Status of Women, Parents and Children Together, Legal Aid Society of Hawaii, Maui Economic Opportunity, Bank of Hawaii, Consuelo Zobel Alger Foundation, American Friends Service Committee, Waimanalo Community Development Corporation, Work Hawaii, three private citizens, and numerous persons who signed petitions and testimonials. The Department of Human Services (DHS) stated it was not able to support the bill because the Department lacks the staff resources to administer the program.

This measure is intended to promote savings, investment, and accumulation of assets for welfare recipients and other low income persons not on public assistance. Funds may be used by an account holder for post-secondary education and training, purchase of a first home, or business capitalization expense. Your Committees find that this measure has tremendous potential to lift welfare recipients and others out of poverty and to place them into the mainstream of society.

According to the Bank of Hawaii, this measure is an outgrowth of the federal Assets for Independence Act, recently signed into law by President Clinton. The Act establishes a five-year demonstration program to help low-income individuals and families save part of their income for future use toward specified activities. To date, IDAs have been primarily utilized by local government.

According to the DHS, it has the authority to establish IDAs as part of the Temporary Assistance to Needy Families Program. However, it has not done so because the administrative costs would be excessive.

Your Committees have amended this measure on the recommendation of the Hawaii Independent Development Account Collaborative by:

- (1) Adding language to the purpose section to explain IDAs;
- (2) Providing that IDAs be administered by fiduciary organizations which would bid for a contract with DHS; and
- (3) Providing income tax credits for contributing matching funds to IDAs.

Your Committees also have made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and 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. 817, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 817, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 3 (Levin, Matsuura, Anderson).

SCRep. 497 Health and Human Services on S.B. No. 200

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the Ewa Villages Community Development Corporation.

Your Committee received testimony in support of this measure from the Ewa Villages Community Development Corporation.

This measure is intended to provide financing for community-based care for the frail elderly as well as infants and children who are medically fragile. They need a warm and secure setting that provides them with clinical and emotional care which is so critical. This type of care is now missing in the continuum of care for the medically fragile child.

Your Committee finds that the community-based care center to be developed by the Ewa Villages Community Development Corporation will provide:

- (1) Pediatric skilled nursing care;
- (2) Day health care for the medically fragile child;
- (3) Intergenerational day care;
- (4) A dementia unit;
- (5) Adult residential care;
- (6) Respite care for caregivers of both the fragile elderly as well as the medically fragile child;
- (7) Care giver training;
- (8) Community provider training; and
- (9) Community-based services such as meals, chore services, personal care services, and care management.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 200 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 (Iwase, Anderson).

SCRep. 498 Health and Human Services on S.B. No. 825

The purpose of this measure is to provide an income tax credit for employers who provide a portion of the workplace for breastfeeding or expressing milk, and to promote breastfeeding or expressing milk in the workplace.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Kapiolani Medical Center, American Academy of Pediatrics, Healthy Mothers Healthy Babies, Hawaii Civil Rights Commission, Hawaii State Commission on the Status of Women, Women's Coalition, Mothers Care for Tomorrow's Children, and two private citizens. Testimony in opposition was received from the Department of Taxation. The Department of Labor and Industrial Relations provided comments.

Your Committee firmly believes in the proven value of breastfeeding for infants and toddlers. Medical research has documented proof of the health benefits to breastfed children and breastfeeding mothers. These health benefits are in reduction or protection against many chronic diseases in adulthood. Health benefits translate directly into reduced expenses for medical care and medical insurance costs.

Your Committee further finds that the majority of households in Hawaii have mothers who work. Mothers typically return to work as soon as their maternity leave expires. For mothers who choose to breastfeed, returning to work could be a problem if the employer has no arrangements to allow those mothers to breastfeed or to express breastmilk at work. Your Committee believes that employment practices should not be allowed to stand in the way of a natural and beneficial function of motherhood. Your Committee also believes that employers should have an income tax incentive to allow breastfeeding or expressing breastmilk at work.

Your Committee has amended this measure by:

- (1) Adding a purpose section;
- (2) Clarifying that the corporate net income tax applies to the imputed or actual rental value of any portion of property used for breastfeeding or expressing milk;
- (3) Changing the new section in chapter 387, Hawaii Revised Statutes (HRS), relating to wage and hour law, to chapter 378, HRS, relating to employment practices, as being more appropriate;
- (4) Deleting the provision excepting breastfeeding from the criminal offense of indecent exposure (section 707-734, HRS) since that section deals with exposure of the genitals. Section 712-1217, HRS, dealing with open lewdness, would be a more appropriate section to amend, however, the Supreme Court has already held in State v. Crenshaw, 61 Haw. 68 (1979), that female breasts are not private parts or genitalia, and exposure under certain circumstances (the case involved sunbathing

without a top) is not a lewd act under the statute. Additionally, there was no testimony on this provision to indicate that women have been charged with any kind of criminal offense for breastfeeding in public; and

- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 825, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 825, 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. 499 (Joint) Health and Human Services and Judiciary on S.B. No. 145

The purpose of this measure is to increase the number of organ donations.

Your Committees received testimony in support of this measure from the Office of Lieutenant Governor, Organ Donor Center of Hawaii, Hawaii Nurses Association, Healthcare Association of Hawaii, National Kidney Foundation of Hawaii, Kaiser Permanente, St. Francis Medical Center, and seven private citizens. The Department of Health (DOH) submitted testimony in opposition for lack of resources to conduct annual death record reviews. The Legislative Reference Bureau (LRB) provided informational testimony.

This measure enacts the recommendations of the LRB's report, "Heart and Soul: Anatomical Gifts for Hawaii's Transplant Community", Report No. 3, 1998. The LRB conducted the study pursuant to House Resolution No. 16, 1998, and made the following recommendations:

- (1) Adoption of a required referral system involving all acute care hospitals;
- (2) As part of the required referral system, have a trained, designated requester;
- (3) Conduct an annual death review of death records;
- (4) Give the Lieutenant Governor the responsibility for increasing the visibility of organ donations through education and public awareness projects;
- (5) Creation of an advisory committee on organ donation; and
- (6) Establishment of a dedicated source of funding to help pay for educational programs.

Your Committees have amended this measure on the recommendations of the Organ Donor Center, by:

- (1) Deleting section 327-A(b), Hawaii Revised Statutes (HRS), relating to actual notice of opposition;
- (2) Deleting the requirement that the DOH conduct the annual death record review and requiring the organ procurement organization to conduct the reviews;
- (3) Deleting the imposition of fines by the DOH;
- (4) Deleting the list of specified duties of the advisory committee and substituting general language requiring that the advisory committee promote educational programs;
- (5) Adding a revision to section 286-109.5, HRS, to require the examiner of licenses to adopt rules to allow an organ procurement organization to have twenty-four hour access to the drivers' licensing database;
- (6) Deleting the repeal of section 327-2(h), HRS, relating to prohibiting the revocation of the intent of the decedent under specified circumstances;
- (7) Increasing the membership of the advisory committee on anatomical gifts to at least twenty but not more than twenty-five members;
- (8) Enumerating specific organizations or representative groups from which to choose members of the advisory committee; and
- (9) Making technical, nonsubstantive amendments, such as renumbering sections and reformatting, to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 145, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 145, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 1 (Anderson).

SCRep. 500 Health and Human Services on S.B. No. 1562

The purpose of this measure is to require the Department of Human Services (DHS) to compensate community health centers providing services to QUEST patients based on a risk adjustment for serious medical conditions.

Your Committee received testimony in support of this measure from Aloha Care, Hawaii State Primary Care Association, Healthy Mothers Healthy Babies, Waianae Coast Comprehensive Health Center, Waikiki Health Center, Bay Clinic, and Waimanalo Health Center. Testimony in opposition was received from the DHS and Hawaii Medical Services Association.

This measure is intended to adequately compensate community health centers for treating the sickest and poorest of Hawaii's population. Your Committee believes that the State has an obligation to community health centers to keep them financially viable in order that they can continue to render necessary medical services. Without community health centers, this population would go without medical care.

Your Committee has amended this measure by inserting explanatory language into section 1.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1562, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 501 (Joint) Health and Human Services and Judiciary on S.B. No. 177

The purpose of this measure is to strengthen the child protection system.

Your Committees received testimony in support of this measure from the Department of Human Services (DHS), Department of Health, Police Department of the City and County of Honolulu (HPD), American Academy of Pediatrics, and Hawaii Catholic Conference. Testimony in opposition was received from two private citizens. The Judiciary provided informational testimony.

In a related bill, S.B. No. 151, your Committees received testimony in support from the DHS and informational testimony from the Salvation Army Family Treatment Services.

In another related bill, S.B. No. 1015, your Committees received testimony in support from the Department of the Prosecuting Attorney of the City and County of Honolulu, Salvation Army Family Treatment Services, and State Auditor. Informational testimony was provided by the DHS and the Office of Information Practices.

Your Committees inserted the provisions of S.B. No. 151, relating to the Child Protective Act, and S.B. No. 1051, relating to child protection, into this measure.

Your Committees find that child abuse and neglect continue to worsen in Hawaii and cause serious social problems, such as emotional and mental health problems, alcohol and drug abuse and addiction, juvenile delinquency, and crime. The most severe cases involve the youngest, most vulnerable children.

This measure is a product of the child protective services (CPS) legislative roundtable discussions held during the interim of the Regular Session of 1998. The CPS roundtable was convened to suggest statutory, guideline, rule, regulation, and other changes to improve Hawaii's CPS system. Legislators, the Departments of Human Services, Health, and the Attorney General, the Judiciary, private nonprofit child and family service agencies, and concerned individuals communicated and collaborated with one another, on behalf of abused and neglected children and their families, to develop formal and informal mechanisms for working together.

Your Committees continued the effort, which began with Act 134, Session Laws of Hawaii 1998, the Omnibus Child Protection Act, to control, contain, and reduce child abuse and neglect. This measure is a product of further legislative review of the CPS system. Your Committees have found that the CPS system of DHS cannot do it alone. A concerted and coordinated effort must involve the judiciary, police, and the attorney general, with all parties working together and communicating with one another on each single case of child abuse or neglect. Only in this manner can so-called "isolated cases" avoid "slipping through the cracks" of the CPS system.

Your Committees have amended this measure by:

- (1) Adding the requirement from S.B. No. 1015, that the DHS inform the police or prosecutor of reports of child abuse or neglect it receives;
- (2) Changing "Maintain a medical home" in the new section 587- , Hawaii Revised Statutes (HRS), to "Maintain a system of continuity of care for the medical and health needs of children in the foster care system", because there is no definition for "medical home";

- (3) Deleting the authority of the police to remove a child from the home where the child has no legal custodian who is willing and able to provide a safe family home, on recommendation of the HPD because of the potential for people to call the police when they feel they cannot control their children;
- (4) Deleting the requirement that priests or members of the clergy report suspected child abuse or neglect to the police;
- (5) Deleting the requirement for licensing of guardian ad litem by the Judiciary, on recommendation of the Judiciary;
- (6) Deleting the requirement that the Auditor analyze and assess proposed special and revolving funds, on recommendation of the Auditor as a drafting error; and
- (7) Making technical, nonsubstantive amendments, including renumbering of sections and reformatting.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 177, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 177, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 1 (Anderson).

SCRep. 502 (Joint) Health and Human Services and Commerce and Consumer Protection on S.B. No. 131

The purpose of this measure is to establish minimum standards for long-term care (LTC) insurance. Specifically, this measure:

- (1) Requires employers to offer LTC insurance policies to their employees;
- (2) Appropriates funds for an actuarial study; and
- (3) Appropriates funds for the insurance division to hire a LTC actuary.

Your Committees received testimony in support of this measure from the Department of Human Services, Executive Office on Aging, Hawaii State Commission on the Status of Women, Department of Community Services of the City and County of Honolulu, Office of Aging of the County of Hawaii, American Association of Retired Persons, Hawaii State Retired Teachers Association, Hawaii Coalition for Affordable Long Term Care, Maui Economic Opportunity, National Association of Retired Federal Employees, Policy Advisory Board for Elder Affairs, the Joint Advocacy Committee on Senior Affairs, ILWU Retirees, the consultant to the Joint Legislative Committee on Long-Term Care, and five private citizens. Informational testimony was submitted by the Insurance Commissioner, Hawaii State Association of Life Underwriters, Hawaiian Electric Company, and Faith Action for Community Equity. Testimony in opposition was received from the American Council of Life Insurance, ILWU Local 142, and a private citizen.

This measure is based on the recommendations of the Joint Legislative Committee on Long-Term Care (JLC), established by Act 339, Session Laws of Hawaii 1997. The JLC undertook an eighteen month study to develop a sound financial plan to address a problem of compelling state interest, the current and future LTC needs of the people of Hawaii. The JLC members are Senator Suzanne Chun Oakland and Representative Dennis Arakaki, co-chairs, and members Senators Les Ihara, Jr., (replacing Senator Rosalyn Baker), Andrew Levin, and Sam Slom, and Representatives Marcus Oshiro, Paul Whalen, and Nobu Yonamine.

Your Committees find that Hawaii's population of age seventy and over is the fastest growing segment of the overall population. The population of disabled residents is also increasing gradually. As people age or become disabled, they need help in daily living, which can be little or nonexistent except for care from family members. Caring for a family member can be physically, financially, and emotionally draining for the average two-spouse working family or single working parent, particularly with Hawaii's high cost of living.

Current methods of financing LTC involve predominantly Medicaid, private insurance, and personal assets. Medicaid is limited to financially qualified persons of low income, however Medicaid matching funding from the federal government cannot be relied upon in the future, due to the recent cutbacks in federal funding for Medicaid. Medicaid funding from the State is a drain upon the general fund, due largely to the increase in the target population and the escalating costs of providing LTC. Because of high premiums, private insurance is not widespread. Most people do not have sufficient personal assets to afford to pay for LTC.

Your Committees are convinced that the State needs a method of financing LTC that is affordable and suitable for the majority of residents who do not qualify for Medicaid, do not currently have private LTC insurance, and do not have sufficient personal assets. Encouraging the purchase of LTC insurance is a feasible and reasonable method that can be immediately implemented, without risk to the State as in setting up a trust fund and without the burden of a mandatory tax. Your Committees believe that LTC insurance can become universal and affordable, while providing quality benefits at the time of payout and protecting the policyholder throughout the life of the policy.

Hawaii's LTC insurance statutes were first enacted in 1989 and have not undergone any revision since 1991. During this time, LTC insurance policies have developed and proliferated to the point today of becoming a matured insurance product that can be actuarially evaluated. However, Hawaii's LTC insurance statutes have not kept pace with the product or with the development of LTC

insurance law in other states. Current LTC insurance statutes in Hawaii are basically enabling legislation that need to be updated in order to upgrade the quality of the LTC insurance product to provide the kind and quality of benefits and protections which your Committees desire.

The insurance provisions of this measure are recommended by Dr. Larry Nitz, consultant to the JLC. He contracted for comment and analysis with a certified mainland actuarial, John C. Wilkin of Actuarial Research Corporation. Wilkin is a consultant for the LTC plan of the California Public Employees Retirement System and a consultant to the federal government on LTC insurance.

To increase the number of people covered by an LTC insurance policy, this measure requires that employers and other groups offer to their employees or members an LTC insurance policy for optional purchase, without requiring the employer to pay any premiums unless the employer agrees to it as an employee benefit. To encourage the purchase of LTC insurance policies, premiums are made more affordable in separate measures that provide for an income tax deduction or an income tax credit for premiums paid.

Your Committees emphasize that any tax benefit should be linked to this measure in order to assure that the tax benefits go to paying for a high quality product. Your Committees are concerned that there are many LTC policies on the market that were sold under current law and may not afford as much protection or benefits as they could.

Your Committees have amended this measure by:

- (1) Deleting the requirement that the measure apply to policies issued after October 14, 1998, to avoid possible challenges based on retroactive impairment of contracts;
- (2) Adding "retiree organization" to the employer entity references;
- (3) Setting out as a separate statutory section the provision requiring all insurers to make available group long-term care insurance policies;
- (4) Clarifying the portability requirements by deleting references to conversion or to continuing coverages with another employer, since most policies are presently portable and since "conversion" is a term of art in the insurance business that allows for a new policy to be issued with higher premiums;
- (5) Requiring lapse to occur after one hundred fifty days instead of sixty days to conform with current policies;
- (6) Deleting the provision for reinstatement by payment of premium within sixty days from a lapse, and inserting language to allow the policy provisions to control reinstatement;
- (7) Changing "brain diseases" to "brain disorders";
- (8) Clarifying the provision for age-graded premiums to allow further rate adjustment after the age of sixty-five, on the recommendation of the Insurance Commissioner who can regulate the rates anyway;
- (9) Providing for Internal Revenue Code conformity for policies for federal tax benefit purposes;
- (10) Inserting language from the Insurance Commissioner to subject health maintenance organizations offering long-term care policies to the Life and Disability Guaranty Association;
- (11) Providing that a group long-term care insurance policy may be substituted with an individual long-term care insurance policy if a group policy is not made available to the employer;
- (12) Providing that the terms "group long-term care insurance policy" and "individual long-term care insurance policy" are interchangeable;
- (13) Adding a severability clause; and
- (14) Making technical, nonsubstantive amendments for purposes of clarity and style.

As amended, this measure provides the following:

- (1) Minimum required coverages in group LTC insurance polices for home- and community-based care, adult residential homes, and respite care, and optional coverage for nursing home care, hospice care, and assisted living facilities; minimum coverages for individual LTC insurance policies for one or more of home- and community-based care, adult residential homes, nursing home care, respite care, or assisted living facilities;
- (2) Requiring employers, labor organizations, retiree organizations and other entities to offer LTC insurance policies to their employees or members, without requiring them to purchase and without requiring the employer, labor organization, retiree organization, or other entity to pay for premiums, unless they so choose;

- (3) Requiring all LTC insurers to make available an LTC policy to employers, labor organizations, retiree organizations, and other entities;
- (4) Allowing a person to purchase an LTC insurance policy that covers the person, the person's spouse or reciprocal beneficiary, as well as their parents and grandparents, including in-laws;
- (5) Prohibiting policy lapses for nonpayment of premium for a minimum period of 150 days;
- (6) Coverage for LTC resulting from Alzheimer's and brain disorders;
- (7) Requiring an LTC policy option for inflation protection;
- (8) Age-graded premiums to be fixed over the life of the policy unless changes are allowed by the Insurance Commissioner;
- (9) Conflict with the Health Insurance Portability and Accountability Act (HIPA), so that HIPA controls;
- (10) Conformance with federal tax law for qualifying LTC policies for tax benefits purposes;
- (11) Interchangeability of terminology between "group long-term care insurance" and "individual long-term care insurance";
- (12) Allowing a member of the Public Health Fund to purchase an LTC insurance policy that covers the person, the person's spouse or reciprocal beneficiary, as well as their parents and grandparents, including in-laws;
- (13) Requiring the Insurance Commissioner to adopt LTC insurance rules by September 1, 1999;
- (14) Requiring specified loss ratio standards for evaluating LTC policies;
- (15) Requiring mutual benefit societies to belong to the Life and Disability Guaranty Association for that part of their business in selling LTC insurance;
- (16) Extending the sunset date for the JLC to June 30, 2000, with an interim report by December 1, 1999, and a final report by December 30, 1999;
- (17) Making an appropriation for the Insurance Commissioner to hire a qualified LTC actuary to provide services to the Insurance Division, as distinguished from making an appropriation for an LTC actuarial study which requires an actuary firm rather than an individual actuary;
- (18) Making an appropriation for the JLC to conduct a comprehensive LTC actuarial study to provide an analysis and report on a universal LTC plan, as distinguished from making an appropriation to the Insurance Commissioner to hire an LTC actuary;
- (19) Making an appropriation for JLC expenses to conducting statewide public briefings of the result of its actuarial study; and
- (20) A severability clause.

The Insurance Commissioner has proposed that this measure be amended to incorporate selected provisions from the Model Long-Term Care Act, as revised in 1998. However, your Committees have been informed that those amendments are not ready for this draft but should be ready later during this session as this measure progresses through the legislature. The Insurance Commissioner is in the process of examining recent federal tax legislation for its effect on the model act, so the Commissioner has advised your Committees to proceed with this draft in the meantime.

As affirmed by the records of votes of the members of your Committees on Health and 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. 131, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 131, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 3 (Levin, Matsuura, Anderson).

SCRep. 503 Health and Human Services on S.B. No. 1542

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to fund the establishment of senior citizen lifecare retirement communities in the State.

Testimony in support of the measure was received from the Honolulu Neighborhood Housing Services and the development firm of Graham, Murata, Russell. The Department of Budget and Finance submitted comments on the measure.

Your Committee finds that there is a pressing need to provide affordable, quality lifecare domiciles and services for Hawaii's aging population. By authorizing the issuance of special purpose revenue bonds for this purpose, the State will be assisting in the provision of low cost financing for projects that meet this pressing need.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1542 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 504 Health and Human Services on S.B. No. 717

The purpose of this measure is to authorize special purpose revenue bonds for the North Hawaii Community Hospital.

Testimony in support of this measure was received from the North Hawaii Community Hospital.

Your Committee finds that this measure will facilitate refinancing North Hawaii Community Hospital's long term debt at substantially lower interest rates. This refinancing shifts cash from bank payments back to expenditures in the community by as much as \$500,000 per year.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 717 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. 505 Health and Human Services on S.B. No. 166

The purpose of this measure is to prohibit the distribution of samples of or coupons for cigarettes or tobacco products on any public street, sidewalk, park, or within one thousand feet from any elementary, intermediate, or high school.

Your Committee received testimony in support of this measure from the Department of Health, Department of Education, Police Department of the City and County of Honolulu, Hawaii Nurses Association, American Lung Association, American Academy of Pediatrics, and Coalition for a Tobacco Free Hawaii. Testimony in support of the intent of the measure was submitted by the Legislative Information Services of Hawaii.

Your Committee believes that this measure will be an effective mechanism to reduce tobacco use by youth. Cigarette smoking is Hawaii's and the nation's number one preventable cause of morbidity and mortality. In Hawaii, those casualties represent sixteen per cent or over 1,200 lives lost each year and \$238 million in economic losses every year. Over ninety per cent of smokers begin smoking during childhood and adolescence. More aggressive measures are needed to counteract the social forces that continue to induce Hawaii's young people to use tobacco products.

Your Committee has amended this measure by clarifying the definition of "to distribute" to mean the "exclusive" purpose of promoting a product, to avoid possible first amendment problems with advertising.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 166, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 506 Health and Human Services on S.B. No. 225

The purpose of this measure is to appropriate funds to provide twenty-four hour advanced life support ambulance service.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Council Chair and two members of the County Council of Maui, American Medical Response, numerous private citizens of the Kula Community Association who signed a petition, and one other private citizen.

Your Committee finds that this measure will provide parity in emergency health care for residents and visitors of Kula, Makawao, and Pukalani, known as the upcountry region of Maui. According to the DOH, there is currently only one life support ambulance unit providing twenty-four hour per day service to this region and one unit providing ten-hour service. Your Committee finds that the ambulance service should be expanded in the interests of the health and welfare of upcountry residents. The DOH estimates the cost of increasing the one ambulance service from ten to twenty-four hour service would be approximately \$492,000 per year.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 225 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. 507 Health and Human Services on S.B. No. 779

The purpose of this measure is establish a certification process of dental hygienists to administer intra-oral infiltration local anesthesia and intra-oral block anesthesia.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Dental Hygienists Association, Hawaii Institute for Wellness in Dentistry, and two private citizens. Testimony in opposition was received from two dentists. Testimony expressing reservations or concerns was received from three dentists. The Board of Dental Examiners provided informational testimony.

Your Committee finds that with proper training, licensing, and oversight, as provided by this measure, dental hygienists may administer local anesthesia.

Your Committee has amended this measure by:

- (1) Deleting section 447- (a)(11),(12), and (13), Hawaii Revised Statutes (HRS) in section 1, relating to three types of nerve blocks;
- (2) Deleting section 447- (b)(2), HRS, in section 1, relating to the course of study; and
- (3) Inserting section 447- (d), HRS, in section 1, relating to allowing the Board of Dental Examiners to adopt rules for the new section.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 779, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 508 Health and Human Services on S.B. No. 180

The purpose of this measure is to make appropriations for substance abuse prevention and treatment service.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Education, Hawaii Substance Abuse Coalition, Coalition for a Drug Free Hawaii, and Ho'omau Ke Ola. The Department of Health (DOH) submitted suggested amendments after the hearing.

This measure makes appropriations for prevention programs, adolescent treatment services, adult treatment services, and the Substance Abuse Free Environment (S.A.F.E. or Baby Safe program of the DOH).

Your Committee finds that a comprehensive approach is necessary to adequately address the effects of alcohol and drug abuse on society. A comprehensive approach involves the host (abuser), the agent (alcohol or drugs), and the environment (society). This measure provides funding for treating the abuser, preventing the agent, and improving society through reducing infant mortality and morbidity among high risk substance abusing women who are pregnant.

Your Committee has amended this measure on recommendation of the DOH, as follows:

- (1) Adding explanatory language to section 1;
- (2) Inserting \$600,000 for funding for adolescent school-based substance abuse treatment services in public high schools statewide;
- (3) Inserting amounts for funding under section 6 and deleting day treatment services;
- (3) Deleting part V pertaining to the baby safe program;
- (4) Inserting \$2,418,550 for funding for substance abuse prevention and treatment; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services 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 pass Second Reading in the form attached hereto as S.B. No. 180, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 509 (Joint) Health and Human Services and Judiciary on S.B. No. 1058

The purpose of this administration measure is to allow the Department of Human Services (DHS) to subrogate against a third party recovery on any claim brought by an injured person who receives medical assistance.

Your Committees received testimony in support of this administration measure from the DHS. Testimony in opposition was submitted by the Consumer Lawyers of Hawaii.

Your Committees find that medical assistance recipients who receive a third party recovery should repay the State the amount of the costs of their medical treatment resulting from an accident. This measure creates a right of subrogation for the DHS for that purpose.

Your Committees have amended this measure on the recommendation of the Consumer Lawyers of Hawaii to clarify the rights and liabilities of the State and the recipient regarding payment of attorneys fees in any subrogation action. Your Committees also have made technical, nonsubstantive amendments for clarity and to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1058, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1058, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 1 (Anderson).

SCRep. 510 (Joint) Health and Human Services and Labor and Environment on S.B. No. 1496

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for a plasma waste conversion facility.

Your Committees received testimony in support of this measure from the Department of Health (DOH).

Your Committees find that hospitals and medical facilities are having difficulty disposing of medical waste. HEED, Inc., a Hawaii corporation, plans to develop a plasma waste conversion facility on Oahu and Molokai for the safe and proper disposal of medical waste. According to the DOH, this is a long-term solution for the proper disposal of Hawaii's medical waste.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1496, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Iwase, Anderson, Slom).

SCRep. 511 Health and Human Services on S.B. No. 866

The purpose of this measure is to make an appropriation for a demonstration project for long-term care.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Hawaii Long Term Care Association, and Aloha Care.

Your Committee believes that long-term care for Hawaii's residents is a critical issue due to the increase in the aging population, shortage of nursing home beds, and fragmentation or nonexistence of home- and community-based care. This measure is a means for the State to examine alternatives to administer long-term care to provide an effective and affordable system. This measure introduces the managed care concept into long-term care, starting with the Medicaid population.

Your Committee has amended this measure on the recommendation of Aloha Care by:

- (1) Correcting the reference to federal matching funds in the purpose section to \$40,000 instead of \$80,000; and
- (2) Clarifying that the use of the funds is for a Medicaid managed long-term care demonstration project.

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

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 866, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 512 Health and Human Services on S.B. No. 192

The purpose of this measure is to create a child care facilities revolving fund and to make appropriations for various child care programs.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Education, Department of Health, Department of Community Services of the City and County of Honolulu, Head Start Association of Hawaii, KCCA Pre-Schools of Hawaii, Hawaii Association for the Education of Young Children, Good Beginnings Alliance, American Academy of Pediatrics, Kauai Good Beginnings Community Council, Childcare Business Coalition, PATCH, Information Services, and two private individuals.

Your Committee finds that the first years of life are critical to child development. Early childhood education and care programs promote cognitive, emotional, social, and physical development of the child. There are tremendous opportunities for preventive work with children and families in early childhood that are critical to prevent the costly consequences of neglecting children and families. Your Committee believes that every child should have a good beginning and should not lose the potential with which the child was born.

Your Committee has amended this measure on the recommendation of the Department of Human Services to change the revolving loan fund to a grant fund and to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 192, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 513 Health and Human Services on S.B. No. 149

The purpose of this measure is to make an appropriation for respite care services for families of individuals with special needs.

Your Committee received testimony in support of this measure from the Department of Health (DOH), State Planning Council on Developmental Disabilities, Commission on Persons with Disabilities, The Arc of Hawaii, NAMI Oahu, American Academy of Pediatrics, and fifteen private citizens.

Your Committee believes that families are the greatest resource for children and are the major providers of care and support for them, particularly if those children have special needs requiring daily care in their own home. These families must endure higher financial sacrifices, physical and emotional stress, and isolation from being constantly tied to the home. The last major appropriation for respite care for families who provide home care was in 1990 for support services and training. Your Committee finds that the respite care budget of the DOH has been substantially reduced since then. This measure represents much needed and long overdue assistance to those families.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 149, 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 (Fukunaga).

SCRep. 514 Health and Human Services on S.B. No. 190

The purpose of this measure is to create a perinatal care and support services special fund and to require that an unspecified amount of fees collected by the Department of Health from the issuance of special commemorative birth certificates be deposited into the fund with the remainder going to the general fund.

Your Committee received testimony in support of this measure from the Department of Health, Mothers Care, and Healthy Mothers Healthy Babies.

Your Committee finds that this measure will assure permanent and ongoing state funding to support perinatal services, which are a core public health function. Budget restrictions over the last few years have necessitated the reduction of perinatal services. This measure is an innovative funding solution that has been successful in other states, according to the Department of Health.

Your Committee notes, however, that the moneys generated from the purchase of the commemorative birth certificates should not supplant existing general fund resources presently allocated for perinatal services.

Your Committee has amended this measure by:

- (1) Conforming two statutory provisions to current law;
- (2) Deleting two duplicative statutory amendment provisions;
- (3) Deleting the perinatal care and support special fund and substituting appropriate amendments to the Hawaii children's trust fund;
- (4) Amending Act 216, Session Laws of Hawaii 1997, to preserve the amendments proposed in this measure; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 190, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 515 Health and Human Services on S.B. No. 172

The purpose of this measure is to make an appropriation for the children's health insurance program (CHIP), to be matched by federal funds.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Health, Hawaii State Primary Care Association, American Academy of Pediatrics, and Na Loio.

CHIP is a federal program under the Social Security Act that provides matching federal assistance to states to expand Medicaid coverage for uninsured children and low-income families.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 172 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 (Fukunaga, Levin).

SCRep. 516 Health and Human Services on S.B. No. 176

The purpose of this measure is to create criminal offenses for child abuse in the first and second degrees and to make other revisions to the penal code pertaining to child abuse.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Police Department of the City and County of Honolulu, and American Academy of Pediatrics. Informational testimony was submitted by the Public Defender.

Specifically, this measure:

- (1) Requires that when determining if force is justifiable, consideration must be given to the condition of the minor;
- (2) Raises the age of a child victim from under eight to under twelve years old which subjects a convicted defendant to consideration for an extended term of imprisonment;
- (3) Raises the age of a child victim from under eight to under twelve years old which subjects a convicted defendant to a mandatory term of imprisonment without the possibility of parole for cases of death or serious bodily injury; and
- (4) Reclassifies the offense of recklessly allowing another person to inflict serious or substantial bodily injury on the minor from a second degree to first degree offense.

Your Committee finds that the penal code is lacking in offenses specific to child abuse and in punishment for those offenses. This measure closes those loopholes, serves as a deterrent to child abuse, and punishes those who commit the most serious abuses.

Your Committee defers to the Committee on the Judiciary for appropriate amendments, if any, to this measure. However, your Committee notes that the Public Defender raised a concern that this measure makes no distinction between very dissimilar conduct and yet punishes both offenses equally. According to the Public Defender, no other felony-assault type offense does this. It is contrary not only to our penal law but to the notion that conduct is punished in accordance with the level of culpability of the state of mind with which the act has been committed. The same consideration applies to elevating recklessly endangering the welfare of a minor in the second degree to a first degree felony.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 176 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 517 (Joint) Health and Human Services and Labor and Environment on S.B. No. 993

The purpose of this measure is to exempt owners of guide dogs, signal dogs, or service animals from all licensing fees or charges by the counties, and to clarify discrimination laws against the blind.

Your Committees received testimony in support of this measure from the Hawaii Civil Rights Commission (HCRC), Commission on Persons with Disabilities, Hawaii State Coordinating Council on Deafness, and four private citizens.

This measure strengthens the policy of the State to encourage and enable the blind to participate fully in the social and economic life of Hawaii and to obtain gainful employment. Your Committees believe that the blind are entitled to equality of opportunity, full participation, independent living, and economic-self sufficiency.

Your Committees have amended this bill on the recommendation of the HCRC, as follows:

- (1) Deleting the exemption from county dog licensing requirements in chapter 46, Hawaii Revised Statutes (HRS);
- (2) Adding a new definition for "because of a disability" in section 378-1, Hawaii Revised Statutes, and a new definition for "on the basis of disability" in section 489-2, Hawaii Revised Statutes;
- (3) Deleting provisions relating to prohibiting discrimination against using guidedogs and requiring payment of extra charges or fees by employers for use of guidedogs, as being unnecessary with the new definitions; and
- (4) Clarifying that guide dogs, service animals, and signal dogs are exempt from county regulation and licensure in chapter 143, HRS.

Your Committees have also made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 993, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 993, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 518 Health and Human Services on S.B. No. 835

The purpose of this measure is to require the Department of Health (DOH) to establish and administer an aeromedical emergency medical services information system and to contract for emergency aeromedical services.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Hawaii County Fire Department, Hawaii Air Ambulance, Healthcare Association of Hawaii, and the American Heart Association which submitted a letter of support from a physician and a petition with numerous signatures.

Your Committee finds that a quality aeromedical services system is critical to the health and welfare of all people, particularly those in the rural areas of the Big Island. Although this measure provides statutory recognition of aeromedical services, the DOH currently provides aeromedical services. This measure is an outgrowth of an aeromedical task force that assisted the DOH by making recommendations to improve current aeromedical services.

Your Committee has amended this measure on the recommendation of the Department of Health and Hawaii Air Ambulance by:

- (1) Adding the time for notification to aeromedical dispatch to the aeromedical emergency medical services information system's communication and dispatch responsibilities;
- (2) Deleting medical oversight by physicians;
- (3) Changing the name of the emergency aeromedical services quality improvement committee to the emergency aeromedical services quality improvement advisory committee; and
- (4) Deleting reference to the American College of Surgeons performance measures.

Your Committee has clarified that the DOH may require licensing and establish standards for emergency aeromedical services, and has made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 835, 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. 519 Health and Human Services on S.B. No. 1610

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to fund the renovation of existing health care facilities and the establishment of a new health care facility by Wahiawa General Hospital, Inc.

Specifically, the measure authorizes the issuance of \$37,000,000 in special purpose revenue bonds and appropriates the same sum for the Wahiawa General Hospital, Inc., a not-for-profit Hawaii corporation, to:

- (1) Retire outstanding debt on existing health care facilities;
- (2) Retire outstanding debt on existing capital equipment used in connection with the existing facilities;
- (3) Plan, design, construct, and operate a new health care facility in central Oahu;
- (4) Acquire and install additional capital equipment for use in connection with Wahiawa General Hospital, Inc., facilities; or
- (5) Renovate or repair existing health care facilities.

Testimony in support of the measure was received from the Wahiawa Hospital Association, Wahiawa General Hospital, Central Oahu Physician Hospital Organization, representatives of the Physician Center of Mililani, a physician, and a petition containing numerous supporters of the measure.

Your Committee finds that there is a pressing need to provide affordable, quality health care facilities for Hawaii's citizens. By authorizing the issuance of special purpose revenue bonds for this purpose, the State will be assisting in the provision of low cost financing for Wahiawa General Hospital, Inc., to help meet this pressing need.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1610 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 (Anderson).

SCRep. 520 Health and Human Services on S.B. No. 1608

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to fund the establishment of health care facilities in the State by not-for-profit corporations.

Specifically, the measure authorizes the issuance of special purpose revenue bonds and appropriates the same sums for the following purposes:

- (1) \$5 million for the Pacific Women's Center, Inc., a not-for-profit Hawaii corporation, to establish a health care facility in Central Oahu;
- (2) \$500,000 for the Pacific Saging, Inc., a not-for-profit Hawaii corporation, to establish a new health care facility;
- (3) \$20 million for the Pacific Sports Medicine & Research, Inc., a not-for-profit Hawaii corporation, to establish a health care facility in Central Oahu;

- (4) \$15 million for the Pacific Cardiac Institute, Inc., a not-for-profit Hawaii corporation, to establish a health care facility in Central Oahu; and
- (5) \$5 million for the Pacific Wellness Center, Inc., a not-for-profit Hawaii corporation, to establish a health care facility in Central Oahu.

Testimony in support of the measure was received from the Wahiawa Hospital Association, Wahiawa General Hospital, Central Oahu Physician Hospital Organization, representatives of the Physician Center of Mililani, the President of the American Heart Association of Hawaii, a number of physicians, a certified athletic trainer, and a petition containing numerous supporters of the measure.

Your Committee finds that there is a pressing need to provide affordable, quality health care facilities for Hawaii's citizens. By authorizing the issuance of special purpose revenue bonds for this purpose, the State will be assisting in the provision of low cost financing for projects that meet this pressing need.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1608 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 (Anderson).

SCRep. 521 Health and Human Services on S.B. No. 368

The purpose of this measure is to prohibit the Director of Health from issuing a permit for a medical waste incinerator that is located within one mile of any residential dwelling.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Stonecraft, Akamai Builders, Inc., and six private citizens.

Your Committee believes that medical waste incinerators pollute the air in the surrounding area. For example, residents of Kalihi report that a recent medical waste incinerator emits a noxious odor that causes physical discomfort. This measure is intended to prevent those occurrences.

Your Committee notes the comments of the DOH that a one-mile buffer zone for residents from any medical waste incinerator or medical waste sterilizer will severely restrict or eliminate viable locations for these facilities. The only areas left are probably remote areas on neighbor islands. However, your Committee believes that it is incumbent upon the State to protect the health and safety of the public, even if it means locating these facilities in remote areas which your Committee feels is more appropriate anyway.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 368 and recommends that it pass Second Reading and be referred to the Committee on Labor and Environment.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 522 Health and Human Services on S.B. No. 136

The purpose of this measure is to prohibit long-term care (LTC) insurers from requesting or requiring an individual or a family member to undergo genetic testing to obtain an LTC insurance policy or certificate.

Your Committee received testimony in support of this measure from the Department of Health, Executive Office on Aging, Commission on Persons with Disabilities, Hawaii Medical Association, Policy Advisory Board for Elder Affairs, Healthcare Association of Hawaii, and a private citizen. Testimony in opposition was received from the Insurance Commissioner and American Council of Life Insurance. Informational testimony was provided by State Farm Insurance Companies and a private citizen. Your Committee notes that the Insurance Commissioner's testimony was in opposition to authorizing insurers to request or require genetic testing, when in fact the measure prohibits the practice.

This measure also clarifies the use of genetic test results for underwriting LTC insurance.

Your Committee is very concerned about the impact of genetic testing and test results upon the ability of a person to obtain LTC insurance. Genetic science and genetic testing are evolving to the point where they have practical application to predict chronic diseases and to even treat those diseases through gene therapy. However, your Committee feels that genetic test results have no place in qualifying a person to purchase LTC insurance. Hawaii is currently in the process of making LTC insurance universal. To allow genetic test results to be factored into underwriting could result in disproportionately higher premiums and discourage the applicant from purchasing LTC insurance.

Your Committee has amended this measure to:

- (1) Clarify that an LTC insurer may not underwrite an LTC insurance policy or certificate based on genetic test results unless based on actuarially sound principles or actual or reasonably anticipated experience;
- (2) Delete the definition of "board certified genetics professional" because it is not used in the amended language; and
- (3) Make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 136, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 523 Health and Human Services on S.B. No. 851

The purpose of this measure is to require the Department of Health (DOH) to adopt rules relating to patient self-determination for medical care and pain management during end of life care.

Your Committee received testimony in support of this measure from the DOH, Executive Office on Aging, Hawaii Catholic Conference, and American Association of Retired Persons. Testimony in opposition was received from the Hawaii Nurses Association.

This measure is intended to facilitate a patient's wishes for pain treatment at end of life care. Your Committee recognizes that this is a very personal and sensitive subject and believes that dying patients should have a certain amount of freedom to choose a course of pain management. This measure requires the DOH to adopt rules for industry standards for the treatment of pain based on the guidelines issued by the Agency for Healthcare Policy and Research of the United States Department of Health.

Your Committee also received testimony in support of a related measure, S.B. No. 847, relating to hospice care reimbursement, from the Insurance Commissioner, Executive Office on Aging, Hawaii Catholic Conference, Commission on Persons with Disabilities, American Association of Retired Persons, and Hawaii Nurses Association.

Your Committee finds that hospice care can be a very appropriate method of end of life care and that Hawaii needs more hospice homes. S.B. No. 847 requires health insurers to cover expenses for hospice care and removes county zoning barriers to the location of hospice homes in residentially designated zones.

Your Committee has amended this measure by:

- (1) Inserting the provisions of S.B. No. 847 into this measure;
- (2) Adding a new section to chapter 46, Hawaii Revised Statutes (HRS), relating to counties, permitting a hospice home in a residential area;
- (3) Deleting the new section to chapter 432D, HRS, and inserting an amendment to section 432D-23, HRS, as the appropriate revision;
- (4) Deleting the amendment to section 321-13, HRS, relating to insertion of the word "services" into the permissible subjects of occupation regulation of DOH;
- (5) Making changes to language that reflect proper statutory language for revising insurance statutes;
- (6) Making other changes to language for purposes of clarity and style; and
- (7) Reformatting and renumbering sections.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 851, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 524 Health and Human Services on S.B. No. 1055

The purpose of this measure is to include future categories of unclaimed cash assistance benefits, to be expunged through the electronic benefit transfer (EBT) system.

Testimony in favor of this measure was received from the Department of Human Services.

This administration measure provides the Department of Human Services with the flexibility to allow other cash benefits to be disbursed through the existing Electronic Benefit Transfer (EBT) system. Currently, the various types of cash assistance benefits that the Department issues via the EBT system include Temporary Assistance to Needy Families (TANF), Temporary Assistance to Other Needy Families (TAONF), General Assistance (GA), and Aid to the Aged, Blind, and Disabled (AABD). As technology improves and modifications to the EBT system are made, the Department plans to add other cash benefits onto its system. Future programs to be added include child care and foster care payments.

Your Committee finds that the Department of Human Service's implementation of the EBT system has been successful. Your Committee further finds that this measure will allow the Department to proceed to disperse the benefits of future assistance programs without having to constantly revise this Hawaii Revised Statutes section.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1055 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 525 (Joint) Health and Human Services and Education and Technology on S.B. No. 174

The purpose of this measure is to make an appropriation for the peer education program to expand the program to five new schools in each of the next two years.

Your Committees received testimony in support of this measure from the Department of Education, Department of Health, Hawaii State Teachers Association, Keiki Injury Prevention Coalition, several staff members of the peer education program from various high schools, and numerous students from various high schools who are associated with the peer education program as peer educators or as members of the program.

The peer education program in Hawaii public schools was established in 1988 to address such serious teen health issues as pregnancy, sexually transmitted diseases, substance abuse, violence, and suicide. The peer education program has been implemented in twenty-six schools throughout the State.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 174 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Bunda, Anderson, Slom).

SCRep. 526 (Joint) Health and Human Services and Education and Technology on S.B. No. 1577

The purpose of this measure is to require the Department of Health (DOH) to identify, investigate, and report to the public on environmental health hazards, in cooperation with the Department of Education (DOE).

This measure also requires the DOE to evaluate, identify, and report to the DOH any suspicious increase or significant clusters of disease or illness suspected to be related to environmental contamination.

Your Committees received testimony in support of this measure from DOH, DOE, Life of the Land, and eight private citizens.

Your Committees find that there is cogent and persuasive evidence that is more than coincidental to indicate the presence of an environmental hazard at Village Park in Kunia on Oahu. The soil and water at Kunia could be contaminated with toxins that are having a profound effect on Kunia's children, who exhibit grossly disproportionate incidences of physical and learning disabilities. Adults have also experienced unusual health problems including excessive hair loss, development of tumors, and face and body rashes. Residents have also observed blue water stains in their bath tubs and sink basins, accelerated corrosion of plumbing fixtures, bathtub porcelain, water heaters and water pressure regulators. Your Committees believe that testing should be immediately conducted to determine if the soil and water at Kunia are the cause of these disabilities. Because Kunia was once prime agricultural land, your Committees feel that the soil and water may be contaminated with pesticide residues that have accumulated over decades.

Your Committees request the DOH to plan and conduct the soil and water testing after consultation with the DOH and appropriate community organizations and representatives of Village Park. Your Committees further request the DOH to continue to work with Village Park residents after the testing for any follow-up plans.

Your Committees have amended this measure by:

- (1) Deleting the statutory amendments;
- (2) Clarifying the language in the purpose section to emphasize the problems at Kunia;
- (3) Inserting an unspecified appropriation to the DOH to conduct soil and water testing at Kunia; and
- (4) Requiring that the DOH complete its testing by December 15, 1999, and report to the legislature for the 2000 session.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1577, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1577, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Matsunaga, Tam, Anderson).

SCRep. 527 (Majority) Health and Human Services on S.B. No. 862

The purpose of this measure is to legalize marijuana for medical use.

Testimony in support of this measure was received from the Life Foundation, American Civil Liberties Union, Cannabis Consulting Company, Libertarian Party of Hawaii, Big Island AIDS Project, Malama Pono, Religion of Jesus Church, Upjohn Company, Industrial Research Laboratories, Citizens Advocating Responsible Education, and twenty private citizens. Testimony in opposition was presented by the Police Department of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, County of Hawaii Police Department, American Cancer Society, Hawaii Medical Association, Hawaii Catholic Conference, Drug-Free Hawaii, Wm. S. Merrell Company, American Drug Manufacturers Association, Reformed Church in America, and three private physicians. The Department of Health submitted informational testimony that more discussion is needed.

Your Committee finds that medical scientific evidence on the medicinal benefits of marijuana should be recognized, though this subject is controversial. Your Committee is aware of the problems of law enforcement and legal acquisition relating to legalizing marijuana for medical use. It is your Committee's intent to move toward a policy of allowing the medical use of marijuana. By passing this measure, your Committee is keeping the issue alive and generating discussion on a topic of utmost importance. Your Committee defers to the Committee on the Judiciary as to the legal aspects of this measure. Your Committee is concerned with the health aspects and finds that there is sufficient anecdotal evidence that certain diseases and conditions may respond favorably to a medically controlled use of marijuana.

Your Committee, however, wishes to note that the passage of this measure onto the Committee on the Judiciary in no way signals that the legislature intends to legalize marijuana for other than medicinal purposes. Your Committee strongly suggests that, should marijuana be legalized for medicinal purposes, every effort should be made to partner with existing national research efforts studying the efficacy of using marijuana for treating the terminally ill and those with debilitating medical conditions. In addition, your Committee also suggests that the Committee on Judiciary examine the positive and negative aspects of replacing the current definition of marijuana with that of "cannabis".

Your Committee further wishes to note the scholarly dissertation submitted as testimony in favor of this measure from Professor Richard S. Miller, Emeritus Professor of Law, William S. Richardson School of Law, University of Hawaii. He makes a cogent legal argument that "medical use of cannabis is evidently permitted under Hawaii law under certain circumstances. S.B. No. 862 will not establish any new legal rights, but will make existing Hawaii law and legal rights effective!" Professor Miller bases his argument on the "choice of evils" defense to justify an act that would otherwise be a crime in order to avoid a consequence that would be more harmful than the crime itself. Your Committee wishes to thank Professor Miller for his insightful legal perspective.

Your Committee has amended this measure on the recommendation of Professor Miller to add a provision to clarify that a failure of a physician to provide written documentation does not subject the physician to a civil, criminal, or licensure action. Technical, nonsubstantive amendments also were made.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 862, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 862, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Iwase). Excused, 1 (Anderson).

SCRep. 528 (Joint) Transportation and Intergovernmental Affairs and Judiciary on S.B. No. 680

The purpose of this measure is to prohibit the use of fireworks at any time by any person unless the person has a permit to use fireworks for compelling religious and cultural purposes.

Your Committees held a hearing on this measure and the following measures relating to the regulation of fireworks: S.B. Nos. 50, 141, 213, 214, 608, 679, 681, 796, 963, 1331, or 1630. To expedite the hearing, testifiers were asked to explain their position on fireworks regulation rather than comment on the provisions of each bill.

Your Committees received testimony from the Office of the Governor, Hawaii State Department of Health, Department of Taxation, Police Department of the City and County of Honolulu, Fire Department of the City and County of Honolulu, James Campbell High School, American Lung Association, Legislative Information Services of Hawaii, Inc., Chinese Chamber of Commerce, Hawaii Medical Association, Hawaii Explosives & Pyrotechnics, Inc., Pacific Realty Consultants, Tax Foundation of Hawaii, and over 100 individuals.

In general, testimony called for further regulation of fireworks and described the excessive, dangerous, and illegal use of fireworks prior to, during, and after January 1, 1999, the effect of which caused health problems, created safety hazards, and caused many citizens to fear for their well-being. Further testimony expressed that current fireworks control laws are unenforceable.

With respect to fireworks regulation, the positions advocated by testifiers included an absolute prohibition of fireworks, prohibiting the individual use of fireworks, delegating the regulation of fireworks to the counties, increasing the tax on the sale of fireworks, and further prohibiting the use of fireworks but permitting the use of fireworks for professional public displays and/or religious cultural purposes. Numerous testifiers also submitted testimony in opposition to the various positions advocated and suggested alternative forms of fireworks regulation.

Upon consideration of the testimony presented, your Committees find that current fireworks control laws are not effective and are difficult and even impossible to enforce. As the use of fireworks has reached a point where the health, safety, and general welfare of the public is in jeopardy, your Committees find that the use of fireworks must be strictly regulated in this State. However, your Committees acknowledge the social value of fireworks when used for religious and cultural purposes and in professional public displays. Your Committees note the use of fireworks in religious events may be protected by the Constitution.

Therefore, your Committees believe that the use of fireworks for religious and cultural purposes and for professional public displays should be permitted in this State. Your Committees further believe that if counties determine that the use of fireworks within their respective jurisdictions should be permitted, then those counties must affirmatively enact ordinances permitting and regulating the use of fireworks. Thus, in the absence of county ordinances stating otherwise, the use of fireworks will be prohibited in all counties except for religious and cultural purposes and professional public displays.

Your Committees have amended this measure by replacing it with provisions that repeal chapter 132D, Hawaii Revised Statutes, and establishing a new chapter on fireworks which:

- (1) Prohibits the sale, possession, and use of fireworks statewide except for bona fide religious or cultural purposes and public displays;
- (2) Permits individual counties, by adopting ordinances, to authorize and regulate the sale and use of fireworks within their respective jurisdictions;
- (3) Deems it a class C felony to import or sell aerial common fireworks or special fireworks, a misdemeanor to sell fireworks if not authorized by county ordinance, and a petty misdemeanor to purchase, possess or use fireworks if not authorized by county ordinance;
- (4) Restricts the permitted use of fireworks only to the hours between 9:00 a.m. and 9:00 p.m.;
- (5) Prohibits the sale of fireworks to minors, holds parents or guardians of a minor possessing or using fireworks liable for possession or use of fireworks except when the minor is using the fireworks for religious or cultural purposes and the parents or guardians have a permit for that activity;
- (6) Requires the counties to enforce and administer the fireworks control laws;
- (7) Deems void all county ordinances and rules regulating fireworks effective prior to January 2, 2000; and
- (8) Takes effect January 2, 2000.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 680, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 680, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Ige, D., Iwase, Sakamoto, Tanaka, Taniguchi, Anderson).

The purpose of this administration measure is to allow the Drug Product Selection Board (Board) to adopt as rules the "Approved Drug Products with Therapeutic Equivalence Evaluations", known as the Orange Book, as a state drug formulary, including a Hawaii additions and deletions list.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Hawaii Medical Services Association, Pharmacy Association of Hawaii, Longs Drugs, and Times Supermarkets.

Under existing law, the Board is required to publish and distribute a state generic drug formulary. Only drugs listed in the formulary may be used as substitutes for the prescription drug. The formulary is virtually a reprint of the U.S. Food and Drug Administration's Orange Book which is revised every month to add new generic drugs and to delete unsafe or ineffective drugs. This measure would relieve the administrative burden on the Board of revising, publishing, and distributing the formulary on a timely basis.

Your Committee has amended this measure to make technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1018, 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 (Fukunaga, Anderson).

SCRep. 530 Health and Human Services on S.B. No. 1021

The purpose of this administration measure is to clarify the scope of authority of the Department of Health (DOH) to adopt rules relating to clinical laboratory personnel.

Your Committee received testimony in support of this measure from the DOH.

According to the DOH, this measure facilitates the administration of the clinical laboratory licensing program and provides clarity on the categories of licensure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1021 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 (Fukunaga, Anderson).

SCRep. 531 Health and Human Services on S.B. No. 1026

The purpose of this administration measure is to authorize the Department of Health to approve curricula and syllabi used in the training of emergency medical services personnel.

Testimony in favor of this measure was received from the Hawaii State Department of Health and the University of Hawaii. Testimony making comments was received from the Board of Medical Examiners.

Your Committee finds that the establishment of curricula and syllabi will allow for better integration of emergency medical services for all levels and types of medical care provided by all emergency response agencies in the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. 1026 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 (Fukunaga, Anderson).

SCRep. 532 Ways and Means on S.B. No. 425

The purpose of this short form bill is to amend the laws relating to fees.

Your Committee has amended the measure by deleting its substance and inserting therefor, provisions that raise various fees charged by state government agencies. These potential fee increases were identified as possible revenue sources during the 1998 legislative session.

Specifically, the measure:

- (1) Establishes a fee for parking and camping at state parks;

- (2) Authorizes the Department of Taxation to impose fees on delinquent tax accounts;
- (3) Establishes a Delinquent Returns Special Fund to be administered by the Department of Taxation;
- (4) Establishes fees for daily school bus transportation;
- (5) Establishes fees for students participating in school athletic activities;
- (6) Raises the cost of a fishing license to \$5;
- (7) Raises moorage fees;
- (8) Establishes fees for students participating in after school and weekend activities; and
- (9) Makes adult education programs self-sufficient.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the action to report out S.B. No. 425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 425, S.D. 1, and be recommitted to the Committee on Ways and Means for further consideration.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Iwase, Nakata, Anderson).

SCRep. 533 Ways and Means on S.C.R. No. 3

The purpose of this concurrent resolution is to express support for the approval of the Ford Island Development Project by the United States Congress.

Your Committee received testimony in favor of this measure from the Chamber of Commerce of Hawaii and the Hawaii Business Roundtable.

Your Committee finds that the Ford Island Development Project involves a \$600,000,000 construction plan to completely renovate facilities on Ford Island to include family housing units, operational facilities, bachelor quarters, a conference center, and a Navy Square complex. Your Committee finds that this joint private-public funding venture, which will cover a construction period of approximately twelve years, will provide a significant boost to Hawaii's construction industry and overall state economy.

Your Committee supports the intent of this concurrent resolution and finds that approval for the project should be obtained from the United States Congress with all possible speed, in order to allow the Navy to begin work on the project in the year 2000. Upon further consideration, your Committee has amended this concurrent resolution to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 3, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 3, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Iwase, Nakata, Taniguchi).

SCRep. 534 Ways and Means on S.R. No. 3

The purpose of this resolution is to express support for the approval of the Ford Island Development Project by the United States Congress.

Your Committee received testimony in favor of this measure from the Chamber of Commerce of Hawaii and the Hawaii Business Roundtable.

Your Committee finds that the Ford Island Development Project involves a \$600,000,000 construction plan to completely renovate facilities on Ford Island to include family housing units, operational facilities, bachelor quarters, a conference center, and a Navy Square complex. Your Committee finds that this joint private-public funding venture, which will cover a construction period of approximately twelve years, will provide a significant boost to Hawaii's construction industry and overall state economy.

Your Committee supports the intent of this resolution and finds that approval for the project should be obtained from the United States Congress with all possible speed, in order to allow the Navy to begin work on the project in the year 2000. Upon further consideration, your Committee has amended this resolution to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 3, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 3, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Iwase, Nakata, Taniguchi).

SCRep. 535 **Ways and Means on S.R. No. 10**

The purpose of this resolution is to establish policies for the legislative broadcast program's cablecasts of Senate proceedings.

The resolution sets forth standards on project responsibility, distribution, programming content, editing, ownership, and use of programming. Your Committee finds that the broadcast project has been ongoing since 1994, and that public response to it has been favorable. The Legislature has an affirmative duty to increase public access to, and participation in, the legislative process. The standards set forth in the resolution will enable public access to this process in a responsible context. Testimony was received in favor of the resolution from Common Cause 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.R. No. 10 and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Iwase, Nakata, Taniguchi).

SCRep. 536 **(Majority) Transportation and Intergovernmental Affairs on S.C.R. No. 27**

The purpose of this measure is to convene a task force to review the fiscal needs of the state highway fund relative to its ability to meet planned operating and capital improvement expenditure requirements and to develop a revenue plan that will maintain the solvency of the fund.

Testimony in support of this measure was received from the Department of Transportation and the Chamber of Commerce of Hawaii.

Your Committee finds that this measure will aid in assessing and planning by identifying necessary improvements relating to the fiscal needs for highway maintenance, operation, and capital improvement projects.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 27, 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. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 537 **(Joint) Transportation and Intergovernmental Affairs and Economic Development on S.C.R. No. 13**

The purpose of this measure is to urge the Department of Land and Natural Resources to initiate a collaborative effort with Hawaii County and private landowners to create a bayfront beach park and cultural center.

No testimony was received on this measure.

Your Committees find that a bayfront beach park and cultural center in Hilo, Hawaii, would accommodate additional recreational activities, provide for meaningful cultural development and exploration, and create new and revitalizing economic development opportunities for the area.

Your Committees have amended this measure by designating the Chairperson of the Hawaii County Council as a recipient of a certified copy of this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 13, 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. 13, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Bunda, Ige, M., Iwase, Taniguchi).

SCRep. 538 **(Joint) Transportation and Intergovernmental Affairs and Economic Development on S.R. No. 4**

The purpose of this measure is to urge the Department of Land and Natural Resources to initiate a collaborative effort with Hawaii County and private landowners to create a bayfront beach park and cultural center.

No testimony was received on this measure.

Your Committees find that a bayfront beach park and cultural center in Hilo, Hawaii, would accommodate additional recreational activities, provide for meaningful cultural development and exploration, and create new and revitalizing economic development opportunities for the area.

Your Committees have amended this measure by designating the Chairperson of the Hawaii County Council as a recipient of a certified copy of this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 4, 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. 4, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 4 (Bunda, Ige, M., Iwase, Taniguchi).

SCRep. 539 Transportation and Intergovernmental Affairs on S.C.R. No. 25

The purpose of this measure is to request the Director of Transportation to conduct a study on maximizing utilization of the zipper and high occupancy vehicle lanes.

Testimony in support of this measure was received from the Department of Transportation and the Chamber of Commerce of Hawaii.

Your Committee finds that the zipper and high occupancy vehicle lanes are intended to maximize the number of people transported during rush hour. A study to determine how to fully utilize these lanes will provide useful information to improve the efficiency of the highway transportation system.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 25, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 540 Transportation and Intergovernmental Affairs on S.R. No. 8

The purpose of this measure is to request the Director of Transportation to conduct a study on maximizing utilization of the zipper and high occupancy vehicle lanes.

Testimony in support of this measure was received from the Department of Transportation and the Chamber of Commerce of Hawaii.

Your Committee finds that zipper and high occupancy vehicle lanes are intended to maximize the number of people transported during rush hour. A study to determine how to fully utilize these lanes will provide useful information to improve the efficiency of the highway transportation system.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 8, 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, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 541 Transportation and Intergovernmental Affairs on S.C.R. No. 37

The purpose of this measure is to request the Department of Transportation to study the feasibility of noise mitigation at Hilo Airport.

Your Committee received testimony in support of this measure from the Department of Transportation, with comments.

Your Committee finds that the Department of Transportation is currently working on a master plan update and noise compatibility update for the Hilo Airport.

Your Committee believes that the study requested by this Concurrent Resolution will complement the work underway by the Department. Your Committee has amended this measure to delete relocation of the airport from the study, to change the due date of the findings and recommendations to prior to the 2000 Legislature, and to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 37, 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. 37, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 542 Transportation and Intergovernmental Affairs on S.R. No. 15

The purpose of this measure is to request the Department of Transportation to study the feasibility of noise mitigation at Hilo Airport.

Your Committee received testimony in support of this measure from the Department of Transportation, with comments.

Your Committee finds that the Department of Transportation is currently working on a master plan update and noise compatibility update for the Hilo Airport.

Your Committee believes that the study requested by this Resolution will complement the work underway by the Department. Your Committee has amended this measure to delete relocation of the airport from the study, to change the due date of the findings and recommendations to prior to the 2000 Legislature, and to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 15, 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. 15, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 543 (Joint) Transportation and Intergovernmental Affairs and Economic Development on S.C.R. No. 20

The purpose of this measure is to urge the United States Congress to exert efforts to make the visa waiver program permanent and to add Taiwan and South Korea to the program.

No testimony was submitted on this measure.

Your Committees find that the temporary visa waiver program expired in September 1996, and has been extended on a year-to-year basis, with the present extension to expire in September 1999.

Your Committees believe a permanent visa waiver program is vital to Hawaii's tourism industry and the addition of Taiwan and South Korea would further boost Asian tourism. Your Committees have amended this measure to make a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 20, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 20, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 4 (Bunda, Ige, M., Iwase, Taniguchi).

SCRep. 544 Transportation and Intergovernmental Affairs on S.C.R. No. 33

The purpose of this measure is to request that the Governor, the Department of Transportation, and the Lanai Company design and implement an expedited plan to restore Kaunalapau Harbor.

Testimony in support of this measure was submitted by the Department of Transportation, the Maui Electric Company, and Young Brothers, Limited.

Your Committee finds that Kaunalapau Harbor is the only commercial harbor providing service on the island of Lanai. The people of Lanai depend on the harbor for the import of agriculture, fuel, and other necessities.

Your Committee further finds that the existing breakwater, which protects the harbor, was partially destroyed by Hurricane Iniki, and subsequent storms have added to its further deterioration. As a result of the deteriorating breakwater, the Kaunalapau Harbor faces many hazards and dangers in its exposure to surge conditions. Harbor workers utilize dangling weights, cranes, and high tensioned cables in their attempts to secure the barges for docking. These operating conditions endanger not only the equipment and supplies, but also the lives of all people working in the harbor. This measure provides for an action plan for the repair of this harbor.

Your Committee made technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 33, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 545 Transportation and Intergovernmental Affairs on S.B. No. 1534

The purpose of this measure is to allow the issuance of special number license plates for civilians who provided military service to the United States at the time of the December 7, 1941, attack on Pearl Harbor.

The Department of Customer Services of the City and County of Honolulu submitted testimony expressing no objection to this measure.

Your Committee finds that civilians who provided service to the United States on Oahu at the time of the December 7, 1941, attack on Pearl Harbor should be recognized and distinguished for their honorable service.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1534, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Iwase).

SCRep. 546 Commerce and Consumer Protection on S.B. No. 1132

The purpose of this measure is to amend section 431:19-108(a), Hawaii Revised Statutes (HRS), to change the time period captive insurance companies are required to be examined by the insurance commissioner from one to three years.

The Department of Commerce and Consumer Affairs and Hawaii Captive Insurance Council presented testimony in support of the measure.

Your Committee finds that an annual examination of captives is not necessary due to the financial strength of the captives admitted in the State. This measure would make the examination requirements of captive insurers consistent with that of other insurers 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. 1132 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 547 Commerce and Consumer Protection on S.B. No. 1262

The purpose of this measure is to establish five classes of captive insurance companies, with specific requirements for each class.

The Hawaii Captive Insurance Council, J&H Marsh & McLennan Management, Inc., and the 50th State Risk Management Services, Inc. presented testimony in favor of this measure. The Department of Commerce and Consumer Affairs presented testimony in favor of this measure with proposed amendments. The Reinsurance Association of America presented testimony in opposition to this measure.

Your Committee finds that the captive insurance industry has grown in the past five years. Hawaii has become the second largest home for captive insurance companies in the United States, and is the premier domicile in the Pacific Basin. Currently, sixty-five captive insurance companies are licensed in Hawaii, contributing to the economic diversification of our State.

Your Committee believes that establishing classes of captive insurance companies and licensing criteria, will give Hawaii a competitive edge over other leading captive insurance domiciles in the United States. This would create a basis for further development of the captive insurance industry by allowing for captive organizers to include reinsurers and other sponsors of captive programs via Class 4 and Class 5 licenses. Furthermore, this measure will provide Hawaii with additional insurance vehicles attractive to the international business 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 is in accord with the intent and purpose of S.B. No. 1262 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 548 Commerce and Consumer Protection on S.B. No. 1280

The purpose of this measure is to enable the Public Utilities Commission, in its discretion, to grant temporary authority to a common or contract motor carrier to provide transportation services when an urgent need arises.

The Public Utilities Commission presented testimony in favor of the measure. The Consumer Advocate of the Department of Commerce and Consumer Affairs, though not present, submitted written testimony in favor of the measure.

Your Committee finds that under existing law, prior to the granting of a temporary authority to provide transportation services by the Public Utilities Commission, an applicant must first provide proof that the application was first served upon every current holder of a certificate of public convenience and necessity within the classification for which the temporary authority is being applied.

Your Committee believes that this measure will enable the Public Utilities Commission to respond more quickly to the transportation needs of areas affected by natural disasters or when other emergency transportation needs exist.

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. 1280 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 549 Commerce and Consumer Protection on S.B. No. 40

The purpose of this measure is to establish licensure of physician assistants in place of certification.

The Board of Medical Examiners and the State Auditor presented testimony in support of this measure. The Hawaii Academy of Physician Assistants and four individuals, while not present, submitted testimony in support of the measure. HGEA-AFSCME, Local 152, AFL-CIO submitted written testimony in opposition. The Hawaii Nurses Association submitted written comments, but did not take a position regarding the licensing of physician assistants.

Your Committee finds that House Concurrent Resolution No. 14, H.D. 1, S.D. 1, of the 1998 Regular Session, requested the State Auditor to conduct an analysis of the probable effects of the proposed regulatory changes for physician assistants contained in S.B. No. 3234, introduced during the 1998 legislative session.

In the Auditor's analysis, the Auditor found that physician assistants are in effect already licensed by the State, and as a result, a change in statutory terminology will have minimal fiscal and operational impact. In addition, the use of the term licensure is consistent with national trends, with thirty-four states using this form of regulation.

The Auditor also found that changing the regulatory nomenclature for physician assistants from certified to licensed will have little to no effect on the public's health, safety, or welfare, and that safeguards currently in effect are sufficient to assure continued consumer safety. Neither will a change in nomenclature affect insurance coverage, an important consideration of providers and patients alike.

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. 40 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Matsuura).

SCRep. 550 Water, Land, and Hawaiian Affairs on S.B. No. 560

The purpose of this measure is to define the term "substantial adverse environmental or ecological effect" in order to ensure that the long-term incremental degradation of natural resources is halted.

The measure also establishes definitions of "baseline", "resource", and "scenic resource" to further clarify the intent of Chapter 205A, Hawaii Revised Statutes, relating to coastal zone management.

Your Committee received testimony in support of the measure from Hawaii's Thousand Friends. The Department of Business, Economic Development, and Tourism's Office of Planning and the Department of Health supported the intent of the measure with reservations.

Testimony in opposition to the measure was received from the City and County of Honolulu's Department of Planning and Permitting, the County of Hawaii's Planning Department, and the Land Use Research Foundation. The University of Hawaii's Environmental Center submitted comments.

Your Committee finds that the measure proposes to define "substantial adverse environmental or ecological effect" to include:

- (1) Damage or degradation of a unique resource;
- (2) Damage, degradation to, or loss of, five percent or more of a specific resource found in an ahupua'a;
- (3) Damage, degradation to, or loss of, five percent or more of a specific marine resource found within an area with a one hundred meter radius; or
- (4) A five percent increase to the baseline in levels of any of the water pollutants, water quality parameters, air pollutants, or noise decibel levels as identified in administrative rules.

Based on the testimony from the Department of Health, your Committee finds that although the concept of clarifying the State's Coastal Zone Management law is laudable, unilaterally imposing such specific degradation and percentage classification standards are unrealistic from an enforcement standpoint.

Based on this concern, your Committee has amended the measure by amending the definition of "substantial adverse environmental or ecological effect" from the specific degradation and percentage classifications to a determination that public health or ecological risk assessment methodologies resulted in actual or predicted findings of significant risk to public health or ecological resources in specified cases.

Your Committee believes that the amended measure will provide more guidance in interpreting and enforcing the state laws and policies on coastal zone management.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 560, 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 (Kanno, Nakata, Anderson).

SCRep. 551

Water, Land, and Hawaiian Affairs on S.B. No. 1321

The purpose of this measure is to encourage public and private interests to invest in research and development of open ocean aquaculture or mariculture.

Your Committee received testimony in support of the measure from the Hawaii Aquaculture Association, Black Pearls, Inc., Pacific Pearl Appraisal Service, and a concerned individual. The Department of Agriculture, the Department of Business, Economic Development, and Tourism, and the Department of Land and Natural Resources testified in support of the measure with amendments.

Your Committee finds that in 1986, the Legislature passed the Ocean and Submerged Lands Leasing Act, Chapter 190D, Hawaii Revised Statutes (HRS), which established procedures for the leasing of State marine waters and submerged lands for mariculture. However, no lease has ever been granted under Chapter 190D, HRS, because of limitations in the law.

Your Committee finds that this measure would remove key limitations and allow mariculture leases, streamline and clarify the process for a mariculture lease, and provide potential mariculture projects with the flexibility to adapt technology and designs to a site.

Your Committee has amended this measure by:

- (1) Adding a section that amends Section 171-53, HRS to allow the Department of Land and Natural Resources to lease state marine waters under Chapter 190D, HRS, without the prior approval of the Legislature;
- (2) Requiring that an application for the leasing of state marine waters include an initial description of current users of the waters to be leased;
- (3) Adding a statement to the lease agreement that describes the degree to which the leased site shall be exclusively used by the lessee and the reasons therefor;
- (4) Adding a five-year drop dead provision from the effective date of the measure; and

- (5) Making technical amendments for the purposes of clarity and style.

Your Committee is in support of this measure, as amended, and believes it will foster further economic development of the mariculture industry, while promoting environmental sustainability.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1321, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1321, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Nakata).

SCRep. 552 Labor and Environment on S.B. No. 206

The purpose of this measure is to require that the civil penalty for not paying wages in a timely manner be equal to the total amount of unpaid wages plus interest.

Testimony in support of this measure was received from the National Employment Lawyers Association and Consumer Lawyers of Hawaii. Testimony in support of the measure to apply only to new cases was received from the Department of Labor and Industrial Relations.

Your Committee finds that under the current law an employer who fails to pay an employee's wages is liable to the employee for a penalty of up to the amount of back wages, plus interest at six per cent. This measure requires that the penalty be equal to the back wages plus interest.

Your Committee believes that this proposal strengthens the law by eliminating discretion in the amount of the penalty to be assessed against an employer who fails to pay timely wages.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 206 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Chumbley).

SCRep. 553 Labor and Environment on S.B. No. 1149

The purpose of this measure is to clarify that the Director of Labor and Industrial Relations (the Director) is not liable for attorney's fees and other costs of the defendant in cases involving the collection of unpaid wages.

Testimony in support of the measure with technical, nonsubstantive amendments was received from the Department of Labor and Industrial Relations.

Your Committee finds that this measure ensures that the courts will not assess attorney's fees and costs against the Director when the Director fails to prevail in a judicial attempt on behalf of the employee to collect unpaid wages. Clarification will allow the Director to assist employees to pursue the collection of unpaid wages knowing that the State will not be assessed unanticipated costs and attorney's fees.

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

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1149, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Chumbley).

SCRep. 554 Economic Development on S.B. No. 96

The purpose of this measure is to allow solar devices to be sited for optimal efficiency.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, Inter-Island Solar Supply, and the Sierra Club, Hawai'i Chapter. Life of the Land testified in opposition.

Your Committee finds that many homeowners are not able to take advantage of Hawaiian Electric Company's (HECO) popular residential program for purchase and installation of solar water heaters, because their homeowners association restricts the placement of these energy saving devices for aesthetic reasons. The HECO program requires that each system be sited and oriented within very specific limits in order to optimize system performance.

Your Committee is supportive of both the increased energy efficiency and the cost savings of solar heating devices, and believes homeowners should be allowed to take advantage of these benefits if they so choose. Your Committee has amended this measure to clarify that the owner of a townhouse may not be prohibited from siting a solar energy device on a common area townhouse roof for optimal efficiency.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 96, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 96, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 555 Economic Development on S.B. No. 810

The purpose of this measure is to designate fiddlewood, khakiweed, and common sandbur as noxious weeds.

Your Committee received testimony in support of this measure from one individual. The Department of Agriculture testified in opposition.

Your Committee finds that noxious weeds are currently designated by rule, rather than by statute, and must meet five criteria relating to plant reproduction, growth characteristics, detrimental effects, control, and distribution and spread. Under these criteria, khakiweed and common sandbur do not meet the noxious weed designation because they are common and well established, and fiddlewood has not been so designated due to insufficient information.

Your Committee understands the current procedures for designation of a noxious weed, but does not believe that simply because a weed is "common and well established" or has not been exhaustively studied, it should escape this designation and the increased mitigation efforts associated with noxious weeds. Alien species continue to spread throughout Hawaii, and broad-based efforts must be made to control this threat to the environment.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 810 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 556 Economic Development on S.B. No. 1063

The purpose of this measure is to remove references to management of aquaculture programs from the statutory purview of the Department of Land and Natural Resources (DLNR).

Your Committee received testimony in support of this measure from the Department of Agriculture (DOA) and the Sierra Club, Hawai'i Chapter.

Your Committee finds that Act 176, Session Laws of Hawaii 1998, transferred aquaculture programs from DLNR to DOA, but that sections 26-15 and 171-3, Hawaii Revised Statutes, retained references to DLNR managing aquaculture programs. This measure deletes those references.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1063 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 557 Economic Development on S.B. No. 1478

The purpose of this measure is to authorize the Department of Agriculture to designate by rule those restricted plants that may spread an infestation of an insect, pest, or disease that is detrimental or potentially harmful, and to include noxious weeds as restricted plants.

Your Committee received testimony in support of this measure from the Department of Agriculture and Life of the Land.

Your Committee finds that under current law, importation of restricted plants is limited by permit and under specific conditions of entry. This measure would strengthen the plant inspection program by making it easier to enforce and assess penalties on importers who import restricted plants without a permit or in violation of permit conditions.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1478 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 558 Commerce and Consumer Protection on S.B. No. 143

The purpose of this measure is to require that new forty-six kilovolt or greater high voltage electric transmission systems in residential areas, or near schools or licensed child care facilities, be placed underground and insulated against electro-magnetic field emissions.

The Life of the Land, Na Leo Pohai, Ho'olaulima O Palolo, and an individual presented testimony in support of the measure. Two individuals, not present at the hearing, submitted written testimony in support of the measure. The Department of Health and the Department of Education presented testimony in support of the measure's intent.

The Environmental Center of the University of Hawaii presented comments and proposed an amendment to the measure. The Public Utilities Commission (PUC), the Consumer Advocate, the Hawaiian Electric Company, the Hawaii Electric Light Company, Maui Electric Company, and Kauai Electric presented testimony in opposition to the measure.

Your Committee finds that there is growing public concern about the potential adverse health effects of exposure to electro-magnetic fields (EMF). Last summer, a majority of the members of an international committee convened by the National Institute of Environmental Health Sciences concluded that power line frequency EMF are possibly carcinogenic to humans. Various studies of EMF effects have found that EMF exposure can alter heart rhythms and may lead to elevated cardiac risks, may increase the risk of immunological and hematological disorders, and can block the protective action of melatonin against the growth of cancer cells. Your Committee finds that this measure is necessary to reduce the exposure of Hawaii's children to EMF.

Your Committee has amended this measure by providing that the requirements implemented by the measure shall apply to all applications for construction of a forty-six kilovolt or greater high-voltage electric transmission system, including those approved by the PUC prior to the measure's effective date, unless construction of the system has been completed. Your Committee also made technical, nonsubstantive amendments to the measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 143, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 559 Commerce and Consumer Protection on S.B. No. 384

The purpose of this measure is to require that new forty-six kilovolt or greater high voltage electric transmission systems in residential areas, areas viewed by visitors, or areas important to the film industry be buried underground.

The Life of the Land, Ho'olaulima O Palolo, and two individuals presented testimony in support of the measure. Na Leo Pohai and an individual, though not present at the hearing, submitted written testimony in support of the measure. The Environmental Center of the University of Hawaii presented testimony in support of the measure's intent and proposed an amendment. The Democratic Party, though not present at the hearing, submitted written testimony in support of the measure's intent and proposed an amendment.

The Public Utilities Commission (PUC), the Consumer Advocate, the Hawaiian Electric Company, the Hawaii Electric Light Company, Maui Electric Company, and Kauai Electric presented testimony in opposition to the measure.

Your Committee finds that the preservation and protection of Hawaii's mountains, valleys, coasts, and other scenic areas are critical to the health and vitality of the State's tourism industry. Preservation of these resources is also important to Hawaii's film industry since the State's unique and natural beauty is what also draws production companies to film their movies and television shows in the State.

Your Committee further finds that high-voltage overhead transmission lines create a visual blight and detract from the islands' natural beauty. Requiring underground placement and insulation of high-voltage transmission lines in scenic areas and areas important to the film industry will help to preserve the State's tourism and film industries.

Your Committee has amended this measure by:

- (1) Replacing the word "visitors" with the word "tourists";

- (2) Providing that the requirements implemented by the measure shall apply to all applications for construction of a forty-six kilovolt or greater high-voltage electric transmission system, including those approved by the PUC prior to the measure's effective date, unless construction of the system has been completed; and
- (3) Making technical, nonsubstantive amendments.

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. 384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 384, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 560 Commerce and Consumer Protection on S.B. No. 480

The purpose of this measure is to provide additional labeling requirements for macadamia nuts.

The Department of Agriculture and the Mauna Loa Macadamia Nut Corporation presented testimony in support of the measure. The Hawaii Food Industry Association, though not present at the hearing, submitted written testimony in support of the measure.

Your Committee finds that the State has an interest in distinguishing its locally-grown, high quality macadamia nuts from macadamia nuts grown in other parts of the world. This measure provides the local macadamia nut industry with greater flexibility in identifying its nuts as a product of Hawaii while ensuring that only packages containing one hundred percent locally-grown macadamia nuts may bear the descriptions "Hawaii-Grown" or "Hawaiian".

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. 480 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 561 Ways and Means on S.B. No. 426

This bill was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form.

Your Committee has amended the bill to provide the substantive contents in long form so that a public hearing may be properly held.

As amended, the purpose of this bill is to establish a program for the specific purpose of maximizing the receipt of federal revenues for state agencies and programs.

The program, which would be placed within the Research Corporation of the University of Hawaii, is intended to secure eligible federal funds and grants for various state programs. In particular, the bill provides for this program to serve as a facilitator in state government responsible for applying for and maximizing federal funds and as the State's clearinghouse for information on federal funds; serve as an "early alert" on opportunities for obtaining federal funds to appropriate state agencies; coordinate all state efforts in applying for federal funds; and monitor federal compliance, including following-up with applicable federal agencies on behalf of state departments.

The bill further provides that the program will help pool applicable agency applications for federal funds into one or more multi-agency applications to maximize the target populations that are served by those agencies in applying for federal funds. The bill also offers incentives to state agencies to work with the program in aggressively pursuing federal funds; provides for the temporary transfer of personnel from other state agencies into this program; requires it to prepare comprehensive annual reports to the legislature; requires each state agency to designate employees as federal funds coordinators; and creates a grant writing team in the program. Finally, this bill makes permanent the interagency federal revenue maximization revolving fund by repealing the June 30, 1999, sunset date for that fund.

Your Committee agrees with the intent of this bill to create a permanent agency in state government to aggressively seek federal dollars on behalf of state programs. Your Committee finds that there is often a very limited time period in which to secure federal assistance for many state programs, much of which is available on a matching basis with state funds, and that the existing piecemeal approach to seeking new federal funds and grants is often counterproductive. The creation of a coordinating program within the Research Corporation of the University of Hawaii would allow state agencies to pool their applications as appropriate into a consortium of agencies to become more competitive with state agencies on the Mainland representing larger populations. Finally, the creation of a professional grant writing team would help to consolidate these important functions in one office that has established an expertise in seeking grant funding.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the action to report out S.B. No. 426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 426, S.D. 1, and be recommitted to the Committee on Ways and Means for further consideration.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun Oakland, Ige, D., Nakata, Taniguchi).

SCRep. 562 Transportation and Intergovernmental Affairs on S.C.R. No. 24

The purpose of this measure is to request the Department of Transportation to conduct a study and make recommendations on improving transportation and the traffic flow from the Fort Shafter and airport areas to downtown.

Testimony in support of this measure was received from the Department of Transportation.

Testimony in opposition to this measure was received from the Chamber of Commerce of Hawaii, Tamashiro Market, Inc., Kalihi-Palama Community Council, Loomis Fargo & Co., and four individuals. One individual submitted comments on this measure.

Your Committee finds that traffic congestion during the rush hour has reached a point where new solutions and alternative traffic routes must be studied seriously. One possible solution that must be explored is the use of one-way streets, contra-flow lanes, and other lane configurations to facilitate traffic flow. As this measure requests a study of the problem, no specific solution is currently favored or disfavored. However, in exploring solutions, the study must be conducted with the participation of the residents and businesses within the communities that would be affected by any change in traffic flow patterns.

Your Committee has amended this measure by clarifying that the intent of this measure is to respond to the concerns expressed by the communities, no particular solution is favored at this time, and although the counties usually conduct traffic studies on county streets and roads, the Department of Transportation should conduct the study because rush hour traffic involves through traffic that must be properly coordinated with adjacent state highways. In addition, all ideas and potential solutions will be reviewed by the Department of Transportation with input from the communities and counties affected.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24, 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. 24, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 563 Transportation and Intergovernmental Affairs on S.R. No. 7

The purpose of this measure is to request the Department of Transportation to conduct a study and make recommendations on improving transportation and the traffic flow from the Fort Shafter and airport areas to downtown.

Testimony in support of this measure was received from the Department of Transportation.

Testimony in opposition to this measure was received from the Chamber of Commerce of Hawaii, Tamashiro Market, Inc., Kalihi-Palama Community Council, Loomis Fargo & Co., and four individuals. One individual submitted comments on this measure.

Your Committee finds that traffic congestion during the rush hour has reached a point where new solutions and alternative traffic routes must be studied seriously. One possible solution that must be explored is the use of one-way streets, contra-flow lanes, and other lane configurations to facilitate traffic flow. As this measure requests a study of the problem, no specific solution is currently favored or disfavored. However, in exploring solutions, the study must be conducted with the participation of the residents and businesses within the communities that would be affected by any change in traffic flow patterns.

Your Committee has amended this measure by clarifying that the intent of this measure is to respond to the concerns expressed by the communities, no particular solution is favored at this time, and although the counties usually conduct traffic studies on county streets and roads, the Department of Transportation should conduct the study because rush hour traffic involves through traffic that must be properly coordinated with adjacent state highways. In addition, all ideas and potential solutions will be reviewed by the Department of Transportation with input from the communities and counties affected.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 7, 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. 7, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 564 Economic Development on S.B. No. 1079

The purpose of this measure is to change the name of the consolidated application process to the facilitated application process, expand the membership of the permit process task force to add county representation, and repeal the task force on June 30, 2002.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. The Sierra Club, Hawai'i Chapter submitted testimony in opposition.

Your Committee finds that Act 127, Session Laws of Hawaii 1997, established both the task force and procedures to expedite and facilitate the approval process within each state agency for county building permit applications requiring state agency approval. While the concept has proven successful, the term "consolidated application process" is often mistaken for a single permit application for all required state permits. Changing the name more accurately describes the intent of the original Act.

Your Committee further finds that adding county representation to the task force will enable the task force to define problems, issues, and opportunities associated with the county portion of these joint permit interactions.

Your Committee is supportive of the purpose of this measure, particularly the addition of county representatives to the task force. Your Committee has amended this measure to clarify the appointment process for the task force, to clarify that the intent is to repeal the task force in its entirety on June 30, 2002, and to conform the bill to the language of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1079, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 565 Commerce and Consumer Protection on S.B. No. 498

The purpose of this measure is to delete restrictions on granting advanced practice registered nurses (APRNs) prescriptive authority and to add controlled substances in schedules II to V to their prescriptive authority.

The Hawaii Nurses' Association, the Hawai'i State Primary Care Association, the National Association of Social Workers Hawai'i Chapter, and an individual presented testimony in support of the measure. The Hawai'i Chapter of the American Psychiatric Nurses Association, the Hawaii Long Term Care Association, the Hawaii Government Employees Association, and eight individuals, though not present at the hearing, submitted written testimony in support of the measure. The Board of Nursing presented testimony in support of the measure with a proposed amendment.

The Department of Health, though not present at the hearing, submitted written testimony expressing deference on the measure to the Department of Commerce and Consumer Affairs (DCCA). The Board of Medical Examiners presented comments on the measure. The DCCA presented testimony in opposition to a provision in the measure and proposed an amendment.

The Hawaii Medical Association presented testimony in opposition to the measure. The Hawaii Federation of Physicians and Dentists, though not present at the hearing, submitted written testimony in opposition to the measure.

Your Committee finds that currently thirty-three states grant APRNs the authority to prescribe Schedules II to V controlled substances and no state has reversed its decision to grant APRNs prescriptive authority. Your Committee further finds that a 1993 Meta-Analysis of Studies on Nurses in Primary Care Roles that included a review of nine hundred documents concluded that nurses practicing in advanced practice roles are cost-effective providers of primary care services.

Your Committee recognizes that the administrative rules implementing the current law that grants restricted prescriptive authority to APRNs were approved a few months ago, and that some may argue that it is premature to revise the law. However, it has been more than four years since the current law was enacted and your Committee believes that the decision to grant APRNs the authority to prescribe controlled substances should be guided foremost by considerations of consumer safety, professional competency, and the efficient, cost-effective, and timely delivery of medical care.

Your Committee has amended this measure by:

- (1) Replacing the Department of Commerce and Consumer Affairs with the Board of Nursing as the entity granting prescriptive authority;
- (2) Providing that an advisory committee be established by the Director of Commerce and Consumer Affairs, to make recommendations to the Board of Nursing regarding prescriptive authority-related issues, including the prescribing of controlled substances in schedules II to V by recognized advanced practice registered nurses; and
- (3) Making technical, nonsubstantive amendments.

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. 498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 498, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 566 Commerce and Consumer Protection on S.B. No. 675

The purpose of this measure is to require a state contracting license for federal construction projects in Hawaii, to the extent allowed under federal law.

The Department of Commerce and Consumer Affairs (DCCA), the State Contractors License Board, and the Iron Workers Stabilization Fund presented testimony in support of this measure. The Building Industry Association of Hawaii, the Construction Industry Legislative Organization, the Hawaii Electricians Market Enhancement Program Fund, the Pacific Resource Partnership, the General Contractors Association of Hawaii, and the Subcontractors Association of Hawaii, while not present, submitted testimony in support of this measure.

Your Committee finds that the Regulated Industries Complaints Office of DCCA has received a number of requests to enforce state contractors licensing laws on federal projects, but was hampered in its response by the supremacy clause of the United States Constitution and case law that held in favor of the federal government. This measure, however, will allow the State to require licensure on federal projects should federal laws, case law, or particular circumstances change.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 675, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 567 Commerce and Consumer Protection on S.B. No. 775

The purpose of this measure is to prohibit activity desks from receiving under-the-table compensation for selling a specific activity provider and to require activity desks to have both a trust account and a bond.

The Regulated Industries Complaints Office (RICO) presented testimony in support of the measure with proposed amendments, The Activity Owners Association of Hawaii presented testimony in support of the measure, and the Boat Owners Association of the State of Hawaii, although not present at the hearing, submitted written testimony in support of the measure.

Your Committee finds that activity desks exist to serve the visitor and provide them with a wide selection of recreational activities and reputable providers. Under-the-table payments and incentives by activity providers to activity desks undermine competition and threaten the quality of recreational services within the tourist industry. Therefore, such payments and incentives threaten the State's reputation as a world-class tourist destination, and should be prohibited.

Your Committee has amended this measure by:

- (1) Deleting sections 2, 3 and 4 of the measure as received, which related to the requirement of a trust account and bond;
- (2) Creating a private cause of action, so that an activity provider may bring a suit against either an activity desk or activity provider to enjoin them from making or receiving under-the-table payments, allowances, rebates, refunds, commissions or unearned discounts which are not available to other activity desks upon like terms or conditions;
- (3) Inserting an amendment that would allow RICO to take action if an activity desk violates an injunction granted pursuant to Section 468M-6, Hawaii Revised Statutes; and
- (4) Making technical and nonsubstantive amendments for style and 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. 775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 775, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Matsuura).

SCRep. 568 Commerce and Consumer Protection on S.B. No. 776

The purpose of this measure is to allow depository financial services loan companies to hold up to a quarter of their total reserves in securities listed on the National Market system of the National Association of Securities Dealers Automated Quotation (NASDAQ) System stock market.

The Commissioner of Financial Institutions presented testimony expressing no opposition to the bill. The National Association of Securities Dealers presented testimony in support of the measure. The Hawaii Financial Services Association, though not present at the hearing, submitted written testimony in support of the measure's intent.

Your Committee finds that NASDAQ is the fastest growing stock market in the United States, ranks second among the world's securities markets in dollar volume, and has a total market value exceeding \$2.1 trillion. The NASDAQ stock market lists nearly 5,400 companies and trades more shares per day than any other major American market. The listing requirements for the NASDAQ National Market exceed those of the American Stock Exchange and are similar to the New York Stock Exchange.

This measure allows depository financial services loan companies (FLSCs) to hold up to twenty-five per cent of their total reserves in securities listed on the NASDAQ National Market, the New York or the American stock exchanges. Your Committee finds that this measure gives FSLCs greater flexibility in managing their reserves without compromising consumer protection.

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. 776 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 569 Commerce and Consumer Protection on S.B. No. 1429

The purpose of this measure is to exclude from the definition of "public utility" any facility that reclaims wastewater, provided that:

- (1) At least ten per cent of the wastewater processed is used by the State or county under a service contract;
- (2) The sole function of the facility is the processing and distribution of secondary treated wastewater;
- (3) The facility is not processing food wastes; and
- (4) The facility is not selling water to the residential customers.

The Department of Health, the City and County of Honolulu Department of Environmental Services, and U.S. Filter Operating Services, Inc., presented testimony in support of this measure. The Consumer Advocate testified in opposition.

Your Committee finds that the City and County of Honolulu has recently entered into a contract with U.S. Filter Operating Services, Inc., to process the secondarily treated wastewater at Honouliuli for distribution and use by both the city and county and large commercial users in the Ewa plain. This project, which was the result of a Consent Degree entered into by the U.S. District Court in response to a suit filed by the U.S. Environmental Protection Agency, will not provide reclaimed water to residential users.

Your Committee further finds that the purposes of this project are to help meet the city and county's obligations to find beneficial uses for wastewater that is currently discharged in the ocean after treatment, and to return treated water to the city and county for use at Honouliuli and for city and county irrigation purposes. As such, the project serves no broad public purpose and should not be regulated as a public utility.

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. 1429, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 570 Labor and Environment on S.B. No. 1057

The purpose of this measure is to conform existing state law to the federal Rehabilitation Act Amendments of 1998.

Testimony in support of this measure was received from the Department of Human Services (Department), Commission on Persons with Disabilities, and Workforce Development Council.

This measure will change the name of the State Advisory Council on Rehabilitation to State Rehabilitation Council; increase the number of members on the council from nineteen to twenty-one; and require one representative of the state educational agency responsible for the public education of students with disabilities, one representative of the State Workforce Development Council, and the administrator of the Vocational Rehabilitation Division of the Department to the State Rehabilitation Council.

This measure additionally will require the council to:

- (1) Advise the Vocational Rehabilitation Division of the Department on the extent, scope, and effectiveness of services provided, and performance of state agencies that affect or potentially affect the ability of individuals with disabilities in achieving employment outcomes;
- (2) Develop state goals and priorities;
- (3) Advise the Vocational Rehabilitation Division of the Department regarding authorized activities;
- (4) Assist in the preparation of the state plan and amendments to the plan, applications, reports, and evaluations; and
- (5) Conduct a review and analysis of the performance of the Vocational Rehabilitation Division of the Department, vocational rehabilitation services provided by state agencies, and employment outcomes achieved by eligible individuals receiving services.

Your Committee is in agreement with the findings of your Committee on Health and Human Services that this measure reflects the intent to increase the involvement of the State Advisory Council on Rehabilitation in improving services and to assure closer relationships with other government programs that are required to provide services to persons with disabilities.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1057 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 571 Labor and Environment on S.B. No. 1404

The purpose of this measure is to define "recycled water" and "reclaimed water" as wastewater that is suitable for a direct beneficial use or a controlled use.

Testimony in support of this measure with amendments was received from the Department of Health, the Department of Environmental Services and the Board of Water Supply of the City and County of Honolulu. Testimony in opposition to the measure was received from Waimanalo Citizens for a Healthy Future.

Your Committee finds that the promotion of recycled and reclaimed wastewater assists the State in conserving its limited water resources and enhancing the quality of Hawaii's waters. Adding a definition of recycled and reclaimed water clarifies the beneficial uses of this type of water.

Your Committee finds, however, that a definition of reclaimed and recycled water must recognize that there are several categories, or levels of treatment, of recycled water. The Department of Health needs to establish rules which recognize these different categories, in order to protect public health, the environment, while at the same time, encourage the use of recycled water.

Your Committee has amended the measure by revising the definition contained in this measure per the Department of Health and the City Department of Environmental Services to read:

"Recycled water" and "reclaimed water" means wastewater that by design has been treated at a treatment works and is intended or used for a beneficial purpose. The definition and requirements of different categories of recycled water and reclaimed water, which recognize different levels of treatment and purposes, shall be established by rules by the director."

Members of your Committee asked for clarification of the phrase "treatment works" as used in the amended definition. Upon further investigation, your Committee finds that "treatment works" is defined in section 11-62-03, Hawaii Administrative Rules, as any treatment unit and its associated collection system and disposal system, excluding individual wastewater systems. "Treatment unit", as defined in section 11-62-03, Hawaii Administrative Rules, means any plant, facility, or equipment used in the treatment of wastewater including the necessary pumps, power equipment, blowers, motors, holding tanks, flow splitter, and other process equipment.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1404, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Chumbley, Fukunaga).

SCRep. 572 Commerce and Consumer Protection on S.B. No. 973

The purpose of this measure is to require towing businesses to have insurance coverage for motor vehicles during towing and storage, to properly identify their towing vehicles, and to allow suit against a towing company in the event of violations. The measure also repeals the drop-dead provision of Act 138, Session Laws of Hawaii 1998 (Act 138), which allows for credit card payment of towing charges.

The Department of Commerce and Consumer Protection and the Hawaii State Towing Association presented testimony in support of the measure.

Your Committee finds that this measure protects owners of towed vehicles by requiring tow operators to maintain insurance to cover damages to vehicles during towing and storage. Tow operators who fail to comply with the insurance requirement may not collect tow charges from the vehicle's owner and may incur liability for damages sustained to the towed vehicle.

This measure will also aid law enforcement in the investigation of vehicles stolen by tow operators by requiring that the name and phone number of the tow operator be permanently affixed to the door of the tow vehicle.

Your Committee further finds that the administrative problems that were anticipated as the result of allowing credit card payment of towing charges have not occurred. Therefore, your Committee believes it appropriate to repeal the drop dead provision of Act 138.

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. 973, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 573 Education and Technology on S.B. No. 666

The purpose of this measure is to mandate those required to register with the Selective Service System to do so in order to be eligible for admission into any public institution of higher education.

Testimony in opposition to this measure was submitted by the University of Hawaii.

Your Committee finds that those required to register with the Selective Service System play a valuable role in serving our country. However, while your Committee understands the importance of complying with registration obligations for the Military Selective Service Act, your Committee notes the objections raised by the University of Hawaii system that this measure, if enacted, would adversely affect the admissions process of all the University of Hawaii campuses. The University of Hawaii testified that this measure would severely slow down admissions decisions and may cause enrollment reductions. In addition, the University stated that this measure may also delay access to public education for students who are unable to provide the written documentation as required.

In light of this testimony, your Committee has amended this measure to delete the mandate that those required to register with the Selective Service System do so in order to be eligible for admission. Instead, your Committee has inserted language which will require the University of Hawaii to inform those who must register for the Selective Service of their requirement to do so.

Your Committee believes that this amendment will effectively promote the necessary awareness of compliance with the Military Selective Service Act. At the same time, this amendment will allow the University of Hawaii the freedom to determine the most appropriate method to inform students on their required compliance, without severely affecting the admissions process.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 666, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 666, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Tam).

SCRep. 574 Education and Technology on S.B. No. 1270

The purpose of this measure is to give the Department of Education more flexibility in regulating courses of study by eliminating the requirement that fifty percent of each school day be devoted to oral expression, written composition, and spelling.

This measure was recommitted to your Committee due to some question as to whether this measure would completely delete the requirement that schools teach any form of English. Your Committee notes that this measure simply deleted the mandate that fifty percent of each school day be devoted to oral expression, written composition, and spelling, and it is not the intent of your Committee to delete the provision for the instruction of English altogether. Your Committee notes that Section 302A-201 establishes statewide performance standards, of which the study of English is an integral aspect.

Your Committee further finds that there are times when meeting the fifty percent requirement of each instructional day is not feasible or practical. There are many student learning experiences which can be enhanced by field trips within the community, opportunities to work alongside visiting artists, writers, and musicians, and exciting classroom lessons which can take more than fifty percent of one day. These enhanced learning situations provide students with a range and depth of experience and knowledge which will enable them to learn, grow, and achieve. The rigid time requirements mandated in the current statute technically prevent such beneficial encounters from taking place.

Your Committee has amended this measure by deleting the fifty percent time requirement and the reference to the first eight grades, and by adding that the course of study and instruction shall be regulated in accordance with the statewide performance standards established under Section 302A-201, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1270, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1270, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 575 Education and Technology on S.B. No. 1307

The purpose of this measure is to require each school to set its own performance indicators and submit an annual self-evaluation progress report to the superintendent. This measure also requires the superintendent to evaluate any school not meeting its goals, making changes in resources and personnel as appropriate.

Testimony in support of this measure was submitted by the Hawaii Congress of Parents, Teachers, and Students, and a concerned parent. Testimony in support of the intent of this measure was submitted by the Department of Education, and Common Cause Hawaii. The Hawaii State Teachers Association submitted testimony in opposition to this measure.

Your Committee believes that an educational accountability system will lead to the improvement in the quality of Hawaii's schools. However, your Committee agrees with the Department of Education's concerns about the logistical feasibility of this measure and its piecemeal approach in mandating each school's self-evaluation. The Department of Education asserts that only a comprehensive accountability system will truly stimulate and support improved performance.

In light of these concerns, your Committee has amended this measure to delete the original requirements of self-evaluation for each school and, instead, inserted language in Section 302A-1004, Hawaii Revised Statutes (HRS), to require the Department of Education to establish a comprehensive accountability system, which will include a student assessment program and school profiles that report on student performance measures, school attendance, drop-out rates, and parental involvement in each school. This amendment requires the Department of Education to report to the legislature and the governor on the status of the design and implementation of this comprehensive accountability system prior to the convening of the regular legislative sessions of 2000 and 2001. Beginning in school year 2001-2002, the Department of Education must submit annual reports to the legislature on the findings and actions of the comprehensive accountability system. Section 302A-1004, HRS, has also been amended to provide for the repeal of reporting school-by-school assessments on June 30, 2001, as it will no longer be necessary.

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

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1307, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 576 Economic Development on S.B. No. 1089

The purpose of this measure is to delete obsolete or unnecessary language and to clarify and simplify the reporting requirements for holders of a commercial marine license.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR). Boat Owners Association of The State of Hawaii testified in support of the intent to clarify current law, with comments.

Your Committee finds that this year DLNR will begin the process of amending the administrative rules for commercial marine licenses, and the intent of this measure is to give DLNR additional flexibility in the process. While your Committee is supportive of the intent to simplify the reporting requirements, in particular, members share the concerns expressed in the hearing regarding the deletion of a contested case hearing under Chapter 91, Hawaii Revised Statutes (HRS), before revocation of a commercial marine license, and that the proposed reporting amendments were overly broad.

Your Committee notes that in a subsequent letter dated February 26, 1999, the Chairperson of the Board of Land and Natural Resources stated that the removal of language from Section 189-3(a), HRS, will not remove a person's due process under Chapter 91, HRS, and that Section 13-74-3(3), Hawaii Administrative Rules, also covers this concern.

Your Committee therefore has amended this measure to clarify that the reporting information required in section 189-3(a), HRS, is for monitoring of catches by commercial marine licensees.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1089, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1089, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 577 Economic Development on S.B. No. 1090

The purpose of this measure is to authorize the Department of Land and Natural Resources to specify that marine life taken from the Northwestern Hawaiian Islands (NWHI) may not be regarded as "imported" and may be subject to the same state regulations that apply in the Main Hawaiian Islands (MHI).

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. The Western Pacific Regional Fishery Management Council testified in opposition. The Boat Owners Association of The State of Hawaii submitted comments.

Your Committee finds that recent changes in the federal management plan for lobsters in the Northwestern Hawaiian Islands have impacted local markets as well as the lobster stock shared by the NWHI and the MHI. While your Committee is supportive of the intent of this measure to protect both Hawaii's marine resources and its consumers, the members were encouraged that DLNR requested an opportunity to work with the Western Pacific Regional Fishery Management Council to discuss the Council's objections to the measure.

Your Committee notes that subsequent to the hearing, the parties did meet, and as a result of these discussions, the Council has withdrawn its objections to the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1090 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 578 (Joint) Labor and Environment and Transportation and Intergovernmental Affairs on S.B. No. 677

The purpose of this measure is to require employers of commercial motor vehicle drivers to provide a driver improvement program only for drivers who operate a motor vehicle gross vehicle weight rating (GVWR) of more than 10,000 pounds.

This measure also eliminates the requirement that employers provide a driver improvement program for commercial drivers operating vehicles with a GVWR of less than 10,000 pounds.

Testimony in support of this measure was received from the Department of Transportation and the Hawaii Transportation Association.

Your Committees find that Hawaii's driver improvement program is imperative for all commercial drivers who operate a commercial vehicle over 10,000 pounds GVWR, to maintain their driving skills and proficiency. Your Committees also find that this measure makes Hawaii's driver improvement program consistent with federal motor carrier safety regulations.

Your Committees have amended this bill by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 677, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 677, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 6 (Buen, Bunda, Chumbley, Fukunaga, Ige, D., Ihara).

SCRep. 579 Commerce and Consumer Protection on S.B. No. 808

The purpose of this measure is to add to the factors that the liquor commission may consider in its revocation or suspension of an existing liquor license, the prevention of assault.

The Ala Moana/Kakaako Neighborhood Board, Urban Crime Fax Network, and one individual presented testimony in support of this measure.

Your Committee finds that allowing the liquor commission to revoke, suspend, or place restrictions on liquor licenses to prevent criminal activity, specifically assaults, will improve the safety of Hawaii residents and visitors.

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. 808, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 580 Commerce and Consumer Protection on S.B. No. 1134

The purpose of this measure is to ensure that elderly homeowners seeking funds through a reverse mortgage loan receive the counseling necessary to make an informed and reasoned decision about reverse mortgage financing.

The Department of Commerce and Consumer Affairs, the Executive Office on Aging, the American Association of Retired Persons Hawaii State Legislative Committee, and the Hawaii Association of Realtors presented testimony in support of the measure. The Hawaii Bankers Association presented testimony in opposition to the measure. American Savings Bank, though not present at the hearing, submitted written testimony in opposition to the measure.

Your Committee finds that reverse mortgage financing is becoming an increasingly popular form of financing for seniors on a fixed income with equity in their homes. A reverse mortgage is a loan against home equity that provides a cash advance to homeowners and requires no payment until a future time, usually when the borrower dies or sells the home.

Your Committee further finds that reverse mortgage financing is not appropriate for everyone, and consumers considering this form of financing should be fully informed about the lending process and the advantages and disadvantages of reverse mortgage financing given factors such as the borrower's age and current and future needs.

Your Committee received testimony that some unscrupulous lenders charge the elderly thousands of dollars for information about reverse mortgage financing that is available at no cost from the Department of Housing and Urban Development (HUD). This measure would require that lenders refer applicants for reverse mortgage financing to counseling from a housing counseling agency approved by HUD and obtain certification that counseling has been provided prior to accepting the application.

The level of counseling required by this measure is consistent with that required for a federally-insured reverse mortgage. Since most financial institutions are already familiar with the counseling requirements for federally-insured loans, your Committee finds that the requirements imposed by this measure should not create undue administrative hardships.

Your Committee has amended this measure by:

- (1) Replacing the existing penalty language with language providing that a lender who fails to comply with the counseling requirement engages in an unfair method of competition or unfair or deceptive act or practice in the conduct of trade or commerce within the meaning of section 480-2, Hawaii Revised Statutes;
- (2) Providing that a "reverse mortgage loan" does not include a loan insured by HUD or loans subject to other state or federal laws requiring mortgage counseling; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1134, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 581 Commerce and Consumer Protection on S.B. No. 1460

The purpose of this measure is to add to the definition of "certified substance abuse staff" psychologists who hold a current certification from the American Psychological Association College of Professional Psychology in the treatment of alcohol and other psychoactive substance use disorders.

The Department of Health, Hawaii Psychological Association, and one individual, while not present, submitted written testimony in support of this measure.

Your Committee finds that under current law, a state licensed psychologist must be certified as a substance abuse counselor by the Department of Health to qualify for payments under medical or health insurance.

As amended, a psychologist who holds a current specialty certificate in substance abuse treatment from the American Psychological Association College of Professional Psychology would also qualify for insurance payments for substance abuse treatments.

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. 1460 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Matsuura).

SCRep. 582 Commerce and Consumer Protection on S.B. No. 1557

The purpose of this measure is to permit the visual monitoring of storm water runoff by motor carriers required to monitor by law.

Your Committee finds that this measure which allows a motor carrier to visually monitor storm water runoff, rather than monitor through laboratory testing of water samples, imposes a less burdensome requirement on motor carriers, and conforms the State's monitoring practice to that of the majority of the other states.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 583 (Majority) Labor and Environment on S.B. No. 368

The purpose of this measure is to prohibit the Director of Health from issuing a permit for a medical waste incinerator that is located within one mile of any residential dwelling.

Testimony in support of this measure was received from Hawaii's Thousand Friends, Waimanalo Citizens for a Healthy Future, Kawakami Delicatessen, Stonecraft, Akamai Builders, Boat City, and six individuals. Oral testimony in support of the measure was also presented by a member of the Kailua Neighborhood Board.

The Department of Health (DOH) testified in support of the intent of this measure with reservations.

Your Committee finds that a one-mile buffer zone for residents from any medical waste incinerator or medical waste sterilizer will severely restrict or eliminate viable locations for these facilities. The only areas left are probably remote areas on neighbor islands.

Your Committee also finds that the U.S. Environmental Protection Agency (EPA) has stringent emission requirements for new medical waste incinerators but exempts incinerators that burn only pathological and chemotherapy waste. To the best knowledge of your Committee, the EPA requirements have no stipulations on the siting of medical waste incinerators and its proximity to residents or communities.

Your Committee has amended this measure by changing the requirement from one mile to five hundred feet as recommended by DOH.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 368, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 368, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Slom). Excused, 2 (Chumbley, Fukunaga).

SCRep. 584 (Majority) Labor and Environment on S.B. No. 1231

The purpose of this measure is to prohibit smoking in workplaces employing two or more employees. This prohibition does not apply to the dining areas of restaurants, bars, and hotel guest rooms.

Testimony in support of this measure was received from the Department of Health, the American Heart Association, the American Lung Association, the Hawaii Nurses Association, the Coalition for a Tobacco Free Hawaii, and the Hawaii Medical Services Association. The United Public Workers testified in opposition to the measure.

Your Committee finds that the intent of this measure is to increase protections for employees against exposure to environmental tobacco smoke (ETS) at the workplace. Your Committee finds, however, that this measure may interfere with employee rights that have been negotiated as a part of a collective bargaining or employee agreement.

Your Committee has amended this measure by:

- (1) Clarifying that smoking is prohibited in enclosed areas of private workplaces as well as state-owned or state-controlled workplaces;

- (2) Deleting section 328K-13(b), Hawaii Revised Statutes, concerning a vote of preference by employees;
- (3) Providing that this measure shall not be effective for employees who are covered by an existing collective bargaining or employee agreement until the completion of that agreement; and
- (4) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1231, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1231, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 2 (Ige, M., Slom). Excused, 2 (Chumbley, Fukunaga).

SCRep. 585 Ways and Means on S.B. No. 211

The purpose of this bill is to extend from June 30, 1999 to June 30, 2001, the pensioners' bonus originally extended to retirants of the Employees' Retirement System under Act 339, Session Laws of Hawaii 1990.

Your Committee finds that retirants' cost of living increases are computed on simple interest on the original amount of the retirants' pension. Therefore, members who retired years ago could be receiving a pension that has not kept up with inflation. By extending the sunset provision to 2001, this bill reaffirms past legislative policy to help older retirants cope with the higher cost of living.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 211, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Kawamoto, Nakata, Anderson).

SCRep. 586 Ways and Means on S.B. No. 813

The purpose of this bill is to authorize the issuance of special purpose revenue bonds and refunding special purpose revenue bonds to assist the gas utility in providing gas service to the general public.

Your Committee finds the authorization of special purpose revenue bonds to assist The Gas Company, a division of Citizens Utility Company, with necessary capital improvements will provide a direct savings to consumers through lower interest costs to The Gas Company. Your Committee finds that authorizing not more than \$19,600,000 in special purpose revenue bonds will benefit the State by providing financing for a qualified "energy project" within the bounds of part VI, chapter 39A, Hawaii Revised Statutes, that benefits the public interest.

Your Committee has amended this bill by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 813, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 813, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Kawamoto, Nakata, Anderson).

SCRep. 587 Ways and Means on S.B. No. 957

The purpose of this bill is to extend the Motor Vehicle Insurance Benefits Task Force until June 30, 2000.

The bill also requires the Task Force to develop a plan for balancing the maximum coverage and benefits for victims of motor vehicle accidents with the lowest possible cost for purchasers of motor vehicle insurance.

Your Committee finds that the Task Force was formed pursuant to Act 251, Session Laws of Hawaii 1997. The Task Force was charged with developing a comprehensive plan with respect to a multi-faceted overview of motor vehicle insurance in Hawaii.

The Task Force, through no fault of its own, was unable to present its plan as scheduled this past January because of delays in gathering information that was essential to the Task Force's Plan.

This bill would provide the Task Force with the time it needs to complete its Plan by June 30, 2000.

Your Committee has amended the bill by incorporating the contents of S.B. No. 485, S.D. 1, into the bill. Senate Bill No. 485, S.D. 1, provides public assistance recipients who received medical services prior to July 1, 1994, and who continue to receive such

benefits with free no-fault insurance benefits. This amendment reinstates public assistance recipients who were removed from free no-fault insurance eligibility under Act 225, Session Laws of Hawaii 1994.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 957, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 957, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Kawamoto, Nakata, Anderson).

SCRep. 588 Ways and Means on S.B. No. 1102

The purpose of this bill is to transfer the financial responsibility of annually auditing the Public Employees' Health Fund from the State Comptroller to the Public Employees' Health Fund.

Your Committee believes that it is the responsibility of the Public Employees' Health Fund to maintain accurate records of its accounts. Your Committee also believes that since the Public Employees' Health Fund is the beneficiary of audit information, it should pay for the cost of any auditing expenses from its reserves.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1102, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Kawamoto, Nakata, Anderson).

SCRep. 589 Ways and Means on S.B. No. 1124

The purpose of this bill is to allow an out-of-state bank to establish a de novo interstate branch or acquire an interstate branch in Hawaii if certain conditions are met.

In addition, this bill deletes the requirement that prohibits an interstate merger transaction resulting in the acquisition by an out-of-state bank of a Hawaii state bank, or of all or substantially all of the branches of a Hawaii state bank, unless the Hawaii state bank has been in continuous operation, on the date of the acquisition, for a period of at least five years.

Your Committee agrees with the intent of this bill, and finds that banks operating through the internet, direct mail, and the telephone, already have access to Hawaii consumers, but are not subject to the regulatory measures governing financial institutions domiciled in Hawaii. Your Committee finds that permitting out-of-state banks to establish or acquire interstate branches in this State subject to their compliance with the requirements of the laws of this State will allow out-of-state banks to compete on a direct level with local financial institutions while under the regulatory scrutiny of the State.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1124, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1124, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Kawamoto, Nakata, Anderson).

SCRep. 590 Ways and Means on S.B. No. 1130

The purpose of this bill is to require health maintenance organizations to file quarterly reports with the Insurance Commissioner; and to impose penalties and other administrative sanctions on health maintenance organizations that fail to renew their certificates of authority in a timely manner.

Your Committee finds that quarterly reporting and the timely renewal of certificates of authority can help the Insurance Commissioner to more effectively monitor the financial solvency of health maintenance organizations. With more and more employers turning to health maintenance organizations as a means of controlling or reducing health care costs, everything possible must be done to ensure the continued solvency of health maintenance organizations.

Your Committee has amended this bill by 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. 1130, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1130, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Kawamoto, Nakata, Anderson).

SCRep. 591 Ways and Means on S.B. No. 1144

The purpose of this bill is to dedicate a certain percentage of the taxes imposed on banks and financial institutions under chapter 241, Hawaii Revised Statutes, to the Financial Institutions Examiners' Revolving Fund.

Presently, all taxes collected under chapter 241, Hawaii Revised Statutes, are deposited into the general fund.

This bill will provide a dedicated source of funding to the Division of Financial Institutions and allow the Division to become more self-sufficient and independent in carrying out its duties and responsibilities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1144, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 592 Ways and Means on S.B. No. 1145

The purpose of this bill is to consolidate certain special and revolving funds of the Department of Commerce and Consumer Affairs into the department's compliance resolution fund, to be managed at a department-wide level to fund department operations.

In particular, this bill provides that revenues, fees, and fines collected by the Department's Business Registration and Professional and Vocational Licensing Divisions are to be deposited into the compliance resolution fund, and that unencumbered balances existing on June 30, 1999, in the cable television fund, the Division of Consumer Advocacy fund, the financial institution examiners' revolving fund, and the special handling fund, are to be deposited into the compliance resolution fund.

Your Committee agrees with the intent of this bill, and finds that the bill will provide the Department of Commerce and Consumer Affairs with greater flexibility in managing its funds to support its goal of fiscal self-sufficiency. Your Committee further finds that the Department will account for all sources of funding separately in order to track each division's revenues against its expenses.

Upon further consideration, your Committee has amended the bill to make technical, nonsubstantive changes for the purposes of clarity and consistency, including:

- (1) Making conforming amendments to sections 36-27, 92-24, 207-14, 412:2-105, and 482-2, Hawaii Revised Statutes;
- (2) Amending Act 216, Session Laws of Hawaii 1997, and Act 142, Session Laws of Hawaii 1998, to address the potential problems created by the repeal and reenactment of sections 36-27 and 36-30, Hawaii Revised Statutes; and
- (3) Renumbering the sections.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1145, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1145, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 593 Ways and Means on S.B. No. 1261

The purpose of this bill is to allow the Insurance Commissioner to adopt rules to establish application and annual license fees on captive insurance companies instead of setting the fees by statute.

Your Committee agrees with the intent of this bill, and finds that prudent regulation of captive insurance companies is an integral part of a reputable and attractive captive domicile. To provide for proper regulation of captives, certain fees and costs are warranted to compensate the regulators for their work. Your Committee finds that this bill will assist in offsetting some of the additional expenses associated with the regulation of captive insurance companies.

The bill also requires the initial set of rules to be adopted by January 1, 2000.

Your Committee has amended the bill to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1261, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1261, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 594 **Ways and Means on S.B. No. 1282**

The purpose of this bill is to authorize the Employees' Retirement System to invest in real estate through limited liability companies.

Your Committee finds that limited liability companies provide advantages to an investor because of their elimination of federal and state tax, centralized management, and limited liability for its owners. Allowing the Employees' Retirement System to invest in this type of entity can provide it with different avenues for investment while also limiting the Employees' Retirement System's liability from personal injury and property damage lawsuits.

Your Committee has amended this bill by deleting the phrase on page 8: "similar entities that would protect the system's interests,". Other amendments are of a technical, nonsubstantive nature.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1282, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1282, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 595 **Ways and Means on S.B. No. 1288**

The purpose of this bill is to permit the Board of Trustees of the Public Employees Health Fund to contract for more than one type of benefit plan for medical, drug, vision, and dental benefits.

Your Committee finds that current law authorizes the Board of the Public Employees Health Fund to contract for only one statewide plan for each of its medical, drug, dental, and vision benefit plans. This bill will provide flexibility to contract for more than one benefit plan per benefit category, thereby fostering more competition to provide the State quality benefit plans with the best value.

Your Committee has made technical, nonsubstantive amendments for the purposes 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. 1288, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1288, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 596 **Ways and Means on S.B. No. 1290**

The purpose of this bill is to offer medical benefits to part-time, temporary, and seasonal or casual public employees at no cost to the employer.

Under this bill, the cost of the medical benefits provided would be borne by the employee.

Your Committee finds that this bill would provide medical benefits to part-time, temporary, and seasonal or casual public employees at no cost to the public employer and would enable such employees to obtain coverage at a lower premium rate.

Your Committee has made only minor technical, nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1290, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1290, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 597 **Ways and Means on S.B. No. 1326**

The purpose of this bill is to repeal certain filing and fee requirements for foreign lenders.

This measure simplifies the process that foreign lenders may take to operate in the State by repealing the requirement that they file and annually renew a statement with the Commissioner of Financial Institutions along with repealing related fees. This measure also exempts foreign lenders from the requirements of the mortgage brokers and solicitors law and the real estate collection servicing agents law.

Your Committee finds that providing these specific exemptions to foreign lenders will encourage and facilitate the lending of money from sources outside the State, thereby helping to increase the supply of available capital in this State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1326 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 598 Ways and Means on S.B. No. 1544

The purpose of this bill is to allow deputy sheriffs of the Department of Public Safety to retire without penalty after twenty-five years of service if the last five or more years prior to retirement is credited service in that capacity.

Your Committee finds that this bill would entitle deputy sheriffs to retire and receive benefits unreduced for age in the same manner as firefighters and police officers if the last five or more years prior to retirement are credited service in that capacity.

For purposes of consistency, your Committee has amended this measure by making a technical nonsubstantive conforming amendment to section 2.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1544, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1544, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Ige, M., Kawamoto, Nakata).

SCRep. 599 Ways and Means on S.B. No. 5

The purpose of this bill is to provide agricultural loans to farmers for export purposes and to recover from state eradication programs.

Your Committee finds that the State has not encouraged the export potential of local industries as much as it can or should. The agriculture industry is an example of an industry with export potential that is relatively untested and undefined. This bill provides state support through agricultural loans to encourage farmers to exploit the export potential of their goods and produce.

Your Committee also finds that local farmers need state assistance if they are the subject of state eradication programs. This bill also provides loan assistance to such farmers to enable them to recuperate from losses suffered as a result of state eradication programs.

Your Committee has amended the bill by:

1. Clarifying that the eradication programs refer to farmers who have been subject to any state eradication program;
2. Redrafting the proposed language relating to eradication programs in section 2 of the bill; and
3. Making other technical changes that have no substantive effect.

Finally, your Committee is aware of a possible conflict between the proposed provision regarding farm loans for export purposes and the functions of the Agribusiness Development Corporation. It is the intent of your Committee that this bill not establish duplicative state functions and that the Department of Agriculture and the Agribusiness Development Corporation develop rules or guidelines, at their discretion, to qualify and distinguish the assistance provided by their respective agencies to prevent such duplication.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 5, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 5, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, Ige, M., Kawamoto, Nakata, Taniguchi).

SCRep. 600 Ways and Means on S.B. No. 570

The purpose of this measure is to extend the Waianae coast community benchmarking project through June 30, 2003, and to appropriate \$400,000 to support the work of the project.

Your Committee finds that the Waianae Coast Community Benchmarking Pilot Project to develop the economy and improve the quality of life on the Waianae coast is effective and should be continued.

Upon further consideration, your Committee has amended this bill by deleting sections 3 and 4 of the bill making appropriations to fund various subprojects of the benchmarking project and to subsidize the Hawaii Community Services Council for work on the project.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 570, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 570, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Kawamoto, Nakata, Taniguchi).

SCRep. 601 Ways and Means on S.B. No. 809

The purpose of this measure is to allow a sole proprietor of a catamaran operating with a valid commercial registration certificate at Waikiki Beach to transfer the ownership and the commercial registration to a corporate entity.

Your Committee finds that in 1984, the Legislature approved a measure to allow owners of commercial vessels with commercial permits, and moored in small boat harbors, to transfer both ownership of the vessel and the authority for the permit to a new corporate entity. However, Act 187, Session Laws of Hawaii 1984, did not extend to commercial catamaran owners operating at Waikiki Beach.

Your Committee further understands that only two of the seven catamaran operations currently at Waikiki Beach are sole proprietorships, and that the measure would not affect the total number of commercial catamaran operations.

Your Committee has amended the measure by adding a section that "grandfathers in" a catamaran business that was formerly a sole proprietorship that subsequently became a corporation and was mistakenly allowed by the Department of Land and Natural Resources to transfer its commercial registration certificate to the corporation.

Your Committee believes this measure will provide these two remaining sole proprietors with the option to make a one-time change to corporate ownership, without adversely affecting nearshore marine traffic or the area's ecosystem.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 809, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 809, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Iwase, Tam, Taniguchi, Anderson).

SCRep. 602 Ways and Means on S.B. No. 976

The purpose of this bill is to create a construction industry branch within the Department of Business, Economic Development and Tourism.

This measure establishes a branch of the Research and Economic Analysis Division of the Department that has specific responsibilities to promote, market, develop, and coordinate the different aspects of the construction industry in the State.

Your Committee finds that a portion of the State's economic prosperity is connected to the prosperity of the construction industry. Your Committee acknowledges the importance of the construction industry to the economy. Supporting the promotion and development of such a vital industry to the State will benefit the entire State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 976, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Taniguchi).

SCRep. 603 Ways and Means on S.B. No. 1062

The purpose of this bill is to expand the eligibility for agricultural park leases to include revocable living trusts and limited liability companies.

Your Committee finds that when the agricultural park program was first established, new legal entities such as revocable living trusts and limited liability companies had not been established or widely used. This bill would allow lessees holding a lease under a revocable living trust or limited liability company to transfer their interests in the lease to surviving family members or successor business entities. Your Committee also finds that this bill will provide security and peace of mind to agricultural park lessees and conform the law with modern business applications.

Your Committee has amended the bill by making technical amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1062, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1062, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Taniguchi).

SCRep. 604 Ways and Means on S.B. No. 1071

The purpose of this bill is to authorize the Commissioner of Securities to allow a prospectus for a small corporate offering to meet the disclosure requirements under state law, if the prospectus meets all qualifications in the Small Corporate Offerings Registration Form adopted by the North American Securities Administrators Association.

Your Committee finds that this measure will enable small businesses to raise up to \$1,000,000 in start-up capital by selling stock directly to the public after registering the shares under a Small Corporate Offerings Registration. Ready access to available capital is a frequent cause of small business failures in Hawaii. Applying for conventional loans or venture capital is time-consuming and counterproductive.

Your Committee has amended this measure by recasting the new language on the prospectus for small corporate offerings as a new paragraph in existing subsection 485-10(b), Hawaii Revised Statutes, rather than as an entirely new section to chapter 485. This purely structural change eliminates the need to amend other statutory provisions to cross reference the new law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1071, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1071, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Taniguchi).

SCRep. 605 Ways and Means on S.B. No. 1072

The purpose of this bill is to repeal the "drop-dead" provisions for the Department of Business, Economic Development and Tourism's business loan guarantee program and neighbor island preferential business loan interest rate, thereby making both permanent.

This measure allows the Department to continue to offer the business guarantee loan program and preferential business loan interest rate to counties with populations of less than one hundred fifty thousand.

Economic conditions on the neighbor islands continue to be strained. Your Committee finds that allowing the Department of Business, Economic Development, and Tourism to continue these programs increases the likelihood that business on the neighbor island will return and prosper sooner.

Your Committee has amended this bill by clarifying that only the Section 4 of Act 311, Session Laws 1996, and Section 6, Act 104, Session Laws of 1998 are being amended, and that the remaining provisions of those acts are not being repealed.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1072, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1072, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Taniguchi).

SCRep. 606 Ways and Means on S.B. No. 1097

The purpose of this bill is to provide additional sources of revenue for the forest stewardship program.

Specifically, this bill requires that all revenues from the:

- (1) Harvest of non-native forest products; or
- (2) Sale of tree seedlings from state nurseries;

be deposited into the forest stewardship fund to provide for the replanting, managing, and maintaining of timber management areas.

This bill also requires the Board of Land and Natural Resources to identify reforestation and related management issues along with annual reporting of the financial condition of the forest stewardship fund.

Your Committee finds that if the forest industry is to be viable and help to replace lost revenues from sugar, it must be carefully financed and managed. Allowing the revenues from the sale of forest products to be deposited into the forest stewardship fund is an important step to provide a self-sustaining industry.

Your Committee has amended this measure by deleting the appropriation and making other technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1097, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1097, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Nakata, Taniguchi, Anderson).

SCRep. 607 Ways and Means on S.B. No. 41

The purpose of this bill is to extend the sunset date of the Hawaii Teacher Standards Board to June 30, 2010; and to stagger the initial terms of the seven members to be appointed to the Hawaii Teacher Standards Board after June 30, 2000, but excluding the two members who serve in an ex officio capacity.

Your Committee finds that the continued existence of the Hawaii Teacher Standards Board is essential to ensuring that our public school students are taught by qualified teaching professionals. Your Committee also finds that the Hawaii Teacher Standards Board has done outstanding work in the past and should be permitted to continue its work into the future, subject to satisfactory evaluations.

Your Committee also finds that the terms of present members of the Hawaii Teacher Standards Board, excluding the ex officio members, will all expire in 2001. Although this current period of stability (in terms of membership) has allowed the Hawaii Teacher Standards Board to make remarkable progress in the short time that it has been in existence, your Committee recognizes the importance of tempering the desire for short-term gains and results against the need for long-term stability and consistency. In the long-term, staggering the terms of board and commission members can result in more stable and consistent decision making as it permits new members to draw on the institutional knowledge and experience of veteran members.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 41, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Nakata, Taniguchi, Anderson).

SCRep. 608 Ways and Means on S.B. No. 185

The purpose of this bill is to statutorily establish a Hawaii State Student Council and to require the council to assume the statutory duty presently held by the Student Conference Committee to hold the annual conference of secondary school students.

Your Committee finds that the Hawaii State Student Council exists but has never been formally established under statute. Your Committee finds that statutory establishment of the council will give the council permanency and stability in allowing student participation in school-based decision making.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 185, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 185, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Nakata, Taniguchi, Anderson).

SCRep. 609 Ways and Means on S.B. No. 1155

The purpose of this bill is to extend the already existing authority of the State Librarian to administratively reallocate vacant positions and to establish temporary positions for three years, until 2002.

Your Committee finds that in order to use the State's limited resources in the most efficient manner, the State Librarian must have the flexibility to reallocate vacant positions, establish temporary positions, or both, as needs change in the library system due to demographics or other circumstances.

Your Committee has amended this bill by making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1155, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1155, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 610 Ways and Means on S.B. No. 1157

The purpose of this bill is to waive the residency requirement for the State Librarian.

The bill also sets the Librarian's term at four years and authorizes the Board of Education to set the Librarian's salary until July 1, 2004.

Your Committee finds that the bill provides the Board of Education with more flexibility in recruiting a Librarian for the State Library System. This flexibility is necessary if the Board is expected to recruit candidates of a higher professional quality capable of performing the duties and responsibilities required of an upper level management position. This flexibility, however, is tempered with a five-year drop-dead clause to provide the Legislature with the opportunity to review and assess the salary setting authority given to the Board.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1157, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 611 Ways and Means on S.B. No. 1185

The purpose of this bill is to postpone from June 30, 1999, to June 30, 2004, the changeover in management over the State Aquarium.

Specifically, this bill gives the Board of Regents of the University of Hawaii more time to transfer management from both the Research Corporation of the University of Hawaii and the University of Hawaii Foundation to an as yet undetermined new management arrangement.

Your Committee finds that the University of Hawaii's plans to relocate the State Aquarium to Kakaako will necessitate a delay in the scheduled transfer of management. Your Committee believes that the relocation of the aquarium will play an important role in the overall economic revitalization of Kakaako. Your Committee accordingly is willing to allow the university to subordinate its transfer of management to the relocation of the aquarium.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1185, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1185, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 612 Ways and Means on S.B. No. 1274

The purpose of this bill is to transfer the functions and authority relating to after hours security contracts at Department of Education facilities from the Department of Public Safety to the Department of Education.

Your Committee finds that the Department of Education is in a better position to manage and control the security contracts for their own facilities. By eliminating the necessity of involving the Department of Public Safety, the Department of Education will have improved accountability and management of their security services and be able to efficiently respond to their security 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 is in accord with the intent and purpose of S.B. No. 1274 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 613 Ways and Means on S.B. No. 1586

The purpose of this bill is to require budgeting for athletics when budgeting for new schools, require the Department of Education to study the implications of setting coaches' salaries and report its findings to the Legislature before the 2000 regular session.

Your Committee finds that athletic programs are necessary to a well-rounded school curriculum, requiring proper funding as part of the funding for new schools in order that students entering a new school can have the same opportunities as students in other high schools.

Undeniably, coaches have a positive impact upon students, giving them motivation, inspiration, direction, and positive alternatives to delinquency and drugs. However, your Committee is aware that the Department of Education has reservations regarding the setting of coaches' salaries. Your Committee believes that the issue of coaches' salaries require in-depth study, with all implications being determined before salaries can be set.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1586, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 614 Ways and Means on S.B. No. 876

The purpose of this bill is to establish a standard to be used in appraising the leased-fee interest for condominiums and cooperative housing corporations.

The bill permits leases and subleases entered into before the effective date of the Act to use this standard, and requires it to be used in leases and subleases entered into on and after the effective date of the Act. Your Committee finds that the standard is based on the fair market value of the property and will ensure fairness in the valuation process.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 876, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 876, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Nakata, Taniguchi, Anderson).

SCRep. 615 Ways and Means on S.B. No. 1005

The purpose of this bill is to impose penalties upon public works contractors who do not make prompt payments to subcontractors.

This measure imposes graduated fines of \$5,000, \$10,000, and \$25,000, for the first, second, and third offenses respectively on contractors who fail to disperse funds to subcontractors within ten days of receiving payments on state contracts.

Your Committee finds that imposing these penalties will provide an incentive for prompt payments to subcontractors. Encouraging a system of prompt payments on government construction contracts will provide economic stability for those subcontractors.

Your Committee has amended this measure by making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1005, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1005, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Nakata, Taniguchi, Anderson).

SCRep. 616 Ways and Means on S.B. No. 1519

The purpose of this bill is to authorize the Housing and Community Development Corporation of Hawaii to act as a clearinghouse of information in order to ensure a supply of federally assisted rental housing projects for low-income renters.

Specifically, this measure requires owners of federally assisted rental housing projects to provide a one-year notice to both tenants and the corporation of any intent to terminate a subsidy contract on an assisted housing development or prepay its mortgage. Furthermore, if the owner intends to sell the project, the owner must first provide a right of first refusal to the tenant association of the development and certain nonprofit organizations for a one hundred eighty-day period following the notice to sell the project. The corporation shall maintain and disseminate lists of potential buyers of low-income rental housing projects being terminated and offered for sale.

Your Committee finds that the supply of the Section 8 low-income rental housing projects subsidized by the United States Department of Housing and Urban Development may decrease in the future due to anticipated reductions in the subsidies offered by

the federal government to the housing project owners. Decreased subsidies increase the risks that owners will terminate the federal subsidy contracts and sell off the housing projects, forcing their renters out of their subsidized housing units.

Your Committee believes that this measure is necessary to protect low-income renters from the financial devastation that will befall them in trying to secure market rate rental units.

Your Committee has amended this measure by requiring appraisers under the new law to be certified real estate appraisers. Furthermore, 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. 1519, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1519, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 617 Ways and Means on S.B. No. 102

The purpose of this bill is to improve the provision of adequate health care services and related public transportation services for rural communities.

The intent of this bill is to qualify Hawaii for federal Medicare rural hospital flexibility grants through the development of a statewide rural health plan and to create a rural health special fund. Your Committee finds that adequate health care for rural districts throughout the State is sorely lacking. This bill is an outgrowth of the Department of Health's rural health plan for the island of Hawaii, particularly Puna and Ka'u, to ensure the improvement of health facilities and to make available sufficient medical services. Although examples on the Big Island are cited in the bill, your Committee emphasizes that this measure applies to all counties where there is a rural health problem.

Your Committee has amended this bill by adding language to clarify that the rural health special fund is created in the state treasury to be administered and expended by the Department of Health. Your Committee has also added a new section 4 to the bill to add boilerplate language to ensure that federal funds are not jeopardized. In addition to renumbering the remaining sections of the bill, your Committee has also made technical, nonsubstantive amendments to the bill 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. 102, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 102, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Ige, M., Iwase, Nakata, Tam, Anderson).

SCRep. 618 Ways and Means on S.B. No. 145

The purpose of this bill is to encourage more organ donations.

The number of organs donated for transplant in Hawaii is inadequate and must be increased in order to save lives. This bill promotes organ donation through education and asking dying patients and their families to consider the option of donation. A voluntary \$1 fee asked of all drivers at the time of driver license application or car registration will fund a special fund to finance the educational efforts.

Your Committee finds that organ and tissue transplantation, which is no longer a medical experiment, can save lives and improve the quality of life for many ill patients. However, the demand is much higher than the supply and many more donors are needed annually. In Hawaii, which has a high number of minority groups, appreciation of organ donation is important because a more successful organ match is possible when the donor and the recipient are from the same ethnic group. Yet, many individuals do not feel comfortable making an organ donation for a variety of reasons ranging from religious to simply being uninformed about their dying family member's preferences regarding organ and tissue donation. Therefore, every effort must be made to educate the public about the option to donate and the family or public discussion that is needed in this area of medicine in order for this process to work.

Public awareness can be raised through more public education at ethnic, health, and community fairs, schools, and churches. In hospitals, a trained requester can ask every dying person and their family members to consider organ and tissue donation. Only by increasing the number of persons asked to donate can Hawaii hope to increase the number of donors each year.

Your Committee has amended this bill by:

- (1) Using the phrase "procurement organization" instead of "organ procurement organization" to use a term consistent with the definitions in section 327-1, Hawaii Revised Statutes;

- (2) Eliminating the advisory committee, because a voluntary coalition of organ donation individuals and groups has been formed to address public education concerns;
- (3) Changing the administration of the organ and tissue education special fund from the Office of the Lieutenant Governor to the Department of Health;
- (4) Requiring the assignment of funds from the special fund to the Organ Donor Center of Hawaii for apportionment to the three major functions (minority organ tissue and transplant education program, Hawaii's federally designated organ procurement organization, and Hawaii's coalition of organ donation related agencies); and
- (5) Establishing the special fund effective July 1, 1999, but having actual collection of the voluntary \$1 fee begin from July 1, 2000 in order to allow the city and county of Honolulu's motor vehicle computer software program to be online.

These amendments are in accord with testimony and language suggested by the Organ Donor Center of Hawaii and the National Kidney Foundation 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 is in accord with the intent and purpose of S.B. No. 145, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 145, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 619 Ways and Means on S.B. No. 180

The purpose of this measure is to make appropriations for substance abuse prevention and treatment services.

Specifically, this bill appropriates, in each of fiscal years 1999-2000 and 2000-2001, the following amounts:

- (1) \$480,000 for substance abuse prevention services statewide;
- (2) \$600,000 for adolescent school-based substance abuse treatment services in public high schools statewide;
- (3) (A) \$98,000 for crisis intervention/detoxification residential beds statewide;
(B) \$688,000 for residential (non-hospital) treatment services statewide;
(C) \$120,000 for intensive outpatient services statewide; and
(D) \$432,000 for therapeutic living homes/programs at two sites statewide.

Your Committee finds that a comprehensive approach is necessary to adequately address the effects of alcohol and drug abuse on society.

Upon further consideration, your Committee has amended this bill by deleting all appropriated dollar amounts and replacing them with blank amounts for the purpose of promoting further discussion. Your Committee has also made numerous technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 180, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 180, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 620 Ways and Means on S.B. No. 200

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the Ewa Villages Community Development Corporation.

Your Committee believes that the Ewa Villages Community Development Corporation is deserving of financial assistance to provide a continuum of health care services to the frail elderly and medically fragile infants and 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 S.B. No. 200 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 621 Ways and Means on S.B. No. 802

The purpose of this bill is to create the compliance review special fund for the Commission on Persons with Disabilities.

This measure establishes the compliance review special fund and authorizes the commission to charge reasonable fees to review private sector building plans to determine compliance with the Americans with Disabilities Act. All fees received by the Commission on Persons with Disabilities for reviewing private sector building plans shall be deposited into the fund.

Your Committee finds that establishing this fund will contribute to the Commission on Persons with Disabilities becoming a self-supporting agency of government. Your Committee finds that allowing the commission to charge reasonable fees for their services will not displace private sector services in this area.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 802 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 622 Ways and Means on S.B. No. 835

The purpose of this bill is to require the Department of Health to establish and administer an aeromedical emergency medical services information system and to contract for emergency aeromedical services.

The bill also establishes an emergency aeromedical services quality improvement advisory committee to analyze information collected and requires the Director of Health to appoint specific members.

Your Committee finds that a quality aeromedical services system is critical to the health and welfare of all people, particularly those in the rural areas of the Big Island. Although this bill provides statutory recognition of aeromedical services, the Department of Health currently provides aeromedical services. This bill is an outgrowth of an aeromedical task force that assisted the Department of Health by making recommendations to improve current aeromedical services.

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

- (1) Substituted the contents of the bill with the original draft of S.B. No. 835;
- (2) Added a new section 5 to amend section 321-232, Hawaii Revised Statutes, to create an emergency medical services special fund; and
- (3) Added a new section 6 to create the emergency medical services special fund.

The amendments to create the emergency medical services special fund were made at the recommendation of the Department of Health.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 835, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 835, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Anderson).

SCRep. 623 Ways and Means on S.B. No. 992

The purpose of this bill is to appropriate funds for the Hana Community Health Center.

Your Committee finds that the Hana Community Health Center cannot operate effectively without additional legislative appropriations. This health center serves a rural population that is isolated from the population center of Maui and the sick or injured would be forced to drive for more than two hours to Wailuku for medical attention if the health center is closed. The health of Hana residents as well as the many tourists who visit this section of Maui would be similarly hampered and perhaps endangered by the lack of medical services.

Your Committee has amended this bill by deleting the specific amounts of the appropriations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 992, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 992, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Anderson).

SCRep. 624 Ways and Means on S.B. No. 1028

The purpose of this bill is to make permanent the statutory enactments of Act 216, Session Laws of Hawaii 1997 which created a domestic violence prevention special fund and a vital statistics improvement special fund, among other things.

Your Committee finds that vital statistics data are the most important data collected by any state and every effort should be made to maintain these records accurately and preserve them for posterity. Your Committee also finds that one of the more critical areas of societal concern today is the increasing incidence of domestic and family violence. Intervention and prevention efforts are essential services that can offset these damaging confrontations. Continued support of these two major areas covered by Act 216 can best be made by amending the sunset provisions in Act 216 and making the changes permanent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1028, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 625 Ways and Means on S.B. No. 1049

The purpose of this administration bill is to allow foster boarding payment if the eligible foster child is attending an accredited institution of higher learning on a part-time basis for the first academic year.

Your Committee believes that foster boarding children should be given the opportunity to better themselves by attending an institution of higher learning on a part-time basis for the first year. Many foster children must attend school part-time in order to work to support themselves while attending school. This bill will allow them to do that without losing their foster boarding support.

Your Committee has made two technical, nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1049, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1049, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Anderson).

SCRep. 626 Ways and Means on S.B. No. 1053

The purpose of this bill is to repeal a redundant section of the law relating to Medicaid reimbursement for personal care services.

Your Committee finds that section 346-64, Hawaii Revised Statutes, relates to Medicaid reimbursement for personal care services which is already provided for in chapter 346D, Hawaii Revised Statutes, relating to long-term care services. Since both provisions are identical in nature, the elimination of section 346-64, Hawaii Revised Statutes, will serve to clarify the law and eliminate any confusion with respect to reimbursement for personal care 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. 1053 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Anderson).

SCRep. 627 Ways and Means on S.B. No. 1054

The purpose of this administration bill is to make permanent Hawaii's opting out of a certain portion of the Personal Responsibility and Work Opportunity Reconciliation Act (section 115(a) of Public Law 104-193), that terminates the eligibility of an individual convicted of a drug related felony after August 22, 1996, for federal financial assistance and food stamps.

This bill accomplishes this by removing the sunset provision of Act 128, Session Laws of Hawaii 1997, which would have repealed this Hawaii opt out on June 15, 1999.

Your Committee finds that welfare payments and food stamps are a principal source of funding for substance abuse treatment programs. Your Committee further finds that this measure will help to ensure the continued availability of treatment, especially for women, increasing their likelihood of successfully moving from welfare to work and properly caring for their children. This measure will also help prevent an increase in crime that would result from the loss of support and access to drug treatment and other essential social 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. 1054 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Anderson).

SCRep. 628 Ways and Means on S.B. No. 1235

The purpose of this measure is to establish a temporary Governor's Task Force on Alternative Medicine to examine various forms of alternative medicine, such as chiropractic, acupuncture, homeopathy, naturopathy, aroma and music therapies, herbal remedies, and native Hawaiian medicines.

The Task Force shall further examine ways to stimulate the growth of alternative medicine, and determine whether any forms of alternative medicine should be given formal recognition as a form of medicine.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1235, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 629 Ways and Means on S.B. No. 1609

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for Wahiawa Central-Oahu Health Center, Inc., or its affiliate.

Wahiawa Central-Oahu Health Center, Inc., is a not-for-profit Hawaii corporation that plans to utilize the bonds to establish and operate a health care facility in Central Oahu or acquire and install additional capital equipment for use in a Wahiawa central-Oahu center facility.

Your Committee concurs with the testimony presented at the hearing conducted by the Health and Human Services Committee that there is a need for quality affordable health care in central Oahu and that it would be in the public's interest to support the objectives of Wahiawa Central-Oahu Health Center, Inc.

Your Committee has amended the bill by making technical amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1609, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1609, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 630 Ways and Means on S.B. No. 1610

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to fund the renovation of existing health care facilities and the establishment of a new health care facility by Wahiawa General Hospital, Inc.

Specifically, this measure authorizes the issuance of \$37,000,000 in special purpose revenue bonds to Wahiawa General Hospital to:

- (1) Retire the outstanding debt on existing health care facilities and capital equipment used in connection with those facilities;
- (2) Plan, design, construct, and operate a new health care facility in central Oahu;
- (3) Acquire and install additional capital equipment for use in connection with Wahiawa General Hospital facilities and to renovate or repair existing health care facilities.

Your Committee finds that there is a pressing need to provide affordable, quality health care facilities for Hawaii's citizens. This is even more the case in the ever-growing areas of central Oahu. By authorizing the issuance of special purpose revenue bonds for this purpose, the State will be assisting in providing low cost financing for Wahiawa General Hospital to help meet this pressing need.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1610 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 631 Ways and Means on S.B. No. 605

The purpose of this bill is to establish a civil cause of action and enhanced criminal penalties for hate or bias motivated acts against persons because of race, color, religion, ancestry, national origin, gender, transgender, sexual orientation, age, or disability; and to provide for a reporting mechanism to compile, track, and analyze hate crimes data.

Your Committee finds that this bill is necessary as hate or bias motivated acts, including crimes and threats, against persons because of their race, color, religion, ancestry, national origin, gender, transgender, sexual orientation, age, or disability are a growing problem in Hawaii. Your Committee notes that Hawaii is one of twelve states that do not have laws addressing hate-motivated crimes, and one of only two states that do not comply with the federal Hate Crimes Statistics Act. Although other civil laws would apply to some hate or bias motivated acts, there presently is no civil remedy specifically for violence or threatened violence that is motivated by the fact that the victim falls within a protected class.

Your Committee further notes the concern expressed by the Attorney General that the Criminal Justice Data Center would not be able to handle the hate crime reporting responsibilities proposed in the bill, absent additional funding. While your Committee sympathizes with this position, your Committee nevertheless is unable to commit funds at the present time, but feels strongly that this bill should move forward.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 632 Ways and Means on S.B. No. 888

The purpose of this bill is to increase the amount that the court may assess, from \$25 to \$50, for the issuance of a penal summons for failure to appear for a traffic violation.

Your Committee notes that the original \$25 fee, set in 1976, has not been increased in the last twenty-three years. Your Committee finds that a \$50 assessment is a more realistic reflection of the current costs that the court incurs for the issuance of a penal summons. Your Committee acknowledges the Judiciary's efforts to develop additional revenue sources to support court operating costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 888 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 633 Ways and Means on S.B. No. 889

The purpose of this bill is to authorize the courts to assess a fee, not to exceed \$50, for the cost of issuance of a bench warrant.

Your Committee finds that current law does not provide for the recapture of costs when bench warrants are issued. Your Committee further finds that the courts incur the administrative costs in these situations, unlike the costs of issuing a penal summons. Your Committee believes it is appropriate to develop additional revenue sources to defray court operating costs.

Your Committee has amended the bill by:

- (1) Moving the new section created from chapter 710, Hawaii Revised Statutes, to chapter 607 to reflect a more appropriate placement of the section. Your Committee notes that this placement falls within the scope of the bill's title, and
- (2) Deleting the conforming amendments to section 710-1000, Hawaii Revised Statutes, as they are no longer necessary, and renumbering the remaining sections consecutively.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 889, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 889, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 634 Ways and Means on S.B. No. 901

The purpose of this bill is to remove the repeal date for the judiciary computer system special fund, and to require the Judiciary to adopt rules pursuant to chapter 91 relating to the fund.

Your Committee finds that this special fund was established in 1996 to enable the Judiciary to upgrade its computer system. Your Committee further finds that such a task is ongoing and that a stable source of funding will allow the Judiciary to both plan and implement updates to the system, which will benefit the public by providing a more efficient and productive system.

Your Committee has amended this bill by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 901, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 901, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 635 Ways and Means on S.B. No. 902

The purpose of this bill is to authorize the Judiciary to collect a fee of \$5 at the time of an initial filing of a civil action in the circuit courts for the costs involved in records storage and associated services.

Your Committee finds that court records, like many other government records are required to be retained anywhere from two years to an indefinite period. These records take up space, must be microfilmed in some cases, and occasionally must be retrieved from their storage locations. These efforts take up time and money, which can be offset by the addition of a surcharge on all initial civil case filings.

Your Committee has amended this bill by correctly identifying the fund as the records management revolving fund on pages 2 and 3, and made a technical, nonsubstantive change on page 2, line 16.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 902, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 902, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 636 Ways and Means on S.B. No. 926

The purpose of this bill is to add additional substance abuse offenses upon which drug demand reduction assessments may be imposed.

The bill also authorizes the expenditure of \$33,000 from the drug demand reduction assessment special fund for fiscal year 1999-2000 for mandatory substance abuse treatment for incarcerated inmates.

Your Committee finds that the purpose of the drug demand reduction assessment special fund is to provide additional moneys for drug treatment and other drug demand reduction programs. Your Committee believes that it is appropriate that the cost of administrating the drug demand reduction assessment special fund and the burden of paying for drug demand reduction programs be borne by those who are convicted of substance abuse offenses instead of by law abiding taxpayers. Therefore, convicted drug offenders should be required to contribute to programs that treat drug users and programs that will help prevent the use of drugs in our communities.

Your Committee has amended this measure by:

- (1) Deleting the underscored material relating to expenditures by the Department of Health from the special fund at page 2, lines 20 through page 3, line 1;
- (2) Inserting an appropriation section, as section 2 of the bill, to appropriate an unspecified amount from the drug demand reduction assessments special fund for fiscal years 1999-2000 and 2000-2001 to supplement drug treatment and other drug demand reduction programs; and
- (3) Renumbering the remaining sections consecutively.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 926, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 926, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Ige, D., Iwase, Anderson).

SCRep. 637 Ways and Means on S.B. No. 1016

The purpose of this bill is to improve public access to state administrative agency rules.

The bill accomplishes this by: (1) prohibiting state agencies from charging more than ten cents per page for copies of state rules; and (2) requiring each state agency to post its proposed rules on the website established by the Lieutenant Governor beginning January 1, 2000.

Until early 1998, state agencies were required to give free copies of their proposed rules to interested persons. The law was amended during the 1998 session to raise the fee for reproducing government records from twenty-five cents a page to fifty cents a page, and to require a person requesting rules through the mail to pay for the cost of the copy and postage.

State agencies found the new laws confusing and cumbersome, and the majority expressed a preference for continuing to distribute the rules free of charge. The Attorney General, by letter opinion in September 1998, ruled that agencies were required to charge a fee of fifty cents per page. A Legislative Reference Bureau study conducted during this period found, among other things, that agencies could produce copies of rules for well under ten cents per page.

Your Committee finds that the Legislature did not intend to require state agencies to charge fifty cents per page for copying costs, and your Committee agrees with the findings of the Legislative Reference Bureau that such high mandatory fees are an unreasonable barrier to public access. Authorizing, rather than requiring, the implementation of fees not to exceed ten cents per page will afford state agencies the flexibility they require to best serve the public. The charge does not affect the Office of the Lieutenant Governor's main collection of rules, and permits agencies to charge fees for searching, identifying, and segregating rules in preparation for copying according to a schedule adopted by the Office of Information Practices.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1016, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 638 Ways and Means on S.B. No. 30

The purpose of this bill is to authorize the Department of Land and Natural Resources to issue an endangered species ornamental stamp.

Your Committee finds that issuing an endangered species ornamental stamp holds much educational value for the community, which may otherwise remain uninformed on matters pertaining to endangered wildlife in the State.

To avoid any potential confusion, your Committee finds that this bill is not intended to require development of postage stamps that would require the approval of the United States Postal Service. Rather, this bill is intended to provide for the development of decorative and educational items. Your Committee has therefore amended this measure by clarifying that the stamp is purely ornamental and will not serve as a postage stamp. Your Committee has also made technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 30, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 30, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 639 Ways and Means on S.B. No. 1042

The purpose of this bill is to provide for additional flexibility in hiring new government employees by allowing vacancies to be announced at a range of salary rates, rather than the first step only, for professional and scientific positions and positions in the excluded managerial compensation plan.

Your Committee finds that under current law all new hires must be appointed at the minimum step of the salary range, regardless of the quality and quantity of experience of candidates for government positions. As a result, it is difficult to recruit and hire experienced professionals and both state and county governments find themselves at a competitive disadvantage.

Your Committee believes the flexibility provided by this bill will result in the hiring of more experienced and higher qualified personnel, which should improve the efficiency of government operations.

Your Committee has made 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 S.B. No. 1042, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1042, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 640 Ways and Means on S.B. No. 1275

The purpose of this bill is to extend the civil service exemption to less than half-time employees of the Department of Education who supervise students during not only lunch, but any meal period and distribute, collect, and count meal tickets.

Your Committee finds that allowing for the exemption of these positions from the civil service law will give the Department greater flexibility in hiring and quickly filling these positions. These employees help school personnel only during limited times of the day and yet provide necessary assistance to the regular school staff.

Current law only allows an exemption for persons conducting these functions during lunch periods. Your Committee finds that there is no logical reason to limit the exemption to this single meal 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 S.B. No. 1275, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 641 Ways and Means on S.B. No. 1638

The purpose of this bill is to require the Department of Education and the Hawaii Government Employees Association, the exclusive representative for bargaining unit 6, to conduct a study on the issue of compensational parity for educational officers of the Department of Education.

Specifically, this bill requires:

- (1) A review of the educational officer classification/compensation plan and position descriptions;
- (2) An examination of the compensational parity implications of the movement of a teacher from the teacher salary schedule to the educational officer's salary schedule;
- (3) An assessment of whether implementing a salary classification system for educational officers similar to the teacher salary classification system is appropriate;
- (4) An assessment of whether educational officers should be similarly compensated for continuing educational achievement in the same manner that teachers who earn additional educational credits are compensated;
- (5) Recommendations for addressing the issue of providing compensational parity between long-time educational officers and newly-hired educational officers who have transferred over from high-level teaching positions;
- (6) A review and evaluation of the classification and compensation schedules of adult education educational officers as to whether they are appropriately compensated when compared to K-12 educational officers; and
- (7) The Department of Education and the exclusive representative for bargaining unit 6 to submit their report, findings, and recommendations, and any necessary draft legislation to the Legislature before the Regular Session of 2000.

Your Committee finds that the issue of compensational parity for educational officers should be addressed through the collective bargaining process to the maximum extent allowed by law. Those matters that cannot be resolved to the mutual satisfaction of the Department of Education and the Hawaii Government Employees Association, the exclusive representative for bargaining unit 6, can then be presented to the Legislature and the Governor for final resolution outside the scope of the collective bargaining law.

Your Committee has amended this bill by 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. 1638, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1638, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 642 Ways and Means on S.B. No. 531

The purpose of this measure is to require state and county agencies to develop and implement an integrated vegetation management strategy to minimize the use of herbicides in public roadside maintenance.

The purpose of this bill is to promote the preservation of Hawaii's shorelines.

Specifically, this bill makes permanent the requirement that all:

- (1) Requests for developments within a special management area; and
- (2) Shoreline setback variances for developments on any lands within a community development district;

be submitted to and reviewed by the Office of Planning.

Your Committee believes that the requirement is necessary to preserve and enhance Hawaii's shorelines, and will promote consistent application of the law by having all reviews conducted by the same agency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1080 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 646 Commerce and Consumer Protection on S.B. No. 20

The purpose of this measure is to amend the continuing education requirement for real estate brokers and salespersons from ten hours every two years to five hours each year, and to authorize the Real Estate Commission to develop its own courses.

The Real Estate Commission (REC) and the Hawaii Association of Realtors presented testimony supporting the intent of the measure.

Your Committee finds that continuing education for real estate licensees is necessary to ensure that real estate salespersons and brokers are apprised of the most recent changes and developments in the law and the industry. Currently, the real estate licensing law requires that a licensee seeking to renew a current active license complete ten hours of continuing education at any time during the two year period prior to renewal.

This measure proposes to change the law by requiring that a licensee complete five hours of continuing education in each year of the two-year period prior to license renewal. The measure also expressly authorizes the REC to set requirements for continuing education courses, determine whether courses meet the requirements, assign continuing education credits to courses, and develop its own continuing education courses.

Your Committee has amended this measure by:

- (1) Codifying the laws relating to principal brokers and continuing education providers, instructors, and courses;
- (2) Removing the bifurcation of the ten-hour continuing education requirement;
- (3) Directing the Hawaii Association of Realtors to convene a work study group to discuss continuing education and administration issues with the REC, the Department of Commerce and Consumer Affairs, and other interested parties, and to submit its recommendations for legislation to the 2000 Regular Session; and
- (4) Making technical, nonsubstantive amendments.

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. 20, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 20, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Matsuura).

SCRep. 647 Commerce and Consumer Protection on S.B. No. 238

The purpose of this measure is to simplify the certification of real estate continuing education instructors, provide options for licensure of candidates with a questionable background, simplify prelicensing broker requirements, provide for an option to the prelicensing examination, and make changes to the real estate recovery fund.

The Real Estate Commission (REC) and the Hawaii Association of Realtors presented testimony in support of the measure.

Your Committee finds that this measure simplifies, streamlines, clarifies, updates, and deregulates the real estate licensing law by:

- (1) Allowing a continuing education provider to certify that its instructors meet credentialing standards;

- (2) Authorizing the licensure of a limited liability company as a real estate brokerage;
- (3) Authorizing the REC to issue a preliminary decision on an individual's license application;
- (4) Providing alternative ways for an applicant to satisfy the experiential requirements for a real estate broker's license;
- (5) Authorizing the REC to prescribe the passage of different parts of the licensing examination for different purposes;
- (6) Extending the period for the restoration of a forfeited license;
- (7) Eliminating the requirements to display a salesperson's license and to register a site office;
- (8) Requiring the registration rather than the licensing of a real estate branch office;
- (9) Requiring that a person seeking payment from the real estate recovery fund based upon a judgment obtained against a real estate broker or salesperson who is a debtor in a bankruptcy proceeding, obtain an order from the bankruptcy court declaring the judgment against the broker or salesperson to be nondischargeable;
- (10) Providing that condominium hotel operators may register with the REC as a limited liability company; and
- (11) Authorizing the REC to accept as proof of fidelity bond coverage a statement from a condominium hotel operator's insurer that the bond is in effect.

Your Committee has made technical, non-substantive amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 238, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 648 Commerce and Consumer Protection on S.B. No. 134

The purpose of this measure is to repeal the requirement that physicians be certified to treat alcohol and drug abuse for purposes of mental health insurance benefits for treatment of drug and alcohol abuse.

The Department of Health and the Hawaii Psychiatric Medical Association presented testimony in support of the measure. Although not present at the hearing, Hawaii Biodyne, Inc. submitted testimony in support of the measure. The Insurance Commissioner presented comments on the measure.

Your Committee finds that the current law regarding alcohol and drug abuse treatment insurance benefits unnecessarily restricts coverage to those physicians with certification by the American Society of Addiction Medicine. Services by physicians who hold an equivalent certification, such as the American Board of Psychiatry and Neurology, are not covered. As a result, it is more difficult for persons in need of treatment to find services that are covered by their health insurance.

Your Committee is also aware of the need to maintain high quality medical services, and has amended this measure to:

- (1) Retain the requirement that physicians hold an American Society of Addiction Medicine certificate; and
- (2) Include physicians who are "board certified in psychiatry with added qualifications in addiction psychiatry conferred by the American Board of Psychiatry and Neurology" within the definition of "certified substance abuse staff".

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. 134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 134, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 649 Commerce and Consumer Protection on S.B. No. 830

The purpose of this measure is to require health insurers, mutual benefit societies, and health maintenance organizations to reimburse providers and patients within a specified time period.

The Department of Commerce and Consumer Affairs, the American Massage Therapy Association, the Hawaii Psychiatric Medical Association, the Hawaii Chapter of the American Physical Therapy Association, and the Hawaii Medical Association

presented testimony in support of the measure. Pacific Radiation Oncology, Inc., and three individuals, though not present at the hearing, submitted written testimony in support of the measure. The Hawaii Medical Services Association presented testimony in opposition to the measure.

Your Committee finds that this measure will allow the Insurance Commissioner to investigate a health insurer if complaints are received from providers due to delays in claims reimbursement. These complaints may indicate that an insurer may be having financial problems.

Your Committee has amended this measure by postponing the effective date of the Act to January 1, 2001, so that health plan tracking systems currently being retooled for Y2K compliance would not be overtaxed.

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. 830, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 830, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, none.

SCRep. 650 Commerce and Consumer Protection on S.B. No. 844

The purpose of this measure is to require parity in health insurance coverage for mental illness and substance abuse treatment.

The Hawaii Psychiatric Medical Association, The Hawaii State Alliance for the Mentally Ill, The National Association of Social Workers, United Self-Help, The Equal Insurance Coalition, the Very Big Mental Health Consumer Sandwich Group, the Hawaii Nurses Association, the Mental Health Association in Hawaii, and several individuals presented testimony in support of the measure.

Although not present at the hearing, the Department of Health, the Commission on Persons with Disabilities, the Hawaii Government Employees Association, the Hawaii Medical Association and several individuals submitted testimony in support of the measure.

The Insurance Commissioner, also not present, submitted written comments on the measure.

Hawaii Medical Services Association, Kaiser Permanente, and Kapi'olani Medical Specialists presented testimony in opposition to the measure.

Although not present at the hearing, the Queen's Health Management submitted testimony in opposition to the measure.

Your Committee finds that treatment for mental illness and substance abuse reduces secondary conditions, including many physical illnesses such as HIV, fetal alcohol syndrome and cirrhosis. Requiring parity in coverage for mental illness and substance abuse will provide access to needed medical services, while not increasing insurance rates.

Your Committee has amended the measure by:

- (1) Deleting the "gatekeeper provision" (431M-4(d)) in section 2 of the measure; and
- (2) Making a technical, nonsubstantive amendment to conform to the deletion above.

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. 844, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 844, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 651 Commerce and Consumer Protection on S.B. No. 1101

The purpose of this measure is to provide changes to part VII of the Hawaii Public Procurement Code, chapter 103D, Hawaii Revised Statutes, and to clarify the provisions for protests and the related available remedies.

The Department of Accounting and General Services presented testimony in support of this measure.

Your Committee finds that this measure facilitates the administration of the State procurement code by clarifying the provisions relating to:

- (1) The protesting of an award of a public contract;
- (2) The authority to debar or suspend a person from consideration for public contracts;

- (3) The authority to resolve contract and breach of contract controversies;
- (4) A determination that a solicitation or award is in violation of the procurement code; and
- (5) Requests for administrative review.

The measure also expands the scope of post-award remedies, establishes limits on the calculation of interest on amounts due to a contractor, and limits standing to seek administrative and judicial relief.

Your Committee has made technical, nonsubstantive amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1101, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1101, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 652 Ways and Means on S.B. No. 528

The purpose of this bill is to exempt health insurers, mutual benefit societies, health maintenance organizations, and managed care plans that offer health insurance under federally-funded programs pursuant to the Social Security Act, from mandated health coverage requirements.

Your Committee feels that there is some uncertainty about whether federal program requirements prevail over mandated benefits within state insurance laws. This measure would clarify that certain federally funded programs are exempt from these state-mandated benefits requirements.

Your Committee wishes to note that the Insurance Division's regulatory role over fiscal solvency is not affected by this bill and that a health insurer contracting with a federally-funded program must still meet other requirements of the State's insurance laws. Your Committee further wishes to note that it is concerned that certain benefits and rights may be compromised, but would like to pass the measure along for the purpose of continuing discussion. Your Committee and the Committee on Commerce and Consumer Protection will continue to work on this bill.

Upon further consideration, your Committee has amended this bill to clarify that only federally funded programs under the Social Security Act are affected by:

- (1) Removing the term "entitlement" wherever it appears in the bill; and
- (2) Adding the phrase "under the Social Security Act" in sections 1, 2, 3, and 4 of the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 528, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 528, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Kawamoto, Nakata, Anderson).

SCRep. 653 Ways and Means on S.B. No. 780

The purpose of this bill is to mandate health insurance coverage for medical foods and low-protein modified food products needed for the treatment of inherited metabolic diseases.

In addition, this bill:

- (1) Requires a medical food or low-protein modified food product to be prescribed as medically necessary for the therapeutic treatment of an inherited metabolic disease; and to be consumed or administered enterally under the supervision of a licensed physician;
- (2) Mandates coverage for at least eighty per cent of the cost of the prescribed medical food or low-protein modified food product; and
- (3) Requires every insurer to provide notice to its policyholders regarding the coverage mandated by this bill by December 31, 2000, or within calendar year 2000 when annual information is made available to members, whichever comes sooner.

Your Committee finds it unthinkable that providers of health insurance could possibly deny a person coverage for medical foods and low-protein modified food products needed for the treatment of inherited metabolic diseases. If a person were allergic to a specific antibiotic or infected by a strain of bacteria already known to be resistant to a specific antibiotic, it would be irresponsible for

providers of health insurance to even think of denying the person coverage for a type of antibiotic that did not cause an allergic reaction in the person or that was known to be still effective against the strain of bacteria. And yet, your Committee finds that it is necessary to require providers of health insurance to cover these medical foods and low-protein modified food products.

Your Committee has amended this bill by replacing the term "inherited metabolic diseases" with "inborn errors of metabolism" to reflect the possibility that some metabolic diseases may be caused by other factors--such as mutagenesis, and may not be inherited by a person in the same manner that eye color or hair color are inherited.

Your Committee believes that this bill should not be used by unethical persons as justification to make unsubstantiated medical claims about a medical food or low-protein modified food product, or to undertake unproven treatment protocols for inborn errors of metabolism. It is your Committee's expectation that manufacturers of these foods and food products will abide by all applicable state and federal food and drug laws, and that physicians will prescribe these foods and food products within the ethical bounds of their professions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 780, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 780, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Kawamoto, Nakata, Anderson).

SCRep. 654 Ways and Means on S.B. No. 1128

The purpose of this bill is to increase fines for insurance law violations, and conform disclosure requirements for mutual benefit societies and health maintenance organizations.

In addition, the bill requires fraternal benefit societies to be licensed in accordance with the provisions governing solicitors in chapter 431, article 9.

Your Committee finds that the current range of fines for insurance law violations are too low and fail to be an effective deterrent, ranging from \$10 to \$1,000 per violation. The proposed scheme, of \$100 to \$10,000, should be more effective in assuring compliance with the law. Your Committee also finds that mutual benefit societies and health maintenance organizations should be held to the same standard as insurers in respect to the readability of insurance contracts. This will assist Hawaii consumers in obtaining the health care they need.

In addition, your Committee finds that clarifying the law relating to fraternal benefit societies will reassure them that they are able to obtain additional licenses under chapter 431, article 9.

Your Committee has amended the bill by providing a limited savings clause for violations of the insurance law that occur before the effective date of the Act so that the new schedule of fines will only apply to acts occurring after the effective date of the Act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1128, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1128, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Kawamoto, Nakata, Anderson).

SCRep. 655 (Majority) Ways and Means on S.B. No. 716

The purpose of this bill is to allow the Natural Energy Laboratory of Hawaii Authority to include retail and commercial enterprises utilizing or supporting the utilization of natural resources or geothermal energy within the Authority's research and technology park.

In addition, this bill:

- (1) Removes the limit on the number and kinds of concession and tour-related activities that can be conducted by the Authority to financially support the research, development, and commercialization of natural energy resources at the research and technology park;
- (2) Requires the Authority to establish, manage, and operate facilities that provide sites for compatible businesses engaged in retail, commercial, or tourism activities;
- (3) Removes the limit on the number and kinds of concession and tour-related activities that can be conducted by the Authority to financially support other than the research, development, and commercialization of natural energy resources at the research and technology park;
- (4) Allows the Authority to support the commercialization of natural resources available at the research and technology park if their commercialization is compatible with the retail, commercial, and tourism activities of the park; and

- (5) Allows the Authority to attract new, appropriate retail, commercial, and tourism uses of natural resources in Hawaii.

Your Committee finds that the Authority operates one of the premier facilities in the world for the research, development, and commercialization of aquaculture and natural energy resources. While much of the funding for this work has previously come from the state and federal governments, these funds have been greatly reduced and other sources of income must be developed. Your Committee also finds that the Authority has explored a variety of options to increase private investment in its facility, and that retail concession activities have the potential to generate significant additional revenues and to reduce the Authority's dependency on public funding.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 716 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, 1 (Ige, M.). Excused, 2 (Nakata, Taniguchi).

SCRep. 656 Ways and Means on S.B. No. 942

The purpose of this bill is to make mandatory the currently discretionary authority of the Department of Land and Natural Resources to establish and operate game management, wildlife sanctuaries, and public hunting areas.

Your Committee finds that all game birds and mammals in the State are non-native and pose an alien threat to the delicate native ecosystems and forested watersheds. Your Committee further finds that mandating public hunting in these areas will promote public and private cooperative efforts at protecting native birds and mammals from predatory alien 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 S.B. No. 942, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Taniguchi).

SCRep. 657 Ways and Means on S.B. No. 869

The purpose of this bill is to require the Department of Education to set appropriate counselor to student ratios to promote effective learning and development of students.

Specifically, this bill:

- (1) Requires the Department of Education to adjust the staffing of counselors at schools with a disproportionate number of at-risk students, so that schools with a higher than average percentage of at-risk students have an adequate number of counselors to counsel at-risk students; and
- (2) Defines the term "at-risk students" to mean students with a Family Court record or failing grades, or both, or who need special motivation with particular attention paid to them.

Although your Committee fully supports the intent of this bill, it also realizes that this measure may force the unintended redistribution of existing counselor positions between schools and departmental school districts unless funds are appropriated to create more counselor positions. An unintended consequence of this bill might be to cause more students to be designated as "at-risk" simply to retain existing counselor positions at a school or within a departmental school district.

Consequently, your Committee has amended this bill by:

- (1) Requiring all schools to utilize the criteria, screening processes, and documentation requirements for the comprehensive school alienation program as the basis for designating "at-risk students"; and
- (2) Making a technical nonsubstantive change for purposes of consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 869, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 869, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Tam, Anderson).

SCRep. 658 Ways and Means on S.B. No. 951

The purpose of this bill is to authorize the University of Hawaii and the Department of Education to establish custodial accounts for their employees.

Furthermore, this measure authorizes the University of Hawaii and the Department of Education to make periodic salary withholdings for deposit into those accounts. This measure also immunizes the university, the department, and the State from investment liability.

Your Committee finds that this bill strikes a proper balance between protecting the integrity of state financial resources and creating financially attractive employment packages for employees of the University of Hawaii and the Department of 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 S.B. No. 951, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 659 Ways and Means on S.B. No. 1011

The purpose of this bill is to clarify the operation and funding of the State Foundation on Culture and the Arts.

Specifically, this measure defines the State Foundation on Culture and the Arts Commission as the policy-making body as distinguished from the executive director of the State Foundation on Culture and the Arts.

Additionally, this bill requires each agency receiving capital improvement appropriations to calculate and transfer one per cent of those funds into the works of art special fund. The Comptroller is required to provide each agency with the information needed for the calculations and to ensure that the transfers are made correctly and in a timely manner.

Your Committee finds that these clarifications within the State Foundation on Culture and the Arts law will provide for more effective administration of funds allocated for the needs and purposes of their 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. 1011 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 660 Ways and Means on S.B. No. 1154

In 1993, the Hawaii State Public Library System began an experimental program of designating and charging certain user fees for enhanced services offered by public libraries. Revenues from these user fees are then deposited into the Library Fee for Enhanced Services Special Fund, allocated among public libraries, and used to support the enhanced services offered.

The revenues garnered from the Library Enhanced Services Program have helped to supplement the funding needs of the library system, and, given the continued financial hardships faced by the State, are an innovative and necessary initiative.

The purpose of this measure is to continue the Library Enhanced Services Program by extending it from July 1, 1999, to July 1, 2002.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1154 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 661 Ways and Means on S.B. No. 1181

The purpose of this bill is to clarify that the University of Hawaii may seek legal counsel from the Attorney General.

Your Committee finds that part of the increased fiscal and managerial autonomy granted to the University of Hawaii under Act 115, Session Laws of Hawaii 1998, included the authority of the university to retain its own independent attorneys. Your Committee finds that it had never been the intent of the Legislature to accordingly preclude the university from receiving legal services from the Department of the Attorney General.

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. 1181, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1181, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 662 Ways and Means on S.B. No. 1156

The purpose of this bill is to allow the Board of Education to impose a cost-recovery fee of not more than \$10 as a result of any action taken to enforce the collection of costs of lost books and any overdue fines and fees charged to a library patron.

Specifically, this bill:

- (1) Requires a library patron to be mailed written notice demanding payment and advising that continued failure to pay the amount due may result in collection action being taken;
- (2) Allows cost-recovery fees to include collection agency fees, attorneys' fees, court filing fees, and similar fees incurred by the Hawaii state public library system in connection with a collection action;
- (3) Allows the Board to impose cost-recovery fees on amounts due for:
 - (A) Library-sponsored seminars or workshops, including educational materials in various media format; and
 - (B) Research and reference materials published on magnetic media, CD-ROM, or other machine-readable form;
- (3) Requires the Board to prescribe procedures relating to the charging and waiving of fees; the designation of things for which fees may be charged; the amount of fees that may be assessed and charged; the accumulated amount of lost library material costs, fines, or fees; the period of time that lost library materials costs, fines, or fees must remain unpaid before they are referred to a collection agency; and the notification of persons with delinquent accounts of the additional fees to be charged by a collection agency;
- (4) Allows the State Librarian to waive any fee, including a cost-recovery fee, imposed by the Hawaii state public library system in cases of hardship; and
- (5) Requires a cost-recovery fee, upon its collection, to be deposited into the libraries special fund and to be expended as prescribed by law.

Your Committee has amended this bill by making a technical nonsubstantive change for purposes of style.

Your Committee urges the Board of Education to clarify in future testimony whether the cost-recovery fees authorized by this bill will be imposed in relation to the accessing of magnetic media, CD-ROM, and other machine-readable research and reference materials or in relation to the sale of these materials, or both.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1156, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1156, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 663 Ways and Means on S.B. No. 1184

The purpose of this bill is to authorize the University of Hawaii to transact financing agreements for principal amounts not exceeding \$3,000,000 without approvals by the Director of Finance and the Attorney General.

Your Committee finds that this measure supplements other recent reforms that increased the fiscal and managerial autonomy of the university. Furthermore, your Committee finds that the ceiling amount placed on the agreements will allow the university to secure equipment, goods, and services in a timely manner, with little risk of negative impact to the State's financial reserves.

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. 1184, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1184, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 664 Ways and Means on S.B. No. 1238

The purpose of this measure is to transfer to the Department of Commerce and Consumer Affairs the responsibility for the licensing and regulation of trade schools for barbering and massage.

Currently, the Department of Education has jurisdiction over the licensing and regulation of private trade, vocational, or technical schools, subject to certain exceptions. This measure proposes to establish responsibility for the licensing and regulation of schools for barbering and massage with the respective profession's licensing body within the Department of Commerce and Consumer Affairs.

Your Committee has amended this measure by:

- (1) Amending the definition of "student" in section 438-1 and sections 438-2(c) and 438-7(b), to conform to the definition of "barbering school" added by section 4 of this measure;
- (2) Amending the definition of "massage therapist student" in section 452-1 and sections 452-2(b), 452-4(c), and 452-13(a), to conform to the definition of "massage therapy school" added by section 5 of this 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. 1238, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1238, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 665 Ways and Means on S.B. No. 1251

The purpose of this measure is to set aside interest earned on funds in the Educational Facilities Improvement Special Fund to be used solely for education technology and to give the Legislature sole authority to authorize projects.

Currently, interest earnings of the Educational Facilities Improvement Special Fund are returned to the general fund. This measure would instead give the Department of Education additional funds for use in needed improvements to the public schools telecommunications infrastructure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1251 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 666 Ways and Means on S.B. No. 1276

The purpose of this bill is to allow the Board of Education to set the salary of the Superintendent of Education for five years; effective July 1, 2004, the superintendent's salary shall be set by the Legislature.

Your Committee finds that allowing the Board of Education to set the Superintendent of Education's salary will increase the likelihood that the Board will be able to competitively recruit and retain highly qualified individuals for the Superintendent position.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1276, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 667 Ways and Means on S.B. No. 1299

The purpose of this bill is to repeal the requirement that the University of Hawaii issue quarterly and annual reports to the Legislature and Governor concerning transfers of positions and appropriated funds.

Your Committee finds that the requirement is inconsistent with recent legislative policy to grant the university increased fiscal and managerial autonomy and flexibility. Your Committee further finds that this reporting requirement is especially onerous because no other executive department is held to such a requirement.

Your Committee has amended this measure to make the underlying text of the underlying statutes consistent with the printed version of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1299, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1299, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 668 **Ways and Means on S.B. No. 1641**

The purpose of this bill is to require the State Librarian to include more detailed information of the status of the libraries special fund and the library fee for enhanced services special fund in the State Librarian's annual report to the Legislature.

Your Committee finds that requiring greater detail from the State Librarian about these funds and how moneys are allocated and spent will give the Legislature closer oversight over these special funds. This function is important as the State continues to make every penny count in the current tight economy.

Your Committee amended this bill by deleting the paragraph (7) being added to the reporting requirements for each fund, which asked for information about the expenditure allotment by individual libraries. Your Committee finds that this information is already required by paragraphs (2) and (6) of each of the respective sections.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1641, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1641, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 669 **Ways and Means on S.B. No. 119**

The purpose of this bill is to allow school-level minor repairs and maintenance accounts to be used for minor improvements, to increase the amount of these accounts to \$20,000 per school, and to allow principals to hire the Department of Accounting and General Services to perform these minor repairs, maintenance, and improvements.

In addition, this bill:

- (1) Changes the name of school-level minor repairs and maintenance accounts to "school-level minor repairs, maintenance, and improvements accounts";
- (2) Prevents unencumbered funds in these accounts from lapsing into the general fund at the close of each fiscal year;
- (3) Exempts expenditures from these accounts from the Hawaii Public Procurement Code (chapter 103D, Hawaii Revised Statutes); and
- (4) Requires the Department of Accounting and General Services to submit a report of expenditures made by the schools and the Department of Accounting and General Services to the Legislature, by departmental school district.

Your Committee has amended this bill by:

- (1) Exempting the funds in school-level minor repairs, maintenance, and improvement accounts from the law relating to the lapsing of unexpended appropriations (section 40-66, Hawaii Revised Statutes);
- (2) Preventing encumbered but unexpended funds in these accounts from lapsing into the general fund at the close of each fiscal year;
- (3) Exempting transfers from these accounts to the Department of Accounting and General Services from the Hawaii Public Procurement Code;
- (4) Requiring transfers from these accounts to the Department of Accounting and General Services to be reported to the Legislature; and
- (5) Making a technical nonsubstantive change for purposes of consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 119, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Nakata, Taniguchi, Anderson).

SCRep. 670 **Ways and Means on S.B. No. 717**

The purpose of this bill is to authorize special purpose revenue bonds for the North Hawaii Community Hospital.

Your Committee finds that this bill will facilitate refinancing North Hawaii Community Hospital's long-term debt at substantially lower interest rates. This refinancing shifts cash from bank payments back to expenditures in the community by as much as \$500,000 per year.

Your Committee, however, wishes to note that the use of bond funds for equipment purchases is questionable (page 1, line 15 and page 2, lines 2-3). The Department of Budget and Finance should be consulted to verify the appropriateness of such use of bond funds. Your Committee wishes to pass along this measure for the purpose of promoting 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. 717 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 671 Ways and Means on S.B. No. 836

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Kuakini Medical Center.

Your Committee believes that the Kuakini Medical Center is deserving of assistance in financing or refinancing the costs of construction of, improvements to, and equipment for its health care facilities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 836, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Anderson).

SCRep. 672 Ways and Means on S.B. No. 1006

The purpose of this bill is to provide for the regulation of "privately-operated group living facilities", or private residences used for the purpose of providing health services or human services, by the Departments of Health and Human Services.

In addition, this bill:

- (1) Requires the Director of Health and the Director of Human Services to determine which types of privately-operated group living facilities are to be within their respective jurisdictions; and
- (2) Requires the Directors of Health and Human Services to submit a report to the Legislature on their determinations as to the types of privately-operated group living facilities to be within their respective jurisdictions prior to the Regular Session of 2000.

Your Committee finds that this measure will provide for the regulation of domestic abuse shelters, halfway houses, and other private residences used for the purpose of providing health services or human services. Your Committee finds that community acceptance of privately-operated group living facilities is low because of the increased human activity at these facilities, with people coming and going all day. Communities are also concerned about neighborhood safety and the potential for increased substance abuse and violence in the vicinity of these group living facilities. Your Committee believes that the State has a responsibility to adopt appropriate administrative rules to govern the operation of privately-operated group living facilities in order to alleviate community concerns about, and increase community acceptance of, these facilities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1006, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Anderson).

SCRep. 673 Ways and Means on S.B. No. 1036

The purpose of this bill is to create a Disability and Communication Access Board.

Your Committee finds that statutory provisions regarding persons with disabilities including provisions on architectural access, windshield placards for disabled drivers, communication with the hearing impaired, deaf, or blind and their corresponding civil rights, are scattered in various parts of the law, and administered by different agencies. This bill consolidates several agencies previously working separately on services for the disabled and streamlines the coordination of all compliance efforts by bringing these considerations under the purview of a single Disability and Communication Access Board. Your Committee finds that this is a more efficient method of dealing with the issues affecting the disabled.

Your Committee has amended this bill by making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1036, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1036, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Anderson).

SCRep. 674 Ways and Means on S.B. No. 1058

The purpose of this administration bill is to allow the Department of Human Services to subrogate against a third-party recovery on any claim brought by an injured person who receives medical assistance.

Your Committee finds that medical assistance recipients who receive a third-party recovery should repay the State the amount of the costs of their medical treatment resulting from an accident. This measure creates a right of subrogation for the Department of Human Services for that purpose.

Upon further consideration, your Committee has made technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1058, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1058, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Anderson).

SCRep. 675 Ways and Means on S.B. No. 1608

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to fund the establishment of health care facilities in the State by not-for-profit corporations.

This measure specifically authorizes the issuance of special purpose revenue bonds to five different entities to establish various health care facilities as follows:

- Part I \$5,000,000 for the Pacific Women's Center, Inc.;
- Part II \$500,000 for the Pacific Saging Center, Inc.;
- Part III \$20,000,000 for the Pacific Sports Medicine & Research Inc.;
- Part IV \$15,000,000 for the Pacific Cardiac Institute, Inc.; and
- Part V \$5,000,000 for the Pacific Wellness Center;

The authorization for these special purpose revenue bonds lapses on June 30, 2001.

Your Committee finds that it is essential to the health and well being of the State to have quality and affordable health care. These special purpose revenue bonds will assist in the financing of projects towards that purpose.

Your Committee has made technical nonsubstantive amendments to 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. 1608, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1608, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, M., Nakata, Anderson).

SCRep. 676 Ways and Means on S.B. No. 223

The purpose of this bill is to require the Director of Public Safety to establish a canine corps in the Department of Public Safety.

In addition, the bill appropriates funds for establishing and maintaining the canine corps.

The use of canine units by corrections authorities presents a possible solution to the problem of the availability of illegal drugs in state correctional facilities. For example, dogs can be used to screen supplies, vehicles, prisoners, and prison personnel entering or exiting a prison. Dogs can also be used to locate trespassers on prison property. Although canine units are to be assigned to correctional facilities and duties as determined by the Director of Public Safety, the animals in the corps need not be used solely for corrections-related purposes.

Your Committee has amended this bill by making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 223, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 223, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 677 Ways and Means on S.B. No. 900

The purpose of this bill is to establish a uniform fee of \$100 for all probate actions involving a decedent's estate.

Specifically, this measure eliminates all fees except the one-time only fee for probate, administration, or ancillary administration. Furthermore, this bill adds domiciliary foreign personal representative to the items covered under the one-time only fee.

Your Committee finds that simplification of the fee structure for probate actions involving a decedent's estate will promote efficiency within the Judiciary.

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. 900, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 900, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 678 Ways and Means on S.B. No. 1159

The purpose of this bill is to maintain support for the crime victim compensation commission until July 1, 2001.

The bill also repeals the thirty per cent limit on the amount of moneys received that may be used for operating expenses and to fund positions.

Your Committee finds that although the crime victim compensation commission is working toward self-sufficiency based upon compensation fees collected from offenders, the commission requires additional time to build its revenues before it will become operationally self-sufficient.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1159, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 679 Ways and Means on S.B. No. 207

The purpose of this measure is to establish a board of certification special fund into which various fees collected pursuant to the activities of the Board of Certification of Operating Personnel in Wastewater Treatment Facilities (Board) will be deposited.

Your Committee finds that, since fiscal year 1996, the Board's budget has been \$5,198, which is insufficient to implement the mandatory certification program for wastewater treatment operators. Your Committee also finds that the Board can adequately operate on a budget of \$10,000 and currently, the Board generates approximately \$11,000 annually from registration and certification fees. Thus, the entire operational costs of the Board could be financed by the revenues generated within the program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 207 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Ige, D., Ige, M., Iwase, Kawamoto, Nakata, Anderson).

SCRep. 680 Ways and Means on S.B. No. 1150

The purpose of this bill is to raise the civil penalties for boiler and elevator safety law violations from \$1,000 to \$10,000.

Furthermore, this bill clarifies that amusement rides are subject to the boiler and elevator safety law, and that the boiler and elevator safety revolving fund must still share in central services expenses after June 30, 2000.

Your Committee finds that a higher penalty is necessary to deter safety violations concerning boilers, elevators, and kindred equipment such as amusement rides.

Your Committee has amended this measure by making further technical, nonsubstantive, and clarifying amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1150, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1150, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 681 Ways and Means on S.B. No. 1152

The purpose of this bill is to authorize the Director of Labor and Industrial Relations to expend funds from the occupational safety and health training and assistance fund for safety and health certification programs.

This measure also extends the life of the special fund for four years to July 1, 2003.

Your Committee finds that the success of the fund in reducing the frequency of workplace injuries merits a continuation of the fund in order to maintain and encourage workplace safety. Furthermore, your Committee finds that departmental certification programs related to workplace safety training may be appropriately funded by the special 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. 1152 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 682 Ways and Means on S.B. No. 1153

The purpose of this bill is to exempt grants and subsidies given through the employment and training fund from chapter 103F, as well as chapter 42F, Hawaii Revised Statutes.

Your Committee finds that this measure is necessary to enable the Department of Labor and Industrial Relations to solicit proposals in a timely and continuous manner without impediment from the procurement process 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 is in accord with the intent and purpose of S.B. No. 1153 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 683 Ways and Means on S.B. No. 1131

The purpose of this bill is increase mandatory insurer contributions to the Insurance Examiners Revolving Fund and to remove the sunset date applicable to the fund, thereby making it permanent.

This measure increases from \$550 to \$800 the amount each authorized insurer must contribute to the Insurance Examiner's Revolving Fund. These funds allow the Insurance Division of the Department of Commerce and Consumer Affairs to conduct examinations within the industry. The increase in contributions will allow the Insurance Division to meet added expenses and become more self-supporting and less dependent on general funds.

This bill also repeals the sunset date for the fund and certain accreditation requirements by the National Association of Insurance Commissioners.

Your Committee has amended the effective date to June 29, 1999, to deactivate the transfer of funds from the Insurance Examiners Revolving Fund to the general fund and made other technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1131, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1131, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, M., Kawamoto, Nakata, Anderson).

SCRep. 684 Ways and Means on S.B. No. 1140

The purpose of this bill is to clarify and update the business registration laws and simplify the business registration process.

Specifically, this measure amends registration laws relating to for-profit corporations, non-profit corporations, professional corporations, partnerships, limited partnerships, and limited liability companies.

Furthermore, this bill amends requirements relating to the residency of a corporate director, the time period for reinstating a dissolved corporation or a canceled partnership, and filings of the articles of incorporation.

Your Committee agrees that this measure will promote Hawaii as a favorable place to form businesses, and has made some technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1140, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1140, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 685 Ways and Means on S.B. No. 1279

The purpose of this measure is to ensure the viability of universal telecommunications service in the State by precluding the use of moneys in the Universal Service Fund for purposes other than those related to the provision of universal telecommunications service.

This measure establishes the fund as a special fund outside the state treasury, and exempts the fund from administrative surcharges.

In addition, this measure authorizes the Public Utilities Commission to temporarily borrow funds from the Public Utilities Commission Special Fund to start the Universal Service Fund and to repay the amounts borrowed when sufficient moneys are collected in the fund.

Finally, this measure appropriates \$300,000, from the Public Utilities Commission Special Fund for fiscal year 1999-2000, to carry out the purposes of the Universal Service Program.

Your Committee has amended this measure by:

- (1) Deleting the provision setting the fund outside the state treasury;
- (2) Changing the sources of contributions to the fund to provide greater flexibility for funding; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1279, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1279, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 686 Ways and Means on S.B. No. 1294

The purpose of this bill is to require that eligible employee-beneficiaries of the Public Employees' Health Fund and their spouses enroll in the federal Medicare Part B medical insurance plan, with exceptions to the requirement to be determined by the Board of Trustees.

Your Committee finds that mandating enrollment by eligible employee-beneficiaries of the Public Employees' Health Fund and their spouses in the federal Medicare Part B medical insurance plan will result in reduced costs to the Public Employees' Health Fund as well as to public employers.

The Committee has amended this bill by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1294, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1294, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 687 Ways and Means on S.B. No. 32

The purpose of this measure is to conform the state income tax statutes to the federal Internal Revenue Code exclusions for foreign earned income.

This measure limits the exclusion to \$72,000 in 1998, with an additional \$2,000 exclusion annually until 2002 as provided in section 911 of the Internal Revenue Code. In 2002 and thereafter the exclusion is \$80,000. The measure also authorizes the same exclusion for income earned out-of-state on the mainland as well as elsewhere in the world.

Testimony in support of this measure was received from an individual and the Tax Foundation offered comments on the measure.

The Director of Taxation does not oppose the enactment of this measure. In consideration of this measure, the Director offered the following comments:

- (1) The foreign earned income exclusion reduces the cost of sending employees abroad, which may improve Hawaii's attractiveness to U.S. businesses choosing to relocate to Hawaii; and
- (2) The foreign earned income exclusion may encourage Hawaii residents to expand their business abroad.

Upon careful consideration of the issue, your Committee finds that providing for a foreign earned income exclusion provides relief to Hawaii residents who wish to maintain Hawaii as their domicile while living outside the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 32 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Taniguchi).

SCRep. 688 Ways and Means on S.B. No. 44

The purpose of this measure is to exempt exported services from the general excise tax and to subject imported services to the use tax.

Testimony in support of the intent of this measure was submitted by the Department of Business, Economic Development, and Tourism, Department of Taxation, American Institute of Architects-Hawaii State Council, and Hawaii Association of Realtors. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that Hawaii's economy needs assistance from its tax system. Currently, unlike other states with a sales tax, Hawaii taxes the exportation of services but does not tax the importation of services. In addition, Hawaii's tax system does not treat goods and services in this area the same. In 1987, Hawaii exempted exported goods from the general excise tax in order to level the playing field between Hawaii and other states. This is the year to level the playing field for services.

Hawaii already taxes imported goods and your Committee believes that imported services should be treated in the same manner. By making this change in taxation, Hawaii will encourage the exportation of services and these services will be given the same treatment that other states give to their exported services.

In 1989, Professor William F. Fox prepared a report entitled "Defining the General Excise Tax Base: Exemptions and Pyramiding" for the 1989 Tax Review Commission. In that report, he noted that Hawaii was a net importer of services. Although there are no more recent estimates, based on 1985 data, he estimated that Hawaii imported \$920.2 million in services and exported \$760.7 million. This leads your Committee to believe that the current projections of no revenue loss as a result of this measure are probably accurate.

Your Committee believes that this change in Hawaii's tax system will benefit the economy and remove a disincentive for many who may wish to locate in Hawaii.

Your Committee has amended the measure by deleting the purpose section and using some of the language concerning imports from Senate Bill No. 1172, the administration measure on this subject. The language from Senate Bill No. 1172 has been reviewed and updated by the Department of Taxation and practitioners in the field of taxation to produce what your Committee feels is a viable measure. In addition, your Committee has added a new subsection to the new section added to chapter 237, Hawaii Revised Statutes, to provide that services and contracting sold to a purchaser for resale, consumption, or use outside the State are exempt. This provision is necessary to prevent the pyramiding of the general excise tax on sales finally made outside the State.

This measure retains the exemption from taxation for services imported into Hawaii for the purpose of bundling and re-export. This exemption will allow Hawaii to be a staging area in which to gather together a number of services to be exported to Asia and elsewhere without being taxed. Thus, services will be treated in the same manner as goods that are only in Hawaii for a limited period of time until they are re-exported. If we do not provide for this important function, other states will act as staging areas and Hawaii will be bypassed.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 44, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, M., Taniguchi).

SCRep. 689 Ways and Means on S.B. No. 1245

The purpose of this measure to allow a state income tax deduction for one-hundred percent of business meals and entertainment expenses and club dues.

Testimony in support of this measure was received from Outrigger Hotels and Resorts, Legislative Information Services of Hawaii, Bernard's New York Deli, Inc., and the National Federation of Independent Business. The Tax Foundation of Hawaii submitted testimony commenting on the measure. The Director of Taxation submitted testimony in opposition to this measure.

Your Committee finds that this measure will provide an incentive for businesses to expend more money entertaining their clients thereby increasing economic activity and creating more business and employment opportunities. The Hawaii businesses in the restaurant and food service industries will especially benefit from this measure because additional revenues generated by increased entertainment and dining spending will be available for employee and improvement expenditures.

Your Committee has amended this measure by making technical, nonsubstantive measures for purposes of clarity and preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1245, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1245, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Taniguchi).

SCRep. 690 Transportation and Intergovernmental Affairs on S.B. No. 1430

The purpose of this measure is to require children under the age of twelve to wear a helmet while operating a motor scooter, moped, mini-bike, all terrain vehicle, skateboard, inline skates, roller skates, toy bicycle, tricycle, bicycle, unicycle, or other wheeled apparatus on a public street or other public property.

Testimony in support of this measure was received from the Department of Transportation, Hawaii State Department of Health, Hawaii Bicycling League, Keiki Injury Prevention Coalition, and one individual.

Your Committee finds that wearing a safety helmet is the single most effective method of preventing death and reducing the severity of non-fatal head injuries in bicycle collisions. Requiring minors under the age of twelve to use a helmet during other recreational activities that involve wheeled apparatuses will reduce the severity and likelihood of head injuries during a collision.

Your Committee has amended this measure by:

- (1) Replacing the reference to the highway safety coordinator with the correct reference to the director of transportation;
- (2) Deleting motor scooters, mopeds, tricycles, and toy bicycles from the definition of "wheeled apparatus";
- (3) Replacing the current penalty provisions that fine parents or guardians of a child who violate the helmet requirement \$200 for the first violation, \$300 for the second violation, and \$500 for subsequent violations with provisions that serve the parents with written warnings for the first and second violations and imposes a \$50 fine per violation thereafter; and
- (4) Making technical, nonsubstantive changes for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1430, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1430, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Iwase, Taniguchi).

SCRep. 691 (Joint) Labor and Environment and Judiciary on S.B. No. 635

The purpose of this measure is to provide for the use of substance abuse on-site screening tests (i.e., portable substance abuse tests) that meet the United States Food and Drug Administration requirements for distribution.

Oral testimony supporting this measure was presented by a representative of Hoffman LaRoche Pharmaceuticals. The Department of Health (DOH) testified in support of the intent of this measure. Testimony in opposition to this measure was received from the ILWU Local 142.

Your Committees find that substance abuse on-site testing provide the same protection of individual rights as those afforded where the substance abuse testing occurs at a state-licensed laboratory. In particular, the following must be clearly articulated:

- (1) Assurances of confidentiality;
- (2) Chain of custody procedures; and
- (3) Protocols to insure proper administering of the test.

In addition, your Committees find that these tests should be used for pre-employment purposes only which would decrease the cost to an employer who screens an individual after a job offer has been made and prior to start of employment.

Your Committees have amended this measure by deleting section 3 of the bill and rewriting section 1 of the measure in its entirety as follows:

- (1) Use of substance abuse on-site testing is allowed for pre-employment purposes only and must adhere to guidelines adopted by the U.S. Food and Drug Administration and approved by the Director of Health;
- (2) Tests shall be conducted under sanitary conditions that respect the privacy and dignity of the individual being tested and that use procedures that preclude misidentification of samples;
- (3) Chain of custody procedures as defined by DOH shall be followed and if the test result is positive a chain of custody form, developed by the operator pursuant to DOH rules, shall be used;
- (4) Test results are confidential and shall not be released without prior written consent of the individual being tested; and
- (5) If a test result is positive then the sample must be submitted to a licensed laboratory for a confirmatory test.

Your Committees also amended the definition of substance abuse on-site testing to clarify that the portable test meets the requirements of the U.S. Food and Drug Administration and is approved by the Director of Health.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 635, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 635, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Ige, M., Kanno, Sakamoto, Tanaka, Anderson).

SCRep. 692**Commerce and Consumer Protection on S.B. No. 779**

The purpose of this measure is to establish educational requirements for the administration of local anesthesia by dental hygienists, establish documentation required for dental board certification of a hygienist to administer anesthesia, and to allow the Board of Dental Examiners to adopt rules for educational requirements for anesthesia.

The Department of Commerce and Consumer Affairs, the Board of Dental Examiners, and the Hawaii Dental Hygienists' Association presented testimony in support of the measure. The Dental Association and eight individuals, though not present at the hearing, submitted written testimony in support of the measure.

Two individuals presented testimony in opposition to the measure. Sixty-seven individuals, though not present at the hearing, submitted written testimony in opposition to the measure. An individual not present at the hearing submitted comments on the measure.

Your Committee finds that this measure establishes strict educational requirements for dental hygienists seeking certification to administer intra-oral block anesthesia. In addition to specific courses of instruction, the educational requirements include successful passage of an examination, a minimum of thirty-nine hours of clinical experience, and a minimum of fifty successful injections.

The anesthesia educational requirements are over and above the educational requirements that must be met by an applicant seeking registration as a dental hygienist in this State. A prerequisite to registration is proof of graduation from an accredited two-year dental hygiene program. An accredited program includes over two thousand hours of college-level classroom study, six hundred of which are dedicated to supervised clinical dental hygiene instruction, and four hundred of which are classroom study hours in the basic sciences, including microbiology, chemistry, pathology, anatomy, physiology, pharmacology, and nutrition.

Your Committee finds that the additional education and certification requirements established in this measure will help to ensure that the administration of anesthesia is undertaken only by licensed dental hygienists who are properly trained and who have demonstrated their competence.

Your Committee has amended this measure by:

- (1) Clarifying that the educational requirements established in the measure pertain to an applicant seeking certification to administer intra-oral block anesthesia;
- (3) Making the categories of study required of an applicant seeking certification to administer intra-oral block anesthesia mandatory;
- (4) Allowing the Board of Dental Examiners to adopt administrative rules relating to the education and certification of licensed dental hygienists to administer intra-oral block anesthesia that, upon their adoption, will supersede the pertinent statutory provisions;
- (5) Deleting new language relating to proof of an applicant's certification in the administration of intra-oral infiltration local anesthesia and intra-oral block anesthesia that would have affected the present practice of the Board of Dental Examiners to approve applicants for the licensure examination; and
- (6) Making technical, nonsubstantive amendments.

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. 779, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 779, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 693 Commerce and Consumer Protection on S.B. No. 1517

The purpose of this measure is to allow acupuncture practitioners to sit for the licensing examination if they have graduated from a school that is in the process of applying for candidacy for accreditation.

The Board of Acupuncture, the Institute of Clinical Acupuncture and Oriental Medicine, and three individuals presented testimony in support of this measure. Hawaii College of Health Sciences, Inc., and the Oriental Medical Institute of Hawaii, while not present, submitted written testimony in support. Tai Hsuan Foundation and one individual testified in opposition. Three individuals, while not present, submitted written testimony in opposition.

Your Committee finds that three acupuncture schools in the State are having difficulty meeting the deadline to achieve candidacy status by September 1, 2000. This is due in part to the fact that the National Accreditation Commission for Schools and Colleges of Acupuncture and Oriental Medicine meets only twice a year to review applications, as well as to lengthy deadlines set by the Commission for the initial review.

Your Committee has amended this measure to extend to July 1, 2001, the date acupuncture schools have to achieve accreditation or candidacy for accreditation, and to delete the new language that would have included an acupuncture school in the process of applying for candidacy for accreditation.

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. 1517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1517, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 694 Ways and Means on S.B. No. 33

The purpose of this bill is to create a long-term supplemental funding source for endangered species recovery and management and for youth conservation programs through the voluntary sale of conservation license plates and grants and private contributions.

Your Committee finds that, in order to ensure the long-term survival of Hawaii's rare plants and animals, the State must not only increase its current recovery and management efforts, it must also educate and involve a new generation of natural resource managers, Hawaii's youth, to become aware and participate in these efforts.

During Hawaii's current economic downturn, government must find ways to fund programs such as endangered species recovery and management, and youth conservation programs, in ways that do not impact the general funds of the State. Your Committee supports this measure which provides and sets aside an alternative funding source for these programs through the voluntary sale of conservation license plates and grants and private contributions which may be designated for that purpose.

You Committee has amended this bill by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 33, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 33, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 695 Ways and Means on S.B. No. 43

The purpose of this bill is to increase the membership of the Board of Regents of the University of Hawaii from twelve to fifteen members in order to include at least three nationally or internationally prominent nonresidents.

Furthermore, this measure specifies that the nonresident members will be ex-officio nonvoting members.

Your Committee finds that nonresident board members will be instrumental to the university's efforts to someday becoming a respectable world class university and a focal point of the Pacific Rim. Your Committee believes that the nonresident board members will bring innovative perspectives on fundraising and economic development techniques to expand the current capabilities of the university, and that these benefits will more than offset any additional transportation and other expenses entailed by having nonresident members serving on the Board.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 43, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Ige, D., Iwase, Anderson).

SCRep. 696 Ways and Means on S.B. No. 285

The purpose of this bill is to clarify the powers of the boards of directors of associations of apartment owners to enter into purchase agreements with lessors in order to facilitate and encourage voluntary lease-to-fee conversions of condominium projects.

This bill requires that bylaws provide that an association of apartment owners may purchase the lessor's interest in the condominium project, provided that the declaration of condominium property regime either contain or be amended to include a provision authorizing the board of directors to effectuate such a purchase; and that if the association of apartment owners purchases the lessor's interest, certain specified powers shall be conferred upon the association of apartment owners, including the power to purchase or otherwise acquire, own, improve, use, and otherwise deal in and with the leased fee interest to the land or any or all undivided interests therein.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 285, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 697 Ways and Means on S.B. No. 604

The purpose of this bill is to allow the Administrator of the Narcotics Enforcement Division of the Department of Public Safety to share information from the electronic prescription accountability system with "dispensers", or practitioners who dispense controlled substances, when the information relates to the dispenser's own patients.

In addition, this bill:

- (1) Appears to allow the disclosure of investigative information from the electronic prescription accountability system for criminal investigations and prosecutions outside the respective jurisdictions of law enforcement officers and law enforcement agencies; and
- (2) Appropriates funds to the Department of Public Safety for a data processing systems analyst IV position and other current expenses in relation to the sharing of information from the electronic prescription accountability system with dispensers.

Your Committee finds that "dispensers", or practitioners who dispense controlled substances, are the State's first and most effective line of defense in the ongoing battle against prescription drug abuse and the illegal dispensing of controlled substances.

Your Committee has amended this bill by:

- (1) Limiting the disclosure of investigative information from the electronic prescription accountability system to criminal investigations and prosecutions within the respective jurisdictions of law enforcement officers and law enforcement agencies;
- (2) Deleting the appropriation to the Department of Public Safety for the data processing systems analyst IV position and other current expenses; and
- (3) Making technical nonsubstantive changes for purposes 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. 604, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 604, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 698 Ways and Means on S.B. No. 931

The purpose of this bill is to repeal the present version of Hawaii's electronic surveillance law in favor of a more comprehensive model patterned after the federal wiretap and electronic surveillance law.

Your Committee finds that wiretaps and electronic surveillance provide effective tools in law enforcement efforts to curtail violent crimes, organized crime, drug dealing, and illegal gambling. Your Committee further finds that there is no substitute for the quality and quantity of information and evidence that can be obtained through a wiretap or other electronic surveillance. Moreover, your Committee notes that the new statute proposed in this bill imposes many strenuous requirements and safeguards to ensure proper use by law enforcement agencies of this investigative tool.

Your Committee has amended this bill to correct an internal cross reference by changing the reference on page 56, line 21, from "subsection (1)(a)" to "subsection (1)".

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 931, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 699 Ways and Means on S.B. No. 1070

The purpose of this bill is to expand the availability of housing to low-income families and individuals in the State.

This bill clarifies the definition of "qualified resident" to ensure that housing assistance reaches its intended beneficiaries, amends and expands the definition of "housing owner" to include "very low" income applicants, and amends the definition of "qualified tenant" to conform to fair housing requirements. The bill also lowers the income limits and expands the first priority eligibility for participation in the state rent supplement program.

Your Committee has amended the bill by conforming its statutory provisions to the printed version of the Hawaii Revised Statutes, and by making other technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1070, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1070, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Nakata, Taniguchi, Anderson).

SCRep. 700 Ways and Means on S.B. No. 1250

The purpose of this bill is to allow the use of tour buses solely for the transportation of student groups, other than school athletes, to and from school related events or activities.

Your Committee finds that schools should be allowed to use tour buses to transport students to attend school events as a group, and in a safe manner.

Your Committee intends that the Department of Education have broad discretion to use a wide variety of tour bus vehicles, including vans.

Your Committee amended this bill by making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1250, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1250, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 701 Ways and Means on S.B. No. 1256

The purpose of this bill is to provide an appropriation to match federal funds for an interisland ferry system between Maui and Molokai.

Your Committee finds that inasmuch as a ferry system would add greatly to the transportation services of the Maui and Molokai communities, a prudent appropriation of funds can only be made after a thorough assessment of the State's finances is conducted. Therefore, your Committee has deleted the appropriation amount to allow for such assessment and to provide for 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. 1256, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1256, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, D., Iwase, Anderson).

SCRep. 702 Ways and Means on S.B. No. 1431

The purpose of this bill is to establish a separate agricultural water supply and delivery system for the Upcountry region on Maui.

Your Committee finds that the Upcountry region on Maui is famous for its unique agricultural products such as the sweet and distinctive Maui onion, the colorfully beautiful protea, and the delicately sweet persimmon. The commercial success of these products, however, is dependent on the ability of Upcountry farmers to withstand long and severe droughts.

This bill addresses this problem by providing a separate agricultural water supply and delivery system to ensure the economic viability of the region's agricultural products.

Your Committee has amended the bill by deleting the appropriation amount in section 5 of the bill pending a thorough assessment of the state budget and to provide for further discussion on the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1431, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1431, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, D., Iwase, Anderson).

SCRep. 703 Ways and Means on S.B. No. 1465

The purpose of this bill is to authorize the State Post-Secondary Education Commission to establish a college tuition savings program for resident and non-resident students at any post-secondary educational institution accredited by an accrediting association recognized by the United States Secretary of Education.

This measure also exempts from state taxation the interests and dividends on the funds in the savings program and clarifies that the State and educational institutions are exempt from responsibility to cover any gaps between funds accumulated and the actual costs of future tuition.

Your Committee finds that investing in a college tuition savings program will assist persons in meeting the spiraling costs of a college 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 S.B. No. 1465, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Iwase, Tam, Taniguchi, Anderson).

SCRep. 704 Ways and Means on S.B. No. 1481

The purpose of this bill is to appropriate funds for a grant-in-aid to Hawaii Island Veterans Memorial, Inc., for the acquisition of land for, and the planning, design, engineering, construction, and equipping of, phase I and phase II of the combined veterans center project on the island of Hawaii.

Your Committee finds that the combined veterans center project will provide counseling, readjustment, medical treatment through a community-based outpatient clinic, laboratory assistance, post-traumatic stress disorder consultation, recreational activities, and housing for homeless veterans. The goal of the project is to provide a permanent, safe, and centralized location for all of these activities.

The combined veterans center project will be built in three phases. Phase I will consist of a fourteen thousand four hundred square-foot combined veterans center that includes a seven thousand square-foot counseling, readjustment, and community-based outpatient clinic; a meeting hall; offices for the Hawaii county Office of Veterans Services; and a manager's office. Phase II will consist of an eight hundred sixty-four square-foot maintenance building/garage with additional parking and a recreational area, gateball courts, volleyball courts, tennis and basketball courts, and a picnic area. Phase III will consist of a fifty-unit veterans home.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1481, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, D., Iwase, Anderson).

SCRep. 705 Ways and Means on S.B. No. 1496

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for HEED, Inc., for the construction of a plasma waste conversion facility for the safe and proper disposal of medical waste.

Your Committee finds that the issue of appropriate disposal of medical waste is a serious one, and that the need for local facilities to perform this task is pressing. The facility will service hospitals, clinics, laboratories, and other health care providers throughout the State. Development of a local facility is appropriate and necessary.

Your Committee has amended the bill by specifying Molokai as the site of the proposed facility, and by making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1496, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1496, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 706 Ways and Means on S.B. No. 1499

The purpose of this bill is to allow the State Committee of Blind Vendors to use moneys from the Randolph-Sheppard revolving account to hire private attorneys.

Specifically, beginning on July 1, 1999, the Department must identify the source of all moneys deposited in the revolving account that are derived from vending machine income on federal, state, and county properties. The State Committee of Blind Vendors may expend up to \$30,000 annually from the revolving account, as long as no federally-generated income is used for the purpose of hiring private attorneys. This bill requires the Director of Human Services to transfer, at the beginning of each fiscal year, \$30,000 from the Randolph-Sheppard revolving account to an interest-bearing account in the name of the State Committee of Blind Vendors, as long as no moneys are from federal sources. Finally, this bill requires the Department of Human Services to report annually to the Legislature on the activities and balance of the revolving fund.

This bill is intended to empower the State's blind vendors to assert and protect their rights under chapter 347, Hawaii Revised Statutes, relating to blind and visually handicapped persons, especially as it relates to retaining their newsstand concessions at the Honolulu International Airport.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1499, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, M., Nakata, Anderson).

SCRep. 707 Ways and Means on S.B. No. 1512

The purpose of this bill is to update the Uniform Partnership Act.

Your Committee finds that the State adopted the Uniform Partnership Act in 1972. In the twenty-seven years since its adoption, many changes have occurred in partnership law.

This bill replaces the current Uniform Partnership Act with an updated version that reflects modern business practices. The change will generally conform the State's partnership laws with other states and enhance the State's business climate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1512, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Kawamoto, Nakata).

SCRep. 708 Commerce and Consumer Protection on S.B. No. 365

The purpose of this measure is to prohibit: (1) the sale of laser pointing devices (LPD) to minors, (2) the possession of LPD by minors, and (3) the sale of LPD without providing the buyer a printed warning regarding the improper usage of such devices.

The Department of the Prosecuting Attorney of the City and County of Honolulu and City and County of Honolulu Police Department presented testimony in support of this measure with proposed amendments. Although not present at the hearing, The Hawaii Ophthalmological Society submitted written testimony in support of the measure.

Your Committee finds that LPDs, which were designed to be used in commercial presentations, emit a laser beam which can cause temporary or even permanent vision impairment. LPDs also are similar to the laser sighting devices used with some firearms. LPDs have recently become more common and have been used to target persons and police officers. This use harasses the police, causes alarm, and creates the danger of lethal response.

Given the health and safety risks, your Committee finds that it is reasonable to place restrictions against the sale of LPDs and their possession by minors. It is also reasonable to require sellers to provide buyers of LPDs with a written warning explaining the dangers of their improper use.

Your Committee has amended this measure to:

- (1) Prohibit adults from using LPDs to harass or alarm other persons or animals;
- (2) Specify that the penalty for an adult found guilty of harassing a person or animal with an LPD is a fine of not more than \$1,000 and up to thirty days imprisonment; and
- (3) Specify that the penalty for:
 - (A) Selling LPDs to minors;
 - (B) Failing to disclose the dangers involved with the improper operation of an LPD; and
 - (C) Possession of an LPD by a minor;
 is a fine of not more than \$1,000.

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. 365, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 365, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 709 Commerce and Consumer Protection on S.B. No. 511

The purpose of this measure is to require insurers, mutual benefit societies, and health maintenance organizations to pay health care facilities directly regardless of their participatory status.

The Insurance Commissioner and the Hawaii Health Systems Corporation presented testimony in support of the measure. Two individuals, though not present at the hearing, submitted written testimony in support of the measure.

Kaiser Permanente, State Farm Insurance Companies, Queen's Health Management, Hawaii Medical Service Association, University Health Alliance, Physicians HealthHawaii, Inc., Kapi'olani HealthHawaii, and Legislative Information Service of Hawaii presented testimony in opposition to the measure. Hawaii Medical Group Management Association and the Chamber of Commerce of Hawaii, though not present at the hearing, submitted written testimony in opposition to the measure.

Your Committee finds that often when a health care facility and a health insurer cannot agree on a reimbursement amount, the insurer will send the reimbursement directly to the patient and leave it for the facility to recover the sum from the patient. When a patient is experiencing financial hardship, this practice typically results in a loss to the health care facility.

Although it is a burden on all health care facilities, this practice is even more burdensome on rural health care facilities which do not have the ability to shift losses like their larger urban counterparts. Additionally, because of their small size, rural health care facilities are disadvantaged in negotiating with health care insurers.

This measure would facilitate recovery of insured amounts by health care facilities. It does not require a health insurer to reimburse a nonparticipating facility at the same rate as a participating facility.

Your Committee has amended this measure by limiting its application to rural health care facilities.

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. 511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 511, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 710 Commerce and Consumer Protection on S.B. No. 700

The purpose of this measure is to enact provisions regulating neighborhood electric vehicles.

The City and County of Honolulu's Department of Customer Services presented testimony in favor of the measure. The Electric Vehicle Association of Hawaii and three concerned citizens, although not present submitted written testimony in support of the measure. The Insurance Commissioner, although not present, submitted written comments on the measure.

Your Committee finds that neighborhood electric vehicles (NEV) may be a viable alternative to the use of cars within neighborhoods. The NEV has a maximum speed of twenty-five miles per hour with minimum noise and pollutant emissions and high energy efficiency. Your Committee also finds that establishment of a NEV and electric vehicle industry in the State would create high technology employment and business opportunities.

Your Committee has amended the measure by:

- (1) Adding language that requires these vehicles to conform with the minimum safety equipment requirements as adopted in the Federal Motor Vehicle Safety Standard No. 500, Low Speed Vehicles (49 C.F.R. 571.500); 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 700, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 700, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 711 Commerce and Consumer Protection on S.B. No. 818

The purpose of this measure is to require health insurance coverage for annual mammogram screenings for women age forty and over.

The State Insurance Commissioner, the Department of Health, and the Hawaii State Commission on the Status of Women presented testimony in support of this measure. The American Cancer Society, while not present, submitted testimony in support. Kaiser Permanente presented testimony that did not oppose the measure.

Your Committee finds that currently state law requires health insurers to provide coverage for biennial screenings for women between the ages of forty and forty-nine. In contrast, the American Cancer Society (ACS) recommends that all women over forty receive annual screenings. Your Committee believes that, in accordance with ACS recommendations, women over the age of forty should have access to annual mammogram screenings to reduce the risk of cancer.

Your Committee has amended this measure to:

- (1) Delete baseline coverage for women thirty-five to thirty-nine; and
- (2) Delete the mandate that the commissioner review and make adjustments to age and frequency requirements; and
- (3) Make technical amendments.

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. 818, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 818, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 712 Commerce and Consumer Protection on S.B. No. 822

The purpose of this measure is to require all health insurers, mutual benefit societies and health maintenance organizations to provide coverage for contraceptive services and supplies.

The Insurance Commissioner, the Department of Health, Hawaii State Commission on the Status of Women, Family Planning Centers of Hawaii, and several individuals presented testimony in support of this measure. Kaiser Permanente, Hawaii Family Forum, the Hawaii Catholic Conference and Brigham Young University-Hawaii presented testimony in opposition to the measure. Hawaii Medical Services Association presented comments and amendments to the measure.

Although not present at the hearing, Hawaii Women Lawyers, Healthy Mothers Healthy Babies Coalition of Hawaii, and the American Civil Liberties Union of Hawai'i submitted written testimony in support of the measure.

Your Committee finds that women of reproductive age spend 68% more than men in out-of-pocket health care costs, with contraceptive and reproductive services accounting for much of the difference. At the same time, women bear virtually all the physical risks and burdens associated with obtaining and using contraceptives as well as those associated with unplanned pregnancies.

Your Committee further finds that this measure would:

- (1) Reduce inequality between men and women in the provision of health insurance coverage and distribution of costs;
- (2) Remove burdens on the right to privacy by eliminating some of the undue barriers to reasonably priced contraceptives and services; and
- (3) Reduce the number of unplanned pregnancies, along with their attendant health risks and health care costs.

As a neutral, generally applicable law, aimed at achieving gender parity in health care coverage while protecting the private and personal decision to use contraceptives, your Committee finds that this measure does not infringe on an individual's religious freedom.

Your Committee has amended this measure by adding a new section that would exempt certain employers due to their religious values. Under this new section, an employer may request a health insurance plan which excludes coverage for contraceptive health care services that are contrary to the employer's religious tenets.

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. 822, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 822, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, none.

SCRep. 713 Commerce and Consumer Protection on S.B. No. 1234

The purpose of this measure is to require an insurer to provide an insured with independent counsel when a conflict of interest arises on a claim under an insurance policy.

The Consumer Lawyers of Hawaii presented testimony in support of this measure. One individual, while not present, submitted testimony in support. The Hawaii Insurers Council and State Farm Insurance companies testified in opposition. The State Insurance Commissioner presented comments on the measure.

Your Committee finds that this measure addresses the conflict of interest between an insurance company and its insured when the insurer contests coverage, yet provides a defense for the insured. A conflict of interest for the attorney may arise due to several factors, including the potential of the insurer to steer the underlying claim in a manner that will hurt the insured and benefit the insurer, or by providing an inadequate defense in order to save on expenses where the insurer believes that it will ultimately prevail.

Your Committee is concerned that while the law provides that the attorney hired and paid by the insurer would owe a duty of loyalty to the insured and not the insurer, that may be unrealistic, especially when the attorney receives a substantial portion of his or her work from insurance companies.

Your Committee has amended this measure to:

- (1) Include after "duty to defend" the phrase "and/or indemnify" in subsection (a) to reflect that most policies also include the duty to indemnify;
- (2) Delete the language in subsection (a) regarding the insurer's legal counsel determination of right to coverage, as it is the court that makes the coverage determination;
- (3) Add language in subsection (b) to clarify that independent legal counsel is selected by the insured;
- (4) Add language to the waiver statement in subsection (b) to clarify that independent counsel is paid by the insurer;
- (5) Replace the binding arbitration language in subsection (c) with language to require any disputes regarding fees to be submitted to the court in which the action was filed, or a court of competent jurisdiction if no action was filed;
- (6) Clarify in subsection (d)(1) that attorneys selected as independent counsel must have substantial experience in handling similar claims or cases;
- (7) Delete the language regarding privilege in subsection (e) to reflect that disclosure issues between independent counsel and the insurer are normally not over privileged material; and
- (8) Make technical, nonsubstantive amendments 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. 1234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1234, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 714 Commerce and Consumer Protection on S.B. No. 1371

The purpose of this measure is to subject motor vehicle repair dealers who are required to be registered to inspection for theft investigations.

Testimony in support of this measure was received from the Police Department of the City and County of Honolulu and one individual. Testimony in opposition to this measure was received from two individuals.

Your Committee finds that motor vehicle theft is a serious problem in Hawaii. This measure provides the police with an additional investigative tool to locate and recover stolen vehicles by authorizing the police to inspect any motor vehicle repair dealer required to be registered, whether the dealer is registered or not, for stolen vehicles. This measure will aid in the recovery of more stolen vehicles as well as deter motor vehicle theft and illegal "chop shop" activity by motor vehicle repair dealers.

Your Committee has amended this measure by changing the effective date of this measure from the date of approval to July 1, 2001.

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. 1371, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1371, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 715 Ways and Means on S.B. No. 47

The purpose of this measure is to reduce the taxation of activities in the health care industry.

The Healthcare Association of Hawaii submitted testimony in support of the measure. The Department of Taxation submitted testimony supporting efforts to ease the tax burden on the health care industry. The Tax Foundation of Hawaii submitted comments.

The health care industry is considered by some to be the third largest industry in Hawaii. Unlike other businesses, however, it is undergoing structural changes that expose it to the general excise tax where the tax was not previously paid. The old structure of a nonprofit hospital performing all health care and nonhealth care but related functions is no longer viable. Hospitals are spinning off nonhealth care functions such as bill collection. They are entering into partnerships and joint ventures with health plans and doctors. Health care plans are entering into agreements with health care providers.

Many of these changes in structure or reformations result in the imposition of the general excise tax on what may have been tax exempt income to a nonprofit operation. The imposition of the general excise tax on these reformations may have several results, none of them beneficial to the public. First, the reformation may go ahead resulting in the imposition of the general excise tax and increased health care costs to the public. Second, much time and research may be put in to avoid the general excise tax. This may result in a

less efficient formation and the higher costs of forming it. The public then pays the higher cost of avoiding the general excise tax and the inefficient formation which results.

Your Committee believes that it is time to address the problems caused by the general excise tax in the health care industry. Your Committee notes that Senate Bill No. 638 addresses many of the provisions of this measure that deal with reducing the pyramiding of the general excise tax. Thus, those provisions, sections 237-B to 237-E and 237-G have been deleted from the measure. Definitions that relate only to those provisions are also deleted. Amendments to sections 237-24.3 and 238-1, Hawaii Revised Statutes, dealing with tangible personal property also have been deleted.

Your Committee believes that the amended measure dealing with the formation of health plan providers receiving income from a health care plan and income received by health plan joint ventures and their exemption from the general excise tax will greatly assist the health care industry to compete on a level playing field with its mainland counterparts. In addition, the exemption from the general excise or use tax for health care facilities for the purchase of prescription drugs and prosthetic devices continues the legislature's attempts to reduce the cost of health care to our residents.

Your Committee notes that the revenues lost from this amended measure are very little. The joint ventures addressed by this amended measure are not in existence due to the tax, thus there is no revenue loss. The revenue loss from the exemption of prescription drugs and prosthetic devices is very little.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 47, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 47, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Ige, M., Anderson).

SCRep. 716 Ways and Means on S.B. No. 178

The purpose of this bill is to appropriate funds to the Healthy Start program.

This measure appropriates an unspecified amount to provide operating expenses for the Healthy Start program. Healthy Start is a successful program that has been in operation since 1985 and administered through the Department of Health. Through early intervention with family support, parenting education, and informal counseling services, Healthy Start prevents child abuse and neglect.

Your Committee finds that the Healthy Start program has been a success in helping high-risk families develop healthy and appropriate family relationships. Your Committee also recognizes that the number of families with multiple serious risk factors is increasing. Your Committee finds that there is a critical and continuing need for the services of Healthy Start.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 178 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, D., Iwase, Anderson).

SCRep. 717 Ways and Means on S.B. No. 194

The purpose of this measure is to establish a State income tax credit equal to fifty per cent of a taxpayer's long-term care insurance costs.

The Department of Commerce and Consumer Affairs, the Hawaii State Association of Life Underwriters, the American Council of Life Insurance, the Hawaii Medical Services Association, the Hawaii Long Term Care Association, the National Association of Retired Federal Employees Hawaii State Federation of Chapters, and an individual submitted testimony in support of the measure. The Department of Taxation and the Tax Foundation submitted comments on the measure.

Your Committee finds that Hawaii residents age seventy and older comprise the fastest growing segment of the State's population. As Hawaii's population ages and more residents require long-term care, the problem of how to finance such care becomes more urgent.

Long-term care services can cost an average of \$65,000 to \$75,000 for skilled nursing or intermediate care facilities, and nursing home costs often exceed a family's ability to pay. Additionally, seventy per cent of Medicaid payments in the State go towards nursing home care and the cost of paying for long-term care for indigent individuals creates a drain on the State's resources. Those individuals buying long-term insurance will not require Medicaid, thus saving the State much more than this credit will cost.

Your Committee has amended this measure by:

- (1) Inserting a \$1,000 per taxable year maximum credit allowable; and

(2) Making technical, nonsubstantive amendments to the measure for the purpose of clarity.

Your Committee believes that by providing taxpayers with a State income tax credit for long-term care insurance costs, the measure provides an incentive for individuals to purchase long-term care insurance during their younger years when premiums are more affordable.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 194, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 194, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, M., Taniguchi).

SCRep. 718 Ways and Means on S.B. No. 638

The purpose of this measure is address the pyramiding of the general excise tax on services.

The Chamber of Commerce of Hawaii, Tax Committee of the Hawaii Society of Certified Public Accountants, Tax Section of the Hawaii State Bar Association, Textron Systems Kauai, Native Hawaiian Chamber of Commerce, Hawaii Farm Bureau, Hawaii Business Roundtable, and Pacific Resource Partnership submitted testimony in favor of the measure. The Department of Taxation submitted testimony in favor of the intent of the measure. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that when goods are sold at wholesale to a retailer, the income from the sale is taxed under the general excise tax at one-half of one per cent. When services are sold, no matter to whom sold, the income from the sale of services is taxed under the general excise tax at four per cent. An exception does exist for intermediary service transactions, but that exception is so narrow that few service transactions can fit. In many instances services are sold in the same manner as goods are wholesaled, but no one-half per cent tax rate can be obtained.

Your Committee finds that the discussion of how to treat services that are sold in a manner that would result as a wholesale sale if they were goods has been on going for the last thirty years. Study after study, Tax Review Commission after Tax Review Commission have discussed the problem. Addressing this problem will stimulate the economy, create employment opportunities, and attract investment. This measure will address the pyramiding problem of the general excise tax by addressing the sale of services to businesses in the context of a service to service transaction or in the context of a service to goods transaction. In appropriate instances such transactions will result in the imposition of the one-half per cent general excise tax rate.

Your Committee has amended this measure to provide for a phase in of the reduction of the general excise tax on certain service transactions. This will reduce the revenue loss in one year of some \$133 million to a reduction that government can take steps to meet. In addition, it will allow both the Department of Taxation and the private sector time to get used to the new provisions and to work out any unforeseen problems. Since implementation will not be effective immediately, the intermediary transaction tax rate of one-half per cent has been kept in the law until the change in the treatment of wholesale services is fully phased in.

The measure also has been amended to add services-to-contracting transactions to the amendments to the wholesale provisions of the bill. Contracting is defined in section 237-6, Hawaii Revised Statutes (HRS), and is not considered either a service or a sale of goods by chapter 237, HRS. Section 237-13(6)(B)(i), HRS, has been amended by adding missing words regarding the requirement that the additional tax be paid when the sale is not at wholesale. Technical, nonsubstantive amendments also were made for 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. 638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 638, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Ige, M., Taniguchi).

SCRep. 719 Ways and Means on S.B. No. 744

The purpose of this measure is to exempt certain activities of call centers from taxation

The Department of Taxation and Department of Business, Economic Development, and Tourism supported the intent of this measure. The Hawaii High Technology Development Corporation and the Estate of James Campbell supported the measure while Hawaiian Electric Company supported the measure with amendments. The Tax Foundation of Hawaii submitted comments on the measure.

Hawaii has a number of distinct advantages for the development of a call center industry. It has a highly developed telecommunication industry with optic fiber capacity and regional satellite technology, both of which are necessary for call centers. It also has a population that speaks a number of Asian languages as well as English. Finally, Hawaii is in a time zone which allows us to do business with both Asia and the mainland while one or both are doing business during the same business day.

Your Committee finds that a number of companies have indicated an interest in establishing call centers in Hawaii, but Australia is already developing a strong Asia-Pacific market. Once again, Hawaii has a small window of opportunity in which to make a positive statement to interested parties or to miss an opportunity for failure to act.

Your Committee notes a statement by Governor Benjamin J. Cayetano in a two page advertisement on "The Next Four Years, Completing the Vision." In that advertisement the Governor stated "We will propose tax and other incentives to establish Hawaii as a call center for high tech companies. Call centers can provide hundreds of good paying high tech jobs for our high school graduates who choose to pursue vocational careers instead of college." Your Committee is in full agreement with the statement of the Governor.

Your Committee has amended this measure to tighten the tax exemption provided a call center regarding using the center as a nexus for the State to find that the other businesses of the company running the call center are taxable. On the one hand, establishment of a call center by itself should not establish taxing nexus or many companies may not choose to come to Hawaii. On the other hand, this exemption should only apply to the call center and the income from the direct customer service and support given by the call center. In addition, the phrase "and the like" has been deleted from the definition of call center to provide specificity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 744, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 744, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Ige, M., Anderson).

SCRep. 720 Government Operations and Housing on S.B. No. 59

The purpose of this measure is to require the Comptroller to adopt rules to implement the law requiring contractors performing on a public contract to disperse funds to subcontractors in accordance with the terms of the subcontract, within ten days of receiving payment.

Prior to this hearing, your Committee circulated a proposed S.B. No. 59, S.D. 1, which included the adoption of rules provision similar to S.B. No. 59, as well as a provision that penalizes contractors or subcontractors on public contracts who withhold retention amounts over five percent of a subcontractor's contract price. Your Committee received testimony on this proposed S.B. No. 59, S.D. 1.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Accounting and General Services, Plumbing and Mechanical Contractors Association of Hawaii, Sheet Metal Contractors Association, Subcontractors Association of Hawaii, and Painting and Decorating Contractors Association of Hawaii. Testimony opposed to the proposed S.D. 1 was received from Nordic Construction, Ltd., Albert C. Kobayashi, Inc., Royal Contracting Company, Hawaiian Dredging Construction Company, General Contractors Association of Hawaii, S&M Sakamoto Inc., Contractors Association of Kauai, and Jas. W. Glover, Ltd. Oral testimony opposed to the proposed S.D. 1 was received from the Hawaii Surety Association.

Your Committee finds that currently, general contractors require subcontractors to sign contracts with a 10%-15% retention clause. Yet, the state and county agencies by statute are allowed to withhold only two and one-half percent retainage from the general contractor.

Your Committee finds that this disparity in retainage between the agencies, the general contractors, and the subcontractors has created a great financial burden on the subcontractors. The proposed S.D. 1 will provide for a uniform retainage procedure for all parties, from the agencies to the general contractors.

Your Committee has amended the proposed S.D. 1 with the following changes:

- (1) Deleted the prompt payment section because S.B. No. 1005 has a similar prompt payment section and was previously passed by this Committee;
- (2) Increased the penalties section to include higher fines and debarment from bidding on future contracts;
- (3) Added the provision, "provided there are no bona fide disputes over the subcontractor's performance under the subcontract," to the retainage section; and
- (4) Added the provision that this Act will apply to contracts effective on or after July 1, 1999.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 59, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 59, 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, 4 (Levin, Sakamoto, Tanaka, Anderson).

SCRep. 721 Government Operations and Housing on S.B. No. 112

The purpose of this measure is to require a mortgage holder or court appointed receiver or commissioner of a property during foreclosure proceedings to pay the association of apartment owners the current common expenses chargeable to the apartment, if rent is being collected.

Testimony in support of this measure was received from the Hawaii Association of Realtors, Hawaii Council of Associations of Apartment Owners, Community Associations Institute, a member of the Association of Apartment Owners of the Villa on Eaton Square, and sixteen individuals. Oral testimony in favor of this measure was received from a member of the Marco Polo Condominium Association. Testimony opposed to this measure was received from American Savings Bank and the Hawaii Bankers Association.

Your Committee finds that maintenance fees are the primary source of income for condominium associations. These fees are needed to maintain, repair, and operate a condominium.

Your Committee finds that oftentimes a tenant is utilizing services the association provides, such as electric, water, and recreational amenities, yet the mortgage holder or foreclosure receiver or commissioner does not pay the maintenance fees for the unit.

Your Committee finds that association losses can run from \$3,500 to \$7,000 or more per foreclosure. In a long foreclosure, a receiver or commissioner may collect \$5,000 or more from a tenant and none of the money goes to the association.

Your Committee finds that this measure will provide some financial relief to condominium owners who are currently subsidizing the common expenses of units in foreclosure when a court-appointed receiver or commissioner is collecting the rent but not paying the current common expenses to the association of apartment owners.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 112 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Levin, Sakamoto, Tanaka, Anderson).

SCRep. 722 Government Operations and Housing on S.B. No. 1117

The purpose of S.B. No. 1117 is to exempt contracts for legal service performed for the State, a state agency, or a state official, outside the State, from the requirements of the State Procurement Code.

Prior to the hearing on this measure, your Committee circulated a proposed S.B. No. 1117, S.D. 1, with entirely new contents. Testimony was received on the proposed S.D. 1.

The purpose of the proposed S.B. No. 1117, S.D. 1, is to require the procurement policy office to adopt rules for a managed procurement process that evaluates the efficiency, effectiveness, and economy of the purchase using uniform accounting standards.

Testimony in support of the proposed S.D. 1 was received from Consulting Engineers Council of Hawaii, Consulting Structural Hawaii, Inc., Fewell Geotechnical Engineering, Ltd., Jas W. Glover, Ltd., Pacific Geotechnical Engineers, Inc., and Paul Louie, and Associates. Testimony opposed to the proposed S.D. 1 was received from the State Procurement Office, the Office of the State Attorney General, and the Kauai County Department of Water.

Your Committee finds that the State uses the procurement code to ensure that state purchases meet certain standards, but it has thus far not required any type of determination that the procurement of certain services or goods is the most effective, efficient, and economical path to take.

Your Committee finds that the current economic situation requires the State to have a managed process for procurement and to adopt standard methods for evaluation to ensure the effective, efficient, and economical procurement of services.

Your Committee finds that the proposed S.D. 1 will help empower state government in the delivery of competitive and cost efficient services. In turn, this will help to assure that Hawaii's citizens receive the highest quality of government provided goods, services, and construction at the lowest costs.

Your Committee finds that using uniform accounting standards will be the most equitable method of determining whether a service or function can be provided more efficiently, effectively, and economically by the government or private sector.

Your Committee has amended this measure by deleting its contents and inserting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1117, 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 (Levin, Sakamoto).

SCRep. 723 Ways and Means on S.B. No. 788

The purpose of this measure is to require cigarette or tobacco licensees to affix a stamp certifying payment of applicable excise taxes on packages of cigarettes prior to being sold to the general public.

Testimony in support of this measure was received from the Hawaii State Department of Health, American Lung Association, and American Heart Association. Testimony in support of this measure with reservations was received from the Department of Taxation. Testimony commenting on this measure was received from the Tax Foundation of Hawaii. One individual submitted testimony in opposition to this measure.

Your Committee finds that this measure will provide for greater assurance that state cigarette taxes are paid thereby reducing the sales of untaxed cigarettes and keeping the price of the product at market levels. As a result, there will be greater assurance that untaxed cigarettes, which are less expensive, will not find their way into the hands of minors. Therefore, minors will be discouraged from experimenting with smoking cigarettes and the likelihood of them becoming adult smokers will be reduced.

Your Committee has amended this measure by:

- (1) Deleting as unnecessary, the provision that permits cigarette or tobacco licensees to include in the price of taxed cigarettes a percentage of the value of the stamp;
- (2) Replacing the Legislative Auditor with the Director of Taxation as the designee with the responsibility of determining whether this measure has the effect of reducing the loss of cigarette tax revenue to the State from the illegal sale of untaxed cigarettes;
- (3) Requiring the Director of Taxation to submit a report to the Legislature twenty days prior to the beginning of the Regular Session of 2005 and allowing the Director to submit an interim report of any findings regarding the effectiveness of this measure; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 788, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 788, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Ige, M., Anderson).

SCRep. 724 Ways and Means on S.B. No. 106

The purpose of this bill is to provide the School-to-Work Executive Council with the necessary guidance, direction, and operational framework to implement the school-to-work opportunities system.

Specifically, this measure requires the executive council to establish, among other things, a clear mission statement, controls over expenditures and methods of appraising outcomes; and to implement current laws relating to school-to-work work-based learning, workers' compensation coverage for students, and student safety on the premises of an employer.

This measure also requires the executive council to submit a comprehensive report to the Legislature by the end of the fiscal year on its progress in implementing the provisions of this measure.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of clarity and drafting style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 106, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 106, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Nakata, Taniguchi, Anderson).

SCRep. 725 Ways and Means on S.B. No. 172

The purpose of this bill is to make an appropriation for the children's health insurance program (CHIP), to be matched by federal funds.

Your Committee finds that CHIP is a federal program that was established under the Social Security Act to provide matching federal assistance to states to expand Medicaid coverage for uninsured children and low-income families. Your Committee further finds that this bill is necessary to provide health insurance coverage for many of Hawaii's children.

Your Committee has amended the bill by changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 172, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 172, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, D., Iwase, Anderson).

SCRep. 726 Ways and Means on S.B. No. 550

The purpose of this bill is to require expenditure reports of the Department of Education to be made by the Department itself rather than by the Auditor.

Furthermore, this measure reconceptualizes the reporting items along the standards used in the InSite computer software.

Your Committee adopts the sensible and thoughtful recommendations of the Auditor in a recent audit of the Department of Education that the department itself, not the Auditor, should be the entity responsible for reporting the Department's expenditures and that computer software such as InSite can provide extensive information about a school system without great costs.

Your Committee likewise admonishes the Department of Education for refusing to report its own school-by-school expenditures on the grounds that it is actually the Auditor's responsibility, and insisting without grounds that better expense reporting is beyond the Department's meager budget.

Your Committee has amended this measure by making minor clarifying amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 550, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 550, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 727 Ways and Means on S.B. No. 612

The purpose of this bill is to require tobacco manufacturers that do not participate in the tobacco litigation master settlement agreement with the State to deposit funds into an escrow fund to pay judgments or settlements on claims brought against the manufacturer.

Your Committee finds that many serious diseases such as lung cancer, emphysema, and heart disease, result from smoking. Medical costs to treat these illnesses are often borne by the State under medical assistance programs. This is a huge financial burden that can extend well into the next century because of the delayed effects of tobacco related illnesses. In November 1998, when several tobacco product manufacturers entered into a master settlement agreement with the State, some manufacturers did not enter into that settlement. This bill is designed to require those non-settling manufacturers to establish a reserve fund to guarantee a source of compensation and to prevent those manufacturers from deriving short-term profits and becoming judgment proof. Your Committee finds that this is the responsible thing for the State to do to protect the finances of the State and the taxpaying public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 612 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Ige, D., Iwase, Anderson).

SCRep. 728 Ways and Means on S.B. No. 798

The purpose of this bill is to clarify jurisdiction over noise control, particularly as it relates to the convention center.

Your Committee finds that current law poses conflicts in jurisdiction over noise control. Section 206X-6 gives jurisdiction over noise control as it relates to the convention center to the Convention Center Authority. Section 342F-20 gives jurisdiction to the state Department of Health if the department has adopted a rule concerning it. Section 46-17 gives jurisdiction over noise to whichever entity has the strongest public protection.

The bill would establish a new standard for noise control in section 46-17 in which a county ordinance would have to yield jurisdiction to a noise permit issued by the Department of Health, unless the ordinance provides greater protection for the public. Sections 206X-6 and 342F-20 are amended to refer to the same standard, so all entities will be operating under a common and consistent standard.

Your Committee has amended the bill by:

- (1) Specifying that the references are to section 46-17(3); and
- (2) Providing that the ordinance shall supersede the permit if it provides greater protection to the public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 798, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 798, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 729 Ways and Means on S.B. No. 816

The purpose of this bill is to extend the sunset date of the Convention Center Authority one year to June 30, 2000.

Your Committee finds that this bill would provide a transition period needed to assure a smooth transfer from the Convention Center Authority to the Hawaii Tourism Authority, which was established by the Legislature in 1998. Extending the Convention Center Authority for an additional year will allow the Hawaii Tourism Authority to concentrate on its organization and mandate for marketing Hawaii tourism as a whole.

Your Committee also finds that there are still a number of site-specific issues regarding the convention center, which the Convention Center Authority is in the process of resolving. Allowing the Convention Center Authority an additional year will ensure that Hawaii continues to have a world class convention center. Act 156, Session Laws of Hawaii 1998, which extended the sunset date of the Convention Center Authority until June 30, 1999, required the Auditor to audit and monitor these issues.

Upon further consideration, your Committee has amended this bill to add language to require the continued oversight of the Auditor through the extension period as follows:

"The auditor shall continue to audit and monitor the progress made by the convention center authority in resolving various outstanding issues and problems so as to assure the legislature that these issues have been addressed on or before June 30, 2000. By February 28, 2000, the auditor shall submit a management audit report to the legislature on the effectiveness of the steps taken by the convention center authority to resolve traffic, noise, and other outstanding claims against the authority. The management audit may include financial audit issues that the auditor deems 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. 816, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 816, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Iwase, Tam, Taniguchi, Anderson).

SCRep. 730 Ways and Means on S.B. No. 856

The purpose of this measure is to reorganize and streamline adult residential care facilities.

This measure is a recommendation of the Joint Legislative Committee on Long-Term Care Financing, created pursuant to Act 339, Session Laws of Hawaii 1997. House Concurrent Resolution No. 225, 1998, directed the Joint Legislative Committee to create a subcommittee to study adult long-term care residential facilities in Hawaii.

Your Committee finds that the need for adequate and decent adult long-term residential care for Hawaii's residents who require long-term care is growing immensely with the demand outstripping supply. Unfortunately, the organization and regulation of residential care facilities in Hawaii are fragmented. This tends to reduce cost-effectiveness and hampers operational effectiveness in the delivery of residential care services.

Your Committee further finds that there is a lack of overall direction and guidance at the state level regarding the delivery of residential long-term care services to Hawaii's residents. Specifically, there is no vision of how residential care facilities and services may be used to alleviate the burden of long-term care in Hawaii. This is reflected in the fragmented structure of regulation for a plethora of residential care category types in the Hawaii Revised Statutes and the Hawaii Administrative Rules.

This measure is intended to respond to a compelling need to clearly define how residential care facilities and their services can be utilized effectively and efficiently. Your Committee desires to improve the organizational structure and regulatory processes based on

a more rational, consolidated, and equitable reorganization of the long-term residential care system in order to benefit consumers of the system.

Upon further consideration, your Committee has amended this bill by deleting the appropriation to the Department of Health in sections 19 and 20, and by renumbering the remaining sections.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 856, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 856, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Ige, D., Iwase, Anderson).

SCRep. 731 (Majority) Ways and Means on S.B. No. 1061

The purpose of this bill is to remove uncultivable and unuseable lands in determining irrigation project acreage assessments.

Currently, acreage assessments of irrigation projects are based on total acreage regardless of regulatory restrictions on the land.

This bill requires an assessment of only cultivatable land which does not include streams, dry gulches, and uncultivable or unuseable lands that may be restricted by government regulation. The bill also allows the Board of Agriculture to establish, by rule, a minimum acreage assessment on uncultivable or unuseable 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 is in accord with the intent and purpose of S.B. No. 1061, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, 1 (Ige, M.). Excused, 2 (Nakata, Taniguchi).

SCRep. 732 Ways and Means on S.B. No. 1076

The purpose of this measure is to allow insurance companies to offset their insurance premium taxes with the low-income housing tax credit provided by Section 235-110.8, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Taxation, the Housing and Community Development Corporation of Hawaii, and the Department of Commerce and Consumer Affairs. The Tax Foundation of Hawaii provided comments.

Currently, resident taxpayers, banks, and financial institutions may take the low-income housing tax credit by deducting from their net income tax liability, a credit equal to thirty percent of the applicable percentage of the qualified basis of each low-income building located in Hawaii.

Your Committee finds that this measure would encourage the inflow of capital into Hawaii by providing insurance companies the same incentives enjoyed by individuals and financial institutions to invest in low-income housing projects.

Your Committee finds that allowing insurance companies to utilize the tax credit will increase demand for such credits, which will result in investors paying a higher price for the credits. The higher price paid for the credits would result in the Housing and Community Development Corporation of Hawaii having to award less tax credits to low-income rental projects and would therefore "stretch" the credits further and provide an increased amount of low-income rental units. In addition, the total amount of the credit claim will not increase since it is fixed by federal law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1076 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Ige, M., Anderson).

SCRep. 733 Ways and Means on S.B. No. 1127

The purpose of this bill is to establish a health insurance revolving fund to assess and pay for the regulation of the health insurance industry.

Your Committee finds that this bill will shift the cost of regulating the health insurance industry from the State to the industry itself. It will also allow the Insurance Division, as the regulator, to become self-sufficient and not dependent on budget appropriations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1127, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Iwase, Tam, Taniguchi, Anderson).

SCRep. 734 Ways and Means on S.B. No. 1177

The purpose of this measure is to clarify general excise tax rates for sales of bulk condiments or single-serving packets, for sales of disposable nonrefundable containers, and the treatment of professional services.

Your Committee received testimony in support of this measure from the Department of Taxation, Legislative Information Services of Hawaii and Hawaii Food Industry, and one individual. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that under Hawaii Administrative Rules, Section 18-237-4-01.01, sales to an eating or drinking retailer of any tangible personal property that is used to contain food or beverages sold at retail, and of bulk condiments are subject to the general excise tax at the wholesale rate of one-half percent. However, the rules do not allow the wholesale rate for prepackaged, single-serving packets of condiments, unless the packets are resold for a separate charge.

Your Committee further finds that since customers in eating establishments usually prefer to add their own selection and quantity of condiments, the retailer supplies it separately for the customer's convenience. Whether the retailer supplies these condiments in bulk containers or in separate packages, should be irrelevant for tax purposes. The Department of Taxation, however, may not amend the rules to address this concern of Hawaii's food industry without the amendment to Section 237-4, Hawaii Revised Statutes, as proposed in this measure.

Your Committee has amended this measure to delete Section 2, which would have clarified the intermediary services rate for professionals, as this issue has been addressed in S.B. No. 638, S.D. 1, as reported out by your Committee.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1177, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1177, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Buen, Taniguchi).

SCRep. 735 Ways and Means on S.B. No. 1178

The purpose of this measure is to clarify the term "related entities" for the purpose of identifying transactions exempt from the general excise tax.

Testimony in support of the measure was received from the Department of Taxation and the Tax Foundation of Hawaii submitted comments on the measure.

Current tax law allows for an exemption from the general excise tax for transactions between related entities, and defines "related entities" as an affiliated group of corporations, a controlled group of corporations, and entities connected through ownership of at least eighty per cent of the total value of each entity.

Your Committee is in accord with the findings of your Committee on Commerce and Consumer Protection. There is a loophole in the law which has allowed some taxpayers to claim a tax exemption despite the absence of a common ownership between the affiliated entities based upon eighty per cent of the entities' total voting power. This measure clarifies the law by adopting the federal tax code standard for consolidated returns. This standard requires commonality in ownership based upon eighty per cent value and eighty per cent voting power. The measure also provides that a group or combination of entities that constitute a "unitary business" for income tax purposes comes within the meaning of "related entities".

Your Committee has made a technical, nonsubstantive amendment to this measure to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1178, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Ige, M., Anderson).

SCRep. 736 Ways and Means on S.B. No. 1180

The purpose of this measure is to remedy the unanticipated problems resultant from Act 281, Session Laws of Hawaii 1997, which intended to cure the disparity in tax treatment between residents and nonresidents.

Testimony in support of this measure was received the Department of Taxation. Testimony was received from the Tax Foundation of Hawaii.

Your Committee finds that under current law, Act 281, Session Laws of Hawaii 1997, nonresident taxpayers with income from Hawaii sources are required to calculate their Hawaii income tax liability by determining tax liability as if they were Hawaii residents.

Your Committee finds that Act 281, Session Laws of Hawaii 1997, discourages economic activity by substantially raising the tax liabilities of nonresident investors and requiring all nonresidents earning income in Hawaii to file tax returns no matter how small the amount of income.

Your Committee finds that Act 281, Session Laws of Hawaii 1997, significantly increases the tax liabilities of our military personnel. In many instances, nonresident Hawaii tax liabilities were 1000% more than the liabilities calculated under the prior law.

Your Committee finds that the impact of this measure will be a revenue loss of \$2.7 million. However, this measure will allow more revenue than under the law prior to Act 281, Session Laws of Hawaii 1997, yet at the same time, the inequities between the tax treatment of nonresidents and residents will be addressed.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1180 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Taniguchi).

SCRep. 737 Ways and Means on S.B. No. 1214

The purpose of this bill is to extend the life of the temporary Maritime Authority Commission, created by Act 183, Session Laws of Hawaii 1998, to allow it sufficient time to complete its work.

Specifically, this bill extends the life of the temporary Maritime Authority Commission for one year until the adjournment of the Regular Session of 2000, and delays for one year the deadline for submittal of its report to the Legislature to December 20, 1999.

Your Committee finds that the mission of the temporary Maritime Authority Commission is to examine the complexities involved, plan the details of the creation of the Hawaii Maritime Authority, and make recommendations to the Legislature regarding its findings, including proposed legislation.

Your Committee further finds that numerous complex issues still need to be addressed by the temporary Commission, including the type of governance structure that would best suit Hawaii, the amount of autonomy this Authority would have, its relationship with the administration including the Governor and state departments, the civil service status of its employees, and the financial impact of a port authority. Therefore, an extension of time is needed to extend the life of the temporary Hawaii Maritime Authority 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. 1214 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Iwase, Nakata).

SCRep. 738 Ways and Means on S.B. No. 1281

The purpose of this bill is to make certain changes to the administration of the Employees' Retirement System.

Specifically, this bill:

- (1) Allows the Board of Trustees of the Employees' Retirement System to appoint an assistant administrator and a chief investment officer; and
- (2) Requires the Attorney General to personally serve as legal adviser to the Board and removes the Board's authority to hire outside counsel.

Your Committee finds that the responsibilities of the Employees' Retirement System, which provides for retirement benefits of all public employees of the four counties and the State, continue to expand as financial investments become more complex. Further, as retirants live longer, healthier lives, they remain part of the retirement system for a longer period.

Your Committee has amended this bill by allowing the Board of Trustees of the Employees' Retirement System to continue to retain outside counsel if necessary. Your Committee would like to see administrative flexibility continue if the Board requires legal advice or services that the Department of the Attorney General might be unable to provide due to time or budget constraints.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1281, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1281, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Iwase, Tam, Taniguchi, Anderson).

SCRep. 739 **Ways and Means on S.B. No. 1466**

The purpose of this bill is to make mandatory the Comptroller's present discretionary authority to collect assessments from state agencies for the risk management revolving fund.

Furthermore, this bill requires annual reporting of the assessments, and repeals the Comptroller's authority to establish deductibles for certain losses and perils covered under the fund.

Your Committee finds that this measure will make agencies more accountable for losses and risks sustained by them.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1466, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, D., Iwase, Anderson).

SCRep. 740 **Ways and Means on S.B. No. 1518**

The purpose of this bill is to improve the effectiveness and efficiency of state government.

Specifically, this bill requires all state departments and agencies to submit the following annually to the Legislature twenty days before the convening of each regular session:

- (1) Identification of their short- and long-term goals;
- (2) Objectives and policies specifically setting forth how each goal can and will be accomplished;
- (3) Action plans with a time-table for implementing objectives and policies in one, two, and five years; and
- (4) Performance measurements.

Your Committee finds that government departments should constantly work toward improving the effectiveness and efficiency of our government. Strategic planning and development of goals and objectives are essential for more efficient and productive operations for government agencies.

Your Committee further finds that the development of goals and objectives is essential for departments and agencies to determine priorities, guide their decisions, and measure the effectiveness of their programs and services.

Your Committee also finds that goals and objectives assist the Legislature in evaluating the budgetary needs of departments and agencies, and therefore every state agency and department should submit their goals and objectives to the Legislature every year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1518 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, D., Iwase, Anderson).

SCRep. 741 **Ways and Means on S.B. No. 1556**

The purpose of this measure is to exempt and exclude from imposition of the general excise tax the income received by resident licensed contractors and subcontractors from federal construction contracts.

The measure also clarifies that contractors and subcontractors working on federal projects in Hawaii are included in the definition of "contractor" for the purposes of and subject to the licensing requirements of chapter 444, Hawaii Revised Statutes, only to the extent allowed under federal law.

Testimony in support of this measure was received from the Plumbing and Mechanical Contractors of Hawaii and the Hawaii Electricians Market Enhancement Program Fund.

The Department of Taxation and the Tax Foundation of Hawaii submitted comments on the measure.

Testimony indicated that some out-of-state contractors had a bidding advantage over Hawaii contractors because they did not factor the state four percent general excise tax into their bids for federal contracts. The measure would help Hawaii contractors submit more competitive bids on federal contracts, thereby creating more business and employment opportunities for Hawaii's construction industry.

Your Committee has amended this measure by:

- (1) Replacing the term "resident" contractor and subcontractor with "state" contractor and subcontractor; and
- (2) Defining "state contractor" and "state subcontractor" as a licensed contractor doing business in the State with its owners, principals, officers, and employees meeting specific residency 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 is in accord with the intent and purpose of S.B. No. 1556, S.D. 1, as amended, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1556, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Taniguchi).

SCRep. 742 Ways and Means on S.B. No. 1607

The purpose of this bill is to appropriate an unspecified amount to the Hawaii Strategic Development Corporation revolving fund for investments primarily in high technology companies.

The Hawaii Strategic Development Corporation was established to develop a sustainable venture capital industry in the State. The Corporation has leveraged its initial appropriation of \$5,250,000 over ten times with private investment generating \$58,000,000 of venture capital for Hawaii companies. These twenty-one companies have created five hundred jobs.

The Hawaii Strategic Development Corporation has depleted its initial investment resources as the seed funding for these start-up companies has not yet generated financial returns. Additional appropriations are needed if the Corporation is to maintain its momentum.

Your Committee finds that appropriating funds to the Hawaii Strategic Development Corporation revolving fund has been an effective way to generate venture capital. Your Committee also finds that an additional appropriation will allow the Corporation to continue to be a resource for new viable businesses in the State.

Your Committee has amended this bill by prohibiting the Department of Business, Economic Development, and Tourism from restricting funds in the Hawaii Strategic Development Corporation revolving 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. 1607, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1607, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Nakata, Taniguchi, Anderson).

SCRep. 743 Ways and Means on S.B. No. 17

The purpose of this measure is to reimburse the counties for amounts of general excise tax passed on to them by businesses.

Testimony in support of this measure was received from the City Council of the City and County of Honolulu, Department of Budget of the City and County of Honolulu, Mayor of the County of Maui, Hawaii Hotel Association, Maui Hotel Association, and a member of Maui County Council. Comments were received from the Tax Foundation of Hawaii. Testimony opposed to this measure was received from the Department of Taxation.

Your Committee finds that all the counties in Hawaii are facing budget deficits this coming fiscal year and next. As a result, the counties are embarking on a thorough examination of their operations in an effort to decrease spending, while maintaining essential services. Concurrently, the counties are seeking ways to increase their revenues.

Your Committee finds that the general excise tax raises the cost of operating the county governments. Moneys paid for the tax could otherwise be used to balance the counties' budget and to provide for additional services, programs, and benefits to the public.

Your Committee finds that the general excise tax is imposed on businesses selling to the counties, however, the tax, in reality, is passed on to the counties on their purchases of goods and services. The end result is that the State is deriving tax revenues from the counties.

Your Committee finds that this measure will allow the money saved by the counties to be expended for public programs and projects and will reduce the counties reliance on the real property tax at a time when this revenue source is declining.

Your Committee has amended this measure by providing that the first two years of reimbursement shall equal fifty per cent of the general excise tax paid, and from fiscal 2001-2002 to 2004-2005 shall equal one hundred per cent. Reimbursements will continue through fiscal year 2004-2005, at which time the Legislature can review the results of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 17, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 17, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Taniguchi).

SCRep. 744 Ways and Means on S.B. No. 131

The purpose of this measure is to establish minimum standards for long-term care (LTC) insurance. Specifically, this measure:

- (1) Requires employers to offer LTC insurance policies to their employees;
- (2) Appropriates funds for an actuarial study; and
- (3) Appropriates funds for the insurance division to hire an LTC actuary.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Hawaii State Commission on the Status of Women, Hawaii State Association of Life Underwriters, Faith Action for Community Equity, Healthcare Association of Hawaii, American Family Life Assurance Company of Columbus, Hawaii Coalition for Affordable Long Term Care, and American Council of Life Insurance. Informational testimony was provided by the Hawaiian Electric Company.

This measure is based on the recommendations of the Joint Legislative Committee on Long-Term Care (JLC), established by Act 339, Session Laws of Hawaii 1997. The JLC undertook an eighteen month study to develop a sound financial plan to address a problem of compelling state interest, the current and future LTC needs of the people of Hawaii. The JLC members are Senator Suzanne Chun Oakland and Representative Dennis Arakaki, co-chairs, and members Senators Les Ihara, Jr., (replacing Senator Rosalyn Baker), Andrew Levin, and Sam Slom, and Representatives Marcus Oshiro, Paul Whalen, and Nobu Yonamine.

Your Committee finds that Hawaii's population of age seventy and over is the fastest growing segment of the overall population. The population of disabled residents is also increasing gradually. As people age or become disabled, they need help in daily living, which can be little or nonexistent except for care from family members. Caring for a family member can be physically, financially, and emotionally draining for the average two-spouse working family or single working parent, particularly with Hawaii's high cost of living.

Current methods of financing LTC involve predominantly Medicaid, private insurance, and personal assets. Medicaid is limited to financially qualified persons of low income, however Medicaid matching funds from the federal government cannot be relied upon in the future, due to the recent cutbacks in federal funding for Medicaid. Medicaid funding from the State is a drain upon the general fund, due largely to the increase in the target population and the escalating costs of providing LTC. Because of high premiums, private insurance is not widespread. Most people do not have sufficient personal assets to afford to pay for LTC.

Your Committee is convinced that the State needs a method of financing LTC that is affordable and suitable for the majority of residents who do not qualify for Medicaid, do not currently have private LTC insurance, and do not have sufficient personal assets. Encouraging the purchase of LTC insurance is a feasible and reasonable method that can be immediately implemented, without risk to the State as in setting up a trust fund and without the burden of a mandatory tax. Your Committee believes that LTC insurance can become universal and affordable, while providing quality benefits at the time of payout and protecting the policyholder throughout the life of the policy.

Hawaii's LTC insurance statutes were first enacted in 1989 and have not undergone any revision since 1991. During this time, LTC insurance policies have developed and proliferated to the point today of becoming a matured insurance product that can be actuarially evaluated. However, Hawaii's LTC insurance statutes have not kept pace with the product or with the development of LTC insurance law in other states. Current LTC insurance statutes in Hawaii are basically enabling legislation that need to be updated in order to upgrade the quality of the LTC insurance product to provide the kind and quality of benefits and protections which your Committee desires.

The insurance provisions of this measure are recommended by Dr. Larry Nitz, consultant to the JLC. He contracted for comment and analysis with a certified mainland actuary, John C. Wilkin of Actuarial Research Corporation. Wilkin is a consultant to the Assistant Secretary for Policy and Planning, United States Department of Health and Human Services, and for the LTC plan of the Federal Office of Personnel Management for LTC insurance policies for federal employees. He has also been instrumental in setting national LTC actuarial standards for the Society of Actuaries.

To increase the number of people covered by an LTC insurance policy, this measure requires that employers and other groups offer to their employees or members an LTC insurance policy for optional purchase, without requiring the employer to pay any premiums unless the employer agrees to it as an employee benefit. To encourage the purchase of LTC insurance policies, premiums are made more affordable in separate measures that provide for an income tax deduction or an income tax credit for premiums paid.

Your Committee is concerned that there are many LTC policies on the market that were sold under current law and may not afford as much protection or benefits as they could.

Your Committee has amended this measure on the recommendation of the Insurance Commissioner by:

- (1) Inserting the Long-Term Care Insurance Model Act of 1998 and related regulations; and
- (2) Repealing part V of article 10A of chapter 431, Hawaii Revised Statutes, relating to long-term care insurance, and enacting a new chapter for long-term care insurance.

Your Committee has also:

- (1) Clarified the provision for minimum coverages to conform to the federal Health Insurance Portability and Accountability Act (HIPAA), and deleted the related provision that provides for conformity to federal tax laws;
- (2) Deleted the provisions and inserted corresponding provisions in the Model Act relating to portability, lapse, Alzheimer's and brain disorders, and inflation protection;
- (3) Deleted the appropriations for an actuarial study and for expenses of the JLC;
- (4) Deleted the provision that extended the sunset date of the JLC; and
- (5) Made technical, nonsubstantive amendments for purposes of clarity and to reflect preferred drafting style.

As amended, this measure:

- (1) Establishes minimum required coverages in group and individual LTC insurance policies in conformity to HIPAA, for home- and community-based care, adult residential homes, respite care, nursing home care, hospice care, and assisted living facilities;
- (2) Requires employers, labor organizations, retiree organizations and other entities to offer LTC insurance policies to their employees or members, without requiring them to purchase and without requiring the employer, labor organization, retiree organization, or other entity to pay for premiums, unless they so choose;
- (3) Requires all LTC insurers to make available an LTC policy to employers, labor organizations, retiree organizations, and other entities;
- (4) Allows a person to purchase an LTC insurance policy that covers the person, the person's spouse or reciprocal beneficiary, as well as their parents and grandparents, including in-laws;
- (5) Requires age-graded premiums to be fixed over the life of the policy unless changes are allowed by the Insurance Commissioner;
- (6) Provides that the HIPAA controls in cases of conflict between subpart B and HIPAA;
- (7) Uses interchangeably the terms "group long-term care insurance" and "individual long-term care insurance";
- (8) Allows a member of the Public Health Fund to purchase an LTC insurance policy that covers the person, the person's spouse or reciprocal beneficiary, as well as their parents and grandparents, including in-laws;
- (9) Requires specified loss ratio standards for evaluating LTC policies;
- (10) Requires mutual benefit societies to belong to the Life and Disability Guaranty Association for that part of their business in selling LTC insurance;
- (11) Requires HIPAA consumer protection provisions relating to renewability, portability, permissible exclusions, unintentional lapse and reinstatement, disclosure standards, inflation protection;
- (12) Requires non-HIPAA consumer protection provisions relating to disclosure of tax consequences, benefit triggers, prohibiting preexisting condition requirements in replacement policies, nonforfeiture (paid-up) benefit option;
- (13) Establishes HIPAA LTC insurer performance standards relating to application for LTC insurance, replacement LTC policies, reporting to the Insurance Commissioner, standards for marketing procedures, providing outline of coverages to the insured;
- (14) Appropriates funds for the Insurance Commissioner to hire a qualified LTC actuary to provide services to the Insurance Division; and
- (15) Adds a severability clause.

Your Committee requests that the Department of Commerce and Consumer Affairs collaborate with specialty insurance stakeholders to further the discussion on the issue of providing universal access to long-term care insurance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 131, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 131, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Ige, D., Iwase, Anderson).

SCRep. 745 Ways and Means on S.B. No. 157

The purpose of this bill is to make an appropriation for preventive dental services for adults covered by Medicaid and MedQUEST.

Until February 1996, preventive dental services for adults under Medicaid and MedQUEST were covered by the State. Due to budget cutbacks, those services were dropped, and only emergency dental care was provided under these programs. Your Committee finds that the federal government will pay half the cost of providing preventive dental services for adults under Medicaid if the State pays the remainder. This is a win-win solution for the State.

Your Committee finds that preventive dental care will assist in the long-term dental health of residents in the Medicaid and MedQUEST programs, and that it is an appropriate use of state funds to pay the State's share as provided in this bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 157, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, D., Iwase, Tam, Anderson).

SCRep. 746 Ways and Means on S.B. No. 538

The purpose of this bill is to make the statutory changes necessary for granting the University of Hawaii total independence from the executive branch and establishing it as a separate branch of state government.

Most notably, this bill:

- (1) Gives the University of Hawaii control over the expenditure and accounting of its moneys;
- (2) Requires the University to prepare and submit to the Legislature a unified budget, six-year program and financial plan, and variance report;
- (3) Exempts the University from the civil service law and gives it control over personnel matters;
- (4) Prohibits more than six members of the Board of Regents from being members of the same political party;
- (5) Requires the Board of Regents to set the salary of the President of the University; and
- (6) Exempts the University from having to pay awards of attorney's fees to small businesses.

Your Committee finds that the University of Hawaii has wisely exercised the partial independence granted to it over the years, starting with Act 320, Session Laws of Hawaii 1986, and advancing steadily through Act 115, Session Laws of Hawaii 1998, with satisfactory results. In order for the University of Hawaii to realize its full potential, however, it needs to break away from the institutional restraints of the executive branch. These restraints often stifle imaginative thinking and risk taking for no better reason than the inability to overcome bureaucratic inertia. The students, faculty, and administrators of the University of Hawaii need the freedom and encouragement to dream of the things that can be and will be for their institution, not the things that could have been but never were.

Your Committee notes that the Department of Budget and Finance has expressed some concerns about this bill, which may indicate the need for further discussion at a future date. The Department of Budget and Finance has been invited to share its suggestions with the Committee in the spirit of developing a mutually acceptable bill that will grant the University of Hawaii independence from the executive branch and establish it as an independent branch of state government. Your Committee fully supports the concepts embodied in this bill and looks forward to working with the House of Representatives, the University of Hawaii, and the Governor's cabinet to make this dream come true.

Your Committee has amended this bill by:

- (1) Correcting variances in underlying statutory material between this bill and the printed versions of the Session Laws and the Hawaii Revised Statutes; and

- (2) Making technical nonsubstantive changes for purposes, 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. 538, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 538, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Ige, D., Iwase, Anderson).

SCRep. 747 Ways and Means on S.B. No. 580

The purpose of this bill is to appropriate funds to assist in the implementation of Project Faith.

Project Faith is a project proposed by the Anahola Homesteaders Council which will provide long-term jobs, native business entrepreneurial opportunities, job training for youth, and establish much needed facilities in the Anahola district, including an elderly nursing care facility, an early education and child care facility, a fire station, commercial office space, and a cultural pavilion.

Your Committee finds that there is significant community support for Project Faith and that it will help to revitalize the area, which has been beset by high unemployment and social depression.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 580 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Iwase, Tam, Anderson).

SCRep. 748 Ways and Means on S.B. No. 797

The purpose of this bill is to limit the total amount of nonbid contracts awarded to any one individual, sole proprietorship, corporation, limited liability company, firm, partnership, business, joint venture, joint stock company, group, hui, society, association, or similar entity within a five-year period.

In addition, this bill:

- (1) Allows the Governor to grant special approval to award more than the limit of nonbid contracts permitted by law, based upon a recommendation from the administrator of the state procurement office after a public hearing;
- (2) Allows the awarding of more than the limit of nonbid contracts permitted by law if all contractors the chief procurement officer has determined to be eligible to bid on nonbid contracts have received at least one contract award within the five-year period;
- (3) Requires the chief procurement officer to maintain a record of all procurements for goods, services, or construction of \$25,000 or more made by competitive sealed proposals and by small purchases of less than \$25,000; and
- (4) Repeals the requirement that the chief procurement officer maintain a record of all procurements for goods or services that are available from multiple sources, but for which procurement by competitive means is either not practicable or not advantageous to the State.

Your Committee has amended this bill by requiring the chief procurement officer to electronically post the name of each contractor awarded a contract for goods, services, or construction under the procurement code; the amount and type of the contract; and the goods, services, or construction procured under the contract.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 797, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 797, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, D., Iwase, Anderson).

SCRep. 749 Ways and Means on S.B. No. 994

The purpose of this bill is to establish an elder and dependent adult abuse review commission to review Hawaii's elderly and dependent adult abuse protective services laws.

Your Committee finds a disturbing trend locally of increasing abuse of elderly and dependent adults. Abuse crimes pose significant threats to the safety and well-being of the elderly. Your Committee also finds that part X of chapter 346, Hawaii Revised Statutes, relating to dependent adult protective services, has not been reviewed since its enactment in 1989. Therefore, your Committee concurs with the host of testifiers at the hearing conducted by the Health and Human Services Committee who supported

the establishment of a review commission to review Hawaii's elderly and dependent adult abuse protective services laws. The establishment of the Commission is the first step towards crafting legislative policy to recognize, assist, and protect the elderly in Hawaii.

Your Committee has amended the bill by:

1. Deleting the appropriation sections;
2. Adding the long-term care ombudsman of the executive office on aging to the commission; and
3. Making technical amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 994, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 994, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, D., Iwase, Anderson).

SCRep. 750 Ways and Means on S.B. No. 1137

The purpose of this bill is to broaden the eligibility for dependent-beneficiaries of participants enrolled in the State's health insurance plan.

Your Committee finds that recently, there has been an exodus from the state health insurance plan by participants who have left for more affordable competing programs. This has resulted in an inordinately high percentage of older participants who have increased costs because of the nature of the medical care they require. To remedy this situation, changes must be made to the health insurance plan law to attract participants back to the program.

This bill does just that by broadening the eligibility for dependent-beneficiaries to effectively increase the number of possible dependent-beneficiaries that may be claimed by a participant. More significantly, the bill removes the requirement that beneficiaries must live at home and allows a student beneficiary to qualify for benefits until the age of twenty-four. The bill also provides for certain beneficiaries who are mentally or physically incapacitated and broadens the eligibility of employee-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 is in accord with the intent and purpose of S.B. No. 1137 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Iwase, Tam, Taniguchi, Anderson).

SCRep. 751 Ways and Means on S.B. No. 1163

The purpose of this bill is to extend the authority of the Director of Public Safety to grant emergency release of pretrial inmates until June 30, 2000.

Your Committee finds that, because of overcrowding in correctional facilities, the Department of Public Safety needs a release mechanism by which it can relieve overcrowding in the pretrial population while considering public safety. Your Committee further finds that the Legislature, through Act 227, Session Laws of Hawaii 1998, established strict controls over which defendants qualify for emergency pretrial release.

Your Committee has amended the bill by changing its effective date from on approval to June 29, 1999.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1163, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1163, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 752 Ways and Means on S.B. No. 1271

The purpose of this bill is to enable the Department of Education to collect fees for all supplementary, discretionary instructional services to students during times when school is not in session.

Currently, the Department is authorized to assess and collect fees only for summer school and intersession programs.

This measure expands the Department's authority to assess fees for all non-school time programs by changing references to the summer schools and intersession programs to out-of-school time instructional programs, and changing the summer schools and intersession special fund to the out-of-school time instructional program special fund.

While your Committee accepts the need to assess additional user fees in these times of economic hardships for the State, we are deeply concerned over the impact this measure will have on the availability and affordability of programs for those most in need who may not have the financial resources to assume a higher burden of a program's costs.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and drafting style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1271, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1271, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 753 Ways and Means on S.B. No. 1284

The purpose of this bill is to appropriate and authorize funds to the Department of Budget and Finance, the Judiciary, and the Hawaii Health Systems Corporation to pay the cost of items negotiated in collective bargaining agreements with the representatives of units 1, 2, 3, 4, 6, 8, 9, 10, and 13, and for state officers and employees who are excluded from these units.

Specifically, this bill appropriates and authorizes general funds, special funds, federal funds, and other funds to pay the retroactive (i.e., past) and continuing (i.e., present and future) cost of these collective bargaining agreement items.

Your Committee finds that funds were not appropriated or authorized during past legislative sessions to pay the full cost of some collective bargaining agreements (e.g., unit 6 - educational officers) because of the severity of the budget deficit. Despite some signs of slight improvement in the State's economy, your Committee is uncertain whether or not there are sufficient funds to pay for all of these items at the same time.

Consequently, your Committee has amended this bill by replacing all the sums appropriated or authorized with a figure of "\$2" to provide for ongoing discussion of this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1284, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1284, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 754 Ways and Means on S.B. No. 1314

The purpose of this administration bill is to provide retirement benefits for trustees and former trustees of the Office of Hawaiian Affairs.

Your Committee finds that prior to July 1, 1982, the Employees' Retirement System provided Office of Hawaiian Affairs' trustees with the same retirement benefits as other elective officials. However, Act 165, Session Laws of Hawaii 1982, changed the definition of "elective official" in the Employees' Retirement System law, thereby effectively excluding Office of Hawaiian Affairs' trustees from this definition. In 1993, Act 358, Session Laws of Hawaii 1993, provided Office of Hawaiian Affairs' trustees with a salary and included them in all benefit plans available to other public employees except for retirement benefits.

Your Committee has amended this bill by making the benefits prospective, applicable to trustees who are in service on or after July 1, 1999.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1314, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1314, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Iwase, Tam, Taniguchi, Anderson).

SCRep. 755 Ways and Means on S.B. No. 1470

The purpose of this bill is to appropriate funds to the Office of the Auditor, the Ethics Commission, the Legislative Reference Bureau, and the Ombudsman to pay for salary increases and other cost adjustments for officers and employees of the Legislature who are excluded from collective bargaining.

Your Committee finds that this bill will allow the Office of the Auditor, the Ethics Commission, the Legislative Reference Bureau, and the Ombudsman to compensate their officers and employees on par with persons in similar positions who are covered under the collective bargaining agreements for units 3 (white-collar, nonsupervisory), 4 (white-collar, supervisory), and 13 (professional and scientific, other than registered professional nurses).

Your Committee also finds that Act 115, Session Laws of Hawaii 1997, appropriated and authorized funds to pay for fiscal biennium 1997-1999, all collective bargaining cost items in the agreements negotiated in fiscal biennium 1995-1997 with the representatives of bargaining units 3, 4, and 13.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1470 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 756 Ways and Means on S.B. No. 1475

The purpose of this bill is to transfer administrative control of the school-to-work opportunities pilot project from the Hawaii school-to-work opportunities executive council to the Department of Education, and to make the executive council an advisory body to the Board of Education and the Department.

In addition, this bill:

- (1) Repeals the law requiring the members of the Hawaii school-to-work opportunities advisory council to be nominated and, by and with the advice and consent of the Senate, appointed by the Governor;
- (2) Repeals the law giving the Hawaii school-to-work opportunities advisory council the power to appoint the executive director and staff of the school-to-work opportunities pilot project, and to adopt rules; and
- (3) Allows the Superintendent of Education to appoint the executive director of the school-to-work opportunities pilot project, and allows the Department of Education to employ the other staff of the pilot project.

Your Committee finds that transferring administrative control of the school-to-work opportunities pilot project to the Department of Education will:

- (1) Allow the Hawaii school-to-work opportunities advisory council to concentrate its efforts on reforming education, developing the State's workforce, and stimulating economic development; and
- (2) Make the Board of Education and Superintendent of Education totally and completely accountable for both the successes and failures of the school-to-work opportunities pilot project.

Your Committee has amended this bill by changing its effective date from July 1, 1999, to January 1, 2001.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1475, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1475, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, D., Iwase, Anderson).

SCRep. 757 Ways and Means on S.B. No. 1504

The purpose of this bill is to make appropriations for emergency medical services.

Specifically, the bill appropriates funds for the Makakilo-Kapolei area, the Kahalu'u-Kaaawa area, and Nanakuli. Your Committee finds that these rural areas are underserved in regard to emergency medical care. It is critical to the health and safety of the residents of these areas that emergency medical services be made available.

Your Committee has amended the bill by deleting the specific amounts of the appropriations to promote future 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. 1504, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1504, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Buen, Chun Oakland, Ige, D., Iwase, Tam, Anderson).

SCRep. 758

Health and Human Services on S.B. No. 737

The purpose of this measure is to exempt small construction projects from the permit requirements of the noise pollution law.

Testimony in support of this measure was received from the Department of Health (DOH), Hidano Construction, Inc., Jas. W. Glover, Ltd., Building Industry Association of Hawaii, Master Sheet Metal, Inc., and General Contractors Association of Hawaii. Testimony in opposition was received from Hawaii's Thousand Friends.

Your Committee notes that noise generated by smaller construction projects may be equally disturbing and result in adverse impacts on residential communities. As such, regulatory mechanisms are required in order that public complaints and concerns may receive appropriate response and attention. This measure requires the person responsible for a noise permit exempted construction project to notify the DOH in writing of the project. The notice must include specified information that would allow the DOH to monitor the construction to assure that surrounding neighbors will not be unduly bothered by the noise.

Your Committee finds that this measure provides regulatory relief to companies building smaller construction projects. Your Committee also recognizes that there needs to be a mechanism in place to provide notification to DOH of these projects so that DOH can expeditiously deal with complaints and concerns of the public.

Your Committee has amended this measure by:

- (1) Including Sundays and holidays to the time periods in which the exemption does not apply;
- (2) Prohibiting exemptions for construction projects exceeding seventy-eight decibels, regardless of the time;
- (3) Adding a penalty provision; and
- (4) Redesignating subsections to accommodate the penalty provision.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 737, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 737, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 759

Health and Human Services on S.B. No. 738

The purpose of this measure is to require the Department of Health (DOH) to grant or reject noise control permits within thirty days instead of one-hundred-eighty days.

The measure further requires the director to act on an application within ninety days if the director deems a public informational meeting, hearing, or notice is appropriate, and to extend the ninety-day period an additional ninety days if extraordinary circumstances exist. If the director does not act on this application within one-hundred-eighty days of the receipt of the application then the application is deemed granted.

Testimony in support of this measure was received from the DOH, Hawaiian Electric Company and its subsidiary Maui Electric Company, the Building Industry Association of Hawaii, Hidano Construction, Inc., and Jas. W. Glover, Ltd. Testimony in opposition was received from Hawaii's Thousand Friends.

Your Committee finds that shortening the time allowed for the Department of Health to issue noise control permits, as called for in this measure, is a fair compromise between the needs of the Department to examine an application thoroughly and the needs of the construction industry for an expedient permitting process.

Your Committee has amended this measure by deleting language which would have deemed an application granted upon the failure of the director to act on an application within 180 days.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 738, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 738, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Iwase).

SCRep. 760

(Joint) Health and Human Services and Ways and Means on S.B. No. 1032

The purpose of this administration measure is to require the Director of Health to adopt rules to enable interdisciplinary clinical review panels to authorize the involuntary administration of psychotropic medication for appropriate patients at the state hospital at Kaneohe.

Your Committees received testimony in support of this measure from the Department of Health (DOH), Hawaii Psychological Association, Hawaii Psychiatric Medical Association, Mental Health Association in Hawaii, Hawaii Medical Association, Nami Oahu, and three private citizens. Testimony in opposition was received from the Office of the Public Defender, United Self-Help, and two private citizens.

This measure is intended to alleviate mental illness and restore competency while protecting the rights of patients. Your Committees desire that the administrative rules contain adequate safeguards to ensure that medications are administered in accordance with proper medical standards.

Your Committees wish to recommend the following to the DOH:

- (1) That in the process of adopting administrative rules, the DOH collaborate and consult with the Mental Health Association of Hawaii, Nami Oahu, United Self-Help, Office of the Public Defender, Hawaii Psychiatric Medical Association, Mental Health Consumer Sandwich Group, Hawaii Psychological Association, Hawaii Medical Association, Healthcare Association of Hawaii, and individual mental health consumers and advocates; and
- (2) That the DOH include as members of the interdisciplinary clinical review panels the clinical director of the facility in which the patient is committed, a psychiatrist, an allied mental health professional other than a physician, a mental health consumer, and a mental health advocate.

Though not required by this measure, the DOH is strongly urged to adopt rules for the Hawaii State Hospital and for other in-patient psychiatric facilities regarding informing patients of their rights about psychiatric medication and its effects, including means of handling patients who refuse medication.

Your Committees note the testimony of the Office of the Public Defender and wishes to emphasize the comments about the adverse side effects of prescription medication administered to psychiatric patients, including the new anti-psychosis drugs. Your Committee is concerned about the comment, "Thus, these patients who are committed to the state hospital are faced with a choice of receiving such medication and endure the side effects for the benefit of controlling their mental illness." Your Committees believe that the right of patients to refuse medication must be protected as a right to privacy under Hawaii's Constitution.

Your Committees have amended this measure by:

- (1) Clarifying in section 2 of the measure that the new section is to be added to part III of chapter 334, Hawaii Revised Statutes (HRS), relating to the state hospital;
- (2) Adding "in-patient psychiatric facilities", examination for physical or mental disease, disorder, or defect, and criminal commitments to the new section 334- (a), HRS, relating to authorization of involuntary administration of medication, in section 2 of the measure;
- (3) Clarifying that the appeals process is to a "separate panel" instead of a "second body";
- (4) Combining the new section 334- (b) and (c), HRS, relating to final order and appeals, into one new subsection;
- (5) Clarifying that the administrative process established by the rules is not to be construed as a contested case under chapter 91;
- (6) Requiring counsel paid by the State to be provided to patients who are subject to involuntary hospitalization;
- (7) Requiring the DOH to report to the Legislature each year before the convening of the legislative sessions of 2000, 2001, and 2002;
- (8) Repealing the Act on June 30, 2002 and reenacting current statutory provisions; and
- (9) Making technical, nonsubstantive amendments for clarity and to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Health and 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. 1032, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1032, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 13. Noes, none. Excused, none.

SCRep. 761 (Joint/Majority) Health and Human Services and Ways and Means on S.B. No. 1034

The purpose of this administration measure is to create a Hawaii tobacco settlement special fund.

Your Committees received testimony in support of this measure from the Department of Health (DOH), Department of Human Services, American Lung Association, American Academy of Pediatrics, Coalition for a Tobacco Free Hawaii, American Cancer Society, Good Beginnings Alliance, Hawaii State Primary Care Association, Childcare Business Coalition, Healthy Start, Hawaii Early Intervention Coordinating Council, Hawaii Association for the Education of Young Children, and one private citizen.

The State of Hawaii is in the process of receiving an estimated \$1.13 billion from a class action lawsuit against several giant tobacco companies. This measure provides for the allocation and use of those moneys upon receipt. Your Committees believe that it is prudent to plan ahead for the use of those funds.

The Legislature has been beset with many requests from public and private agencies to receive a portion of the tobacco settlement moneys. Your Committees wish they could satisfy all of those requests, but find that the most critical areas that need funding are in areas of health, childhood education, nutrition, early intervention, and tobacco prevention.

Your Committees have amended this measure by:

- (1) Adding language in section 1 about the importance of early childhood education programs and early childhood intervention services, and about the dangers of maternal smoking;
- (2) Changing the title of the new chapter from "Hawaii Tobacco Settlement Special Fund" to "Hawaii Tobacco Settlement Moneys" to accommodate the broadened scope of the amendments;
- (3) Deleting the definition of "children's health program" as being unnecessary;
- (4) Inserting a new definition for "tobacco settlement";
- (5) Creating a Hawaii tobacco prevention and control endowment fund, a board of trustees for the endowment fund, and a rainy day fund;
- (6) Requiring that the endowment fund be under the Hawaii Community Foundation;
- (7) Clarifying that all tobacco settlement moneys are to be initially deposited into the Hawaii tobacco settlement special fund before transferring moneys to other specified funds and purposes for fiscal years 1999-2000 and 2000-2001;
- (8) Changing the administrative responsibilities for the Hawaii tobacco settlement fund from the Department of Budget and Finance to the DOH;
- (9) Providing for the appointment of members of the advisory board by the Director of Health, to include specified persons and other representatives of particular groups;
- (10) Clarifying that the advisory board shall exist for so long as tobacco settlement moneys are received by the State;
- (11) Requiring the Auditor to report to the Legislature and the governor on a financial audit before the 2002 regular session and an evaluation audit before the 2004 regular session, of the Hawaii tobacco prevention and control endowment fund; and
- (12) Deleting the appropriation section.

Your Committees desire that the Legislature evaluate this measure, perhaps prior to the 2001 or 2002 regular session, to determine the appropriate statutory amendments for the allocation of tobacco settlement moneys after July 1, 2001. Under this measure, as amended, the special fund will hold and distribute all moneys until July 1, 2001, or until the Legislature determines further statutory allocations. Your Committees believe that this flexibility is important for now in light of changing circumstances and needs in the future.

Your Committees have also renumbered sections and reformatted the measure to reflect preferred drafting style, and made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and 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. 1034, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1034, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 2 (Iwase, Kawamoto). Excused, 4 (Buen, Nakata, Taniguchi, Anderson).

SCRep. 762

(Joint) Health and Human Services and Ways and Means on S.B. No. 1229

The purpose of this measure is to provide assistance to the homeless. Specifically, this measure:

- (1) Requires that twelve and a half per cent of conveyance taxes collected each fiscal year be deposited into the rental housing trust fund;
- (2) Requires that twelve and a half per cent of conveyance taxes collected each fiscal year be deposited into the special fund for homeless assistance;
- (3) Appropriates \$70,000 in general funds for capital improvements for homeless shelter facilities; and
- (4) Appropriates \$600,000 out of the special fund for homeless assistance for homeless assistance.

Your Committees received testimony in support of this measure from the Housing and Community Development Corporation of Hawaii, United Public Workers, Institute for Human Services, Hawaii Catholic Conference, Catholic Charities, American Friends Service Committee, Nature Conservancy of Hawaii, Projects Pacific, Affordable Housing and Homeless Alliance, Gregory House Programs, Hawaii Lawyers Care, and a private individual. Testimony in opposition was received from the Legal Aid Society of Hawaii. Informational testimony was provided by the Tax Foundation of Hawaii.

The intent of this measure is to provide a continuous source of funding for homeless assistance. Your Committees find that a special fund for homeless assistance would help to effectively address a major problem which has grown over the past decade in the increasing number of homeless persons. However, financial resources to fund homeless programs have been scarce.

Your Committees have amended this measure to reflect a more equitable distribution of conveyance tax moneys by changing the deposit amounts from twelve and a half per cent to twenty-five per cent each into the rental housing trust fund and the special fund for homeless assistance, respectively.

As affirmed by the records of votes of the members of your Committees on Health and 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. 1229, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1229, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Buen, Nakata, Taniguchi, Anderson).

SCRep. 763 Ways and Means on S.B. No. 105

The purpose of this bill is to establish a six-member advisory commission on government restructuring to assist in streamlining the size of government.

Your Committee finds that the Legislature has a history of concern with the size of state government, studying the issue in the 1970s and 1990s, and passing legislation in 1996 acknowledging that this was a joint concern of the Legislature and the Governor. In response to that Act, the Governor released a report, "Restructuring Government Services" in December 1996. Your Committee finds that was an important effort but did not fully accomplish its goals, and that more work needs to be done in this area.

To effectuate the goals of the bill, your Committee has amended it by:

- (1) Changing the advisory committee to a joint legislative task force;
- (2) Requiring the task force to solicit input on the roles of the departments and making recommendations to the Governor, rather than the Legislature, to implement ideas on streamlining; and
- (3) By making the amount of the appropriation blank, and creating two separate appropriation provisions, each subject to the control of one of the presiding officers of each house.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 105, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 105, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, D., Iwase, Anderson).

SCRep. 764 Ways and Means on S.B. No. 450

The purpose of this bill is to continue the ongoing work to transform the State's accounting system and budgeting system to a performance-based budgeting system, and to develop a managed process that enables state and county governments to implement public-private competition for government services.

Specifically, this bill:

- (1) Requires the committee created to transform the State's accounting system and budgeting system to a performance-based budgeting system, to continually submit annual reports of the committee's plans, recommendations, and implementing actions to the Legislature until further notice;
- (2) Requires the committee created to develop a managed process that enables state and county governments to implement public-private competition for government services, to:
 - (A) Monitor and review the managed process until further notice;
 - (B) Complete a draft of the managed process by December 31, 2000, and complete the managed process by December 31, 2001; and
 - (C) Continually submit annual reports of the committee's findings, plans, implementations, and recommendations for changes to such laws as may be necessary to implement the managed process, to the Legislature until further notice;
- (3) Requires the managed process to:
 - (A) Develop a costing model that accurately estimates and accounts for the total cost of providing a government function and develop methods by which government in-house costs can be compared to private sector costs;
 - (B) Consider the costs of conversion to the private sector, including transaction costs, disruption costs, contract monitoring costs, and revenue increases or decreases;
 - (C) Ensure that all costs, including the costs of liability insurance; product and performance liability; fringe, employee retirement, and disability benefits; and other allocated direct and indirect overhead costs are realistic and fair; and
 - (D) Develop a handbook and training program that educates government agencies in the competitive government process;
- (4) Repeals the law exempting new contracts for goods, services, or construction, which are entered into by the State or a county after the July 1, 2001, from having to include a provision stating that the contract, during its term, is subject to a single review by the State or the county pursuant to the managed process; and
- (5) Repeals the June 30, 2001, sunset date for those provisions related to the managed process, including the committee created to develop, monitor, and review the managed process, and public-private competition for government services in the aftermath of the Konno decision.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 450, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, D., Iwase, Tam).

SCRep. 765 Ways and Means on S.B. No. 536

The purpose of this bill is to allow state agency heads to purchase computer and communication systems with proceeds from the sale of general obligation bonds.

Your Committee finds that the cost of computers and communication systems can be an expensive undertaking for a state agency. At the same time, these systems are vital to the State if Hawaii is to keep up with technological advances in managing public safety database systems, networking with other agencies as well as other states in the United States, and education technology. Your Committee further finds that the life of these computers and communication systems plus their high initial cost lend themselves to purchase via general obligation bonds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 536, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Iwase, Tam).

SCRep. 766 Ways and Means on S.B. No. 600

The purpose of this bill is to establish a state interagency coordinating body headed by the Department of Public Safety to oversee the development and implementation of offender substance abuse treatment programs in the State.

Furthermore, this measure requires confidential interagency sharing of the medical, psychological, or mental health records of inmates in treatment programs. Other state agencies required to participate in the coordinating body include the Hawaii Paroling Authority, the Judiciary, the Department of Health, the Department of Human Services, and any other agency assigned oversight responsibilities for offender substance abuse treatment.

Your Committee finds that effective substance abuse treatment requires inmate trust and interagency coordination. First, offenders must be assured that medical and related information provided and shared among participating agencies during the course of substance abuse treatment will be kept confidential in accordance with federal law. Otherwise, inmates with substance abuse problems will be hesitant to actively participate in the treatment process. Second, effective substance abuse treatment of the individual requires an integrated agency-wide effort because many agencies have jurisdiction over some facet of substance abuse treatment and an individual receiving public assistance with substance abuse is likely to encounter more than one of those agencies during the treatment process.

Your Committee has amended this measure by replacing the Department of Public Safety with the Department of Health as the lead agency of the state interagency coordinating body. Your Committee has also deleted reference to a master plan, clarified the specific program subject to interagency coordination, tightened language regarding the confidentiality of inmate medical and related records, and specified that it is additional available funding that the agencies are required to pursue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 600, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 600, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Ige, D., Iwase, Anderson).

SCRep. 767 Ways and Means on S.B. No. 646

The purpose of this bill is to reduce the cost of copying government records from 50 cents to not less than 6 cents per page.

Your Committee finds that public agencies collect and maintain a variety of records about taxpayers, public and private real property, agency decisionmaking, and rules. An informed public requires access to and occasionally, copies of these records. Your Committee supports the doctrine that citizen access to government records should be facilitated rather than curtailed. This bill, by reducing the cost of copying public records, will accomplish this policy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 646, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Iwase, Tam).

SCRep. 768 Ways and Means on S.B. No. 654

The purpose of this bill is to require the appointment of first deputies or first assistants of legislative service agencies to be subject to the advice and consent of the Joint Legislative Management Committee.

Specifically, this measure requires the Ombudsman and the Director of the Legislative Reference Bureau to subject the appointments of their first assistants to the advice and consent of the Joint Legislative Management Committee. This measure also authorizes the Legislative Analyst and the Auditor to appoint first deputies subject to the advice and consent of the joint management committee.

Your Committee finds that the complexity and volume of operations within all the legislative service agencies necessitates the appointment of either a first deputy or first assistant to assist the directors or chief officers of those agencies. Furthermore, subjecting those appointments to the advice and consent of the Joint Legislative Management Committee ensures the impartiality of the persons appointed to those posts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 654 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun Oakland, Nakata, Taniguchi).

SCRep. 769 Ways and Means on S.B. No. 1031

The purpose of this bill is to appropriate \$8,000,000 in emergency general funds for fiscal year 1998-1999 to the Hawaii Health Systems Corporation.

Specifically, these funds are to be used by the Hawaii Health Systems Corporation to meet year 2000 compliance for systems and equipment, and to reduce the workers' compensation costs which resulted from the years before the transfer of community hospitals from the State to the health systems corporation.

Your Committee finds that compliance with year 2000 requirements is critical in every area of government service from public safety, health systems, transportation, and the like. Without year 2000 compliance, many parts of these systems that rely on computers

could degenerate and adversely affect peoples' lives. Any type of health care that is affected by computers could have detrimental effects on patients' lives if the computer being used is not year 2000 compliant. The Hawaii Health Systems Corporation needs the State's financial help in order to become year 2000 compliant and to pay for workers' compensation costs. This is an emergency appropriation because the Hawaii Health Systems Corporation would not otherwise be able to continue to provide services in the current fiscal year.

Your Committee has amended this bill by deleting the specific dollar amount appropriated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1031, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1031, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Taniguchi).

SCRep. 770 Ways and Means on S.B. No. 1033

The purpose of this administration bill is to make an emergency appropriation for the Child and Adolescent Mental Health Division of the Department of Health.

This measure is recommended by the Governor for immediate passage to make up for a critical funding emergency. Although funds were appropriated to the Department of Health for the Child and Adolescent Mental Health Division for the fiscal period beginning July 1, 1998, and ending June 30, 1999, the program will expend all appropriated funds before the end of the current fiscal year, and the Department will be unable to meet its fiscal obligation to provide services to certain emotionally disturbed children and adolescents. The increases in case referrals and court-directed placements are the primary contributing factors to this financial situation. The amount of \$31,928,758 is appropriated.

Upon further consideration, your Committee has amended this bill to delete the specific dollar amount of the appropriation for the purpose of promoting 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. 1033, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1033, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Taniguchi).

SCRep. 771 Ways and Means on S.B. No. 1055

The purpose of this bill is to expand the types of benefit payments that may be claimed by the State when abandoned in the Department of Human Services' Electronic Benefit Transfer System (system).

The bill also clarifies that an account serviced by the system is considered abandoned after an inactive period of ninety days instead of after the case related to the account is closed.

Presently, claims made by the State to abandoned payments in the system are statutorily restricted to benefits paid to families with minor dependents, general assistance to households without minor dependents, and aid to the aged, blind, and disabled.

This bill would repeal the statutory restriction and allow the Department to claim abandoned payments for other kinds of benefit payments in the transfer accounts.

Your Committee has amended the bill by making a technical change that has no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1055, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1055, S.D.1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Nakata, Anderson).

SCRep. 772 Ways and Means on S.B. No. 1136

The purpose of the bill is to abolish the Board of Osteopathic Examiners and transfer its regulatory functions to the Board of Medical Examiners.

Your Committee finds that the abolition of the Board is consistent with past sunset reports from the Auditor. In 1985 and again in 1992, the Auditor recommended that the Board of Osteopathic Examiners be abolished and its duties folded into the Board of Medical Examiners, as regulatory activity by the board has historically been low and the two fields of medicine are becoming closer. The

Auditor pointed out in its 1992 study that twenty-one states used medical boards that combined medical doctors and osteopaths to regulate the professions.

Your Committee has amended the bill by increasing the number of osteopaths on the board from two to four, reinstating the number of physicians at seven, and by increasing total board size from eleven to thirteen.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1136, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1136, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Iwase, Nakata).

SCRep. 773 Ways and Means on S.B. No. 1176

The purpose of this measure is to exempt single-member limited liability companies (LLCs) from the general excise tax licensing, reporting, and tax liability when the member is licensed and pays the general excise tax on the business income of the LLC.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this measure would ease the regulatory burden on sole proprietors who convert to LLC status, and ensure that the single-member LLC is taxed only once under the general excise tax law, if specific conditions are met.

Your Committee has amended this measure to clarify that only when the single member LLC has a member that is an individual may the exemption be claimed. Technical, nonsubstantive amendments were also made.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1176, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1176, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Ige, M., Anderson).

SCRep. 774 (Majority) Ways and Means on S.B. No. 1272

The purpose of this bill is to authorize the Board of Education to determine readiness standards for attendance at kindergarten and grade school.

In addition, this bill raises the minimum age for attendance at kindergartens and grade schools on the traditional calendar by approximately four months by requiring a child to meet the minimum age requirement established by law at the time of enrollment.

Your Committee finds that attendance at kindergarten and grade school should be based solely on the readiness of the child for school. Kindergarten and grade school are not intended to be taxpayer-supported baby sitting services, and a great deal of harm can be caused to the self-esteem of a child by basing early education decisions on any considerations other than the readiness of the child for school. Your Committee also finds that many private schools in Hawaii already retain a child for one school year if the child is born late in the calendar year in order to allow the child to mature more naturally. Some private schools even go so far as to prescribe different cut-off dates for boys and girls.

Your Committee has amended this bill by specifying that the minimum ages required for attending kindergarten and grade school are to be based on the age of the child on the first day of the school year as determined by the Board of 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 S.B. No. 1272, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1272, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, 1 (Chun Oakland). Excused, 2 (Ige, D., Iwase).

SCRep. 775 Ways and Means on S.B. No. 366

The purpose of this bill is to amend the composition of the Employer-Union Trust Concept Committee and to extend the scope of its mandated purpose.

Specifically, the measure clarifies that equal numbers of representatives from public employers and public employee organizations sit on the Committee and that a retired beneficiary of the Public Employees' Health Fund also be a member. The measure also:

- (1) Extends the Committee's term until June 30, 2001;

- (2) Requires the Committee to submit annual progress reports on November 21, 1999, May 15, 2000, and November 21, 2000, to the Legislature;
- (3) Requires the Committee to submit annual action plans to the Legislature on November 1, 1999, and November 1, 2000; and
- (4) Requires the Committee to submit a finalized proposal and implementing legislation no later than twenty days prior to the convening of the 2001 regular session.

Your Committee finds that more time is needed in order to formulate a comprehensive plan to reform the public sector health benefits program paradigm as we know it. However, your Committee is committed to ensuring that such a reform occurs in a reasonable amount of time so as to benefit current public sector employees.

Upon further consideration, your Committee has amended this bill to specify that the equal membership representing public employers and employee organizations be set at five each, that is, one representing the state government and four representing the four county governments, and five members representing employee organizations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 366, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 366, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Iwase, Tam, Taniguchi, Anderson).

SCRep. 776

Ways and Means on S.B. No. 456

The purpose of this measure is to provide tuition waivers to students of Hawaiian ancestry to attend the University of Hawaii.

Specifically, the measure:

- (1) Appropriates funds to the Office of Hawaiian Affairs for the specific purpose of offsetting the costs incurred by the University of Hawaii in providing tuition waivers to students of Hawaiian ancestry;
- (2) Declares that any moneys expended for the purpose of providing tuition waivers to students of Hawaiian ancestry shall be credited against the State's pro rata share of ceded land revenue obligation to the Office of Hawaiian Affairs; and
- (3) Establishes an accounting process to effectuate the intent of the measure.

Your Committee finds that under section 5(f) of the Admission Act, the public land trust and the revenues derived therefrom may be used for the support of public schools and other public educational institutions. Because the University of Hawaii is indeed a public educational institution, it is compliant with the purpose of section 5(f) of the Admission Act. While much of the supporting testimony received by the Committees on Education and Technology and Water, Land, and Hawaiian Affairs indicated that these tuition waivers should be considered as an entitlement since the University of Hawaii at Manoa is situated on ceded lands, your Committee does not believe that the University is obligated to grant tuition waivers to Native Hawaiians to fulfill the educational purpose of section 5(f) of the Admission Act.

However, your Committee recognizes the duty of the State to provide increased opportunities and access to higher education for native Hawaiians. Your Committee finds that increased educational opportunities would create positive role models for young Hawaiians, and allow for greater advancement for native Hawaiians as a whole.

Your Committee further finds that another purpose of section 5(f) of the Admission Act is to provide for the betterment of the conditions of native Hawaiians. Thus, your Committee believes that while the University is not obligated to provide tuition waivers solely because it is located on ceded lands, the provision of these waivers would fall under another purpose of section 5(f) of the Admission Act. As such, your Committee believes that any money appropriated or allocated for the purposes of providing tuition waivers for native Hawaiian students should be credited against the State's pro rata share of ceded land revenue obligations.

Your Committee is also aware of the provisions of Article XII, section 6, of the Constitution of the State of Hawaii which requires the State to "...manage and administer the proceeds from the sale or disposition of the lands, natural resources, minerals and income derived from whatever sources for native Hawaiians and Hawaiians, including all income and proceeds from that pro rata portion of the trust referred to in section 4 of this article for native Hawaiians;..." (emphasis added). Your Committee interprets this provision to mean that any ceded land revenues for which the State seeks to claim credit in satisfaction of the pro rata share of revenue obligation first would have to either be allocated to the Office of Hawaiian Affairs prior to disbursement for the qualifying purpose, or be mutually agreed upon by the State and the Office of Hawaiian Affairs as a creditable expenditure of a pro rata share of ceded land revenues by the State.

Your Committee believes that the funding mechanism provided in the measure should:

- (1) Provide students of Hawaiian ancestry with the resources to obtain a post secondary education;

- (2) Fulfill at least in part, the State's obligation to use a portion of ceded land revenues for the purposes stated under the Admission Act, Article XII, Section 6, of the State Constitution, and Chapter 10, Hawaii Revised Statutes; and
- (3) Ensure that the University of Hawaii possesses the necessary financial resources to educate students of Hawaiian ancestry who receive tuition waivers.

Your Committee has amended the measure by replacing the blank amount appropriated with a zero dollar 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. 456, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 456, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Tam, Taniguchi).

SCRep. 777 Ways and Means on S.B. No. 571

The purpose of this measure is to extend the Hawaiian Home Lands Trust Individual Claims Review Panel and the process to resolve individual claims of breaches of the Hawaiian Home Lands Trust for two more years.

Your Committee finds that Chapter 674, Hawaii Revised Statutes, established a process by which to resolve individual claims of breaches of the Hawaiian Home Lands Trust. The process, as originally conceived, was supposed to be concluded by 1997. Due to complications and the sheer volume of claims filed, not all claims could have been filed by the original closing date. To remedy these problems the Legislature enacted Act 382, Session Laws of Hawaii 1997, which in part, extended the claims resolution process until December 31, 1999, and required the Attorney General, the Director of Finance, the Chairperson of the Hawaiian Homes Commission, and the Chairperson of the Hawaiian Home Lands Trust Individual Claims Review Panel to convene and establish a revised formula by which to compensate claimants. In 1998, Circuit Court Judge Marie Milks opined that the composition of the group to determine a revised formula had the appearance of bias and, therefore, ruled that the group was unconstitutional, thereby further slowing down the claims resolution process.

Your Committee believes that justice must prevail for those beneficiaries who have faithfully and patiently waded through the complex claims resolution process only to be put off year after year. Unfortunately, with the recent Circuit Court ruling which has clouded the issue of the amount of compensation owed to claimants, your Committee believes that a further extension is necessary.

Your Committee has amended the measure by:

- (1) Adding language that establishes a special account in the Hawaiian Home Lands Trust Fund for the purpose of compensating successful claimants who were awarded a monetary judgment by the Hawaiian Home Lands Trust Individual Claims Review Panel under Chapter 674, Hawaii Revised Statutes;
- (2) Transferring the cash value credit (\$14,498,565) the State sought to obtain from the Department of Hawaiian Home Lands for lands conveyed by Act 95, Session Laws of Hawaii 1996, for settlement payments owed under Chapter 673, Hawaii Revised Statutes, to the special account in the Hawaiian Home Lands Trust Fund;
- (3) Authorizing the issuance of general obligation bonds in the amount of \$1,936,111, to cover the additional amount necessary to compensate successful claimants who were awarded a monetary judgment by the Hawaiian Home Lands Trust Individual Claims Review Panel under Chapter 674, Hawaii Revised Statutes;
- (4) Sunsetting the special account on June 30, 2004; and
- (5) Stating that the awards authorized by the Hawaiian Home Lands Trust Individual Claims Review Panel in either their 1997 or 1998 report and settled under this measure shall not serve as a precedent for any other unresolved claims brought under Chapter 674, Hawaii Revised Statutes.

Your Committee finds that since the enactment of Chapter 674, Hawaii Revised Statutes, the State has fallen on hard financial times. Although your Committee believes that the Legislature remains committed to resolving past breaches of trust with individual claimants, general revenues to fund such a compensation package are virtually nonexistent.

In order to compensate successful claimants who have been awarded monetary judgments by the Hawaiian Home Lands Trust Individual Claims Review Panel established pursuant to section 674-3, Hawaii Revised Statutes, without adversely impacting on the State's general fund, your Committee has established an innovative funding mechanism that involves leveraging of the cash value of lands transferred to the Department of Hawaiian Home Lands.

Your Committee also finds that Act 95, Session Laws of Hawaii 1996, authorized the transfer of certain real property developments contained in the Villages at Kapolei on Oahu and the Villages at Laiopua on Hawaii to the Department of Hawaiian Home Lands so that the State would obtain credit for its settlement with the Department of Hawaiian Home Lands authorized under Act 14, Special Session Laws of Hawaii 1995. As background, a part of the settlement agreed to under Act 14, Special Session Laws of Hawaii 1995, required the State to pay the Department of Hawaiian Home Lands \$30 million annually for twenty years. This cash

payment could be offset by the prepayment of excess amounts over the annual \$30 million payment, or by the transfer of real property from the State to the Department of Hawaiian Home Lands. Act 95, Session Laws of Hawaii 1996, specifically transferred the real property to gain credit under section 6(1) of Act 14, Special Session Laws of Hawaii 1995.

Your Committee has learned however, that the cash value of the lands conveyed to the Department of Hawaiian Home Lands, which are estimated at \$14,498,565, have not yet been credited to the State's benefit by the Department of Hawaiian Home Lands. In essence, the lands conveyed have not served any purpose towards resolving claims under Chapter 673 or 674, Hawaii Revised Statutes.

Based on these findings, your Committee believes that the lands conveyed by the State to the Department of Hawaiian Home Lands pursuant to Act 95, Session Laws of Hawaii 1996, should not "lie fallow" with regard to the credit the State may be able to receive for the settlement of past claims against it and that the cash value of the lands should be immediately credited for the benefit of native Hawaiian beneficiaries.

To this end, your Committee further finds that there exists a class of native Hawaiian beneficiaries that have successfully engaged the process established under Chapter 674, Hawaii Revised Statutes, to resolve their individual claims of breach of the Hawaiian Home Lands Trust. These beneficiaries' awards have been documented in the Hawaiian Home Lands Trust Individual Claims Review Panel's 1997 annual report. The approximate cost of compensating these beneficiaries is estimated at \$16.4 million.

Your Committee believes that rather than let the cash value of the lands conveyed pursuant to Act 95, Session Laws of Hawaii 1996, go uncredited under the State's settlement agreement for breaches of the Hawaiian home lands trust brought under chapter 673, Hawaii Revised Statutes, the cash value should be credited in the State's favor toward compensating native Hawaiian beneficiaries that have successfully asserted claims against the State under Chapter 674, Hawaii Revised Statutes. This would be accomplished by requiring the Department of Hawaiian Home Lands to expend funds from the Hawaiian Home Lands Trust Fund, the fund in which the \$30 million dollar annual settlement payments are deposited, to compensate successful claimants.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 571, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 571, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 778 (Majority) Ways and Means on S.B. No. 656

The purpose of this bill is to establish a citizen's advisory committee to review the activities of the Public Utilities Commission and the public utilities, advise the consumer advocate, and ensure public participation in the process.

This measure provides a structured opportunity for the public to participate in the process that governs the public utilities. Establishing a citizen's advisory committee to ensure public participation in public utilities activities is important because it is the consumers of the public utilities that are affected by the decisions made.

Your Committee finds that establishing a citizen's advisory committee is an effective way to promote public participation in the regulation of public utilities.

Your Committee has amended this bill to require that the citizen's advisory committee have representation from each county in the State, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 656, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 656, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, 1 (Buen). Excused, 3 (Ige, D., Iwase, Tam).

SCRep. 779 (Majority) Ways and Means on S.B. No. 953

The purpose of this bill is to create the Hawaii Environmental Authority, within the Department of Land and Natural Resources for administrative purposes, to develop and oversee the State's environmental protection policies.

The bill requires the Authority to develop a strategic long-range environmental protection plan, to be updated every three years, to preserve and enhance the State's natural and cultural resources and protect and market the State as a desirable visitor destination, taking into account the economic, social, and physical impacts of tourism on the State. The bill also creates an environmental special fund the moneys in which are to be used to carry out the functions and duties of the Authority including funding the salaries and expenses of the Office of Environmental Quality Control established in section 341-3, Hawaii Revised Statutes. The bill also requires the Office of Environmental Quality Control to provide assistance to the Authority beginning on January 1, 2000.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 953, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 953, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, 1 (Buen). Excused, 3 (Ige, D., Iwase, Tam).

SCRep. 780 Ways and Means on S.B. No. 1082

The purpose of this bill is to provide a permanent source of funding for the Bureau of Conveyances.

This measure establishes the Bureau of Conveyances special fund and deposits all revenues from the conveyance tax into the fund along with a portion of other fees received by the Bureau of Conveyances. This measure also repeals the distribution of revenues to the rental housing trust fund and the natural area reserve fund.

Your Committee finds that returning the conveyance tax revenues to the Bureau of Conveyance special fund to plan, implement, and operate a recording system is an effective and efficient way to finance the needs of the Bureau. Your Committee, however, finds it unnecessary to repeal the distribution of revenues to the rental housing trust fund and the natural area reserve fund. Accordingly, your Committee has amended this measure to have twenty-five per cent of the revenues of the Bureau of Conveyances special fund distributed to the rental housing trust fund and twenty-five per cent distributed to the natural area reserve fund.

Your Committee has also amended this measure by correcting the references to the imposition of the conveyance tax and making other technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1082, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1082, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 781 Ways and Means on S.B. No. 1146

The purpose of this bill is to allow a Hawaiian homestead lessee to transfer the lessee's interest to a spouse, child, or grandchild who is at least one-quarter Hawaiian.

Your Committee finds that the Hawaiian Home Lands Act has been amended to allow a lessee to pass on the lessee's interest to a relative who is one-quarter Hawaiian upon the lessee's death. The proposed change would allow this to be done while the lessee is still alive. The amendments made by this bill will not take effect until consent is obtained from the United States government.

Your Committee has amended the bill to make technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1146, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1146, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 782 Ways and Means on S.B. No. 1147

The purpose of this bill is to require the Workforce Development Council to fulfill the functions of the State Workforce Investment Board for the purposes of the federal Workforce Investment Act of 1998, and to expand the size, composition, and duties of the Council.

Specifically, this bill:

- (1) Increases the membership of the Workforce Development Council to twenty-nine members;
- (2) Increases the number of private-sector, business representatives on the Council to fifteen, including at least one member from each of the four county workforce development boards;
- (3) Abolishes the seat on the Council currently filled by a representative from a community-based organization that is not a native Hawaiian organization that operates workforce development programs;
- (4) Adds two representatives of labor, two mayors or their designated representatives, and four members of the Legislature to the membership of the Council;

- (5) Requires the Council to assist the Governor in, among other things:
- (A) Developing the State's plan for the use of federal workforce investment funds;
 - (B) Developing and continuously improving the statewide and local workforce investment systems and the one-stop delivery systems;
 - (C) Developing allocation formulas for the distribution of funds for adult employment and training activities and youth activities;
 - (D) Developing and continuously improving comprehensive state performance measures, including state-adjusted levels of performance, to assess the effectiveness of workforce investment activities in the State;
 - (E) Preparing the annual report to the United States Secretary of Labor; and
 - (F) Developing the statewide employment statistics system; and
- (6) Requires the Council to act as the designated state entity to conduct activities relating to occupational and employment information for vocational and technical education programs.

Your Committee has amended this bill by:

- (1) Specifying that the four council members from the Legislature are to be appointed by the Governor from lists of nominees submitted by the President of the Senate and the Speaker of the House of Representatives;
- (2) Requiring the Governor to submit the annual report prepared for the United States Secretary of Labor to the Legislature as soon as available; 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. 1147, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1147, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Iwase, Nakata, Anderson).

SCRep. 783 Ways and Means on S.B. No. 1158

The purpose of this bill is to appropriate funds to compensate those crime victims who are awarded compensation during the period from July 1, 1999, to June 30, 2000.

Your Committee finds that the Crime Victim Compensation Commission compensates certain victims of violent crimes for their damages incurred, including compensation for cleaning of the crime scene, clothing taken as evidence, lost earnings due to crime-related injuries, funeral and burial expenses, moving expenses, counseling, medical care, and pain and suffering. Your Committee further finds that this appropriation request is based on the compensation awards paid during the last fiscal year.

Your Committee has amended this bill to change the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1158, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1158, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Chun, Taniguchi).

SCRep. 784 Ways and Means on S.B. No. 1269

The purpose of this measure is to provide \$11,100,000 for an additional 283 permanent positions and operating funds to the Department of Education for fiscal year 1998-1999.

Your Committee finds that this bill will enable the Department of Education to fulfill the requirements of the Felix consent decree without the reduction or discontinuation of other essential services for students in regular and special education programs.

Your Committee has amended the bill by:

- (1) Changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter; and
- (2) Making technical nonsubstantive changes 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. 1269, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1269, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Chun, Taniguchi).

SCRep. 785 Ways and Means on S.B. No. 1300

The purpose of this bill is to make an emergency appropriation for \$2,132,595 for fiscal year 1998-1999 to return to the federal government its share of health insurance rate credits and rebates received by the State.

This bill is recommended by the Governor for immediate passage. Act 141, Session Laws of Hawaii 1998, required the Public Employees Health Fund to return to the state general fund the amount of \$31,315,640, representing the State's share of health insurance carrier refunds, rate credits, and accrued interest. The federal government provides the State with funding for fringe benefit costs which include health insurance premium costs. As a result, the federal government is entitled to a portion of that refund and the United States Department of Health and Human Services is requesting that the State make immediate payment of that portion.

Upon further consideration, your Committee has amended this bill by deleting the appropriated dollar amount for the purpose of promoting 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. 1300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1300, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, Taniguchi, Anderson).

SCRep. 786 Ways and Means on S.B. No. 1438

The purpose of this bill is to define "state contractor" for the purposes of providing a preference to state contracts and increase the allowable margin for preferred contractors.

The Defense Appropriations Act has, for many years, required defense contracts in the State to employ Hawaii residents. The Federal Acquisition Regulations generally require the contracting officers to follow local laws and practices whenever possible within the contracting provisions. Many of the federal contracts in Hawaii have been awarded to out-of-state contractors who bring in temporary workers residing in Hawaii for the duration of the contract. By defining "state contractor" and "state resident" in the state procurement code the federal contractors will have clear guidelines to evaluate the compliance of their contractors under the Defense Appropriations Act.

This measure also increases the allowable margin of difference from seven per cent to fifteen per cent for preferred state contractors. The preference is provided to level the playing field for local contractors who may have a higher overhead than some out-of-state contractors. The increase from seven to fifteen per cent for the allowable margin of difference is more likely to provide a real preference to state contractors.

Your Committee finds that taking these steps will strengthen the construction industry in Hawaii and provide access to additional opportunities for local 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 is in accord with the intent and purpose of S.B. No. 1438, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Iwase, Tam, Taniguchi, Anderson).

SCRep. 787 Ways and Means on S.B. No. 1542

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist the Honolulu Neighborhood Housing Services, a Hawaii not-for-profit corporation, in planning, designing, and constructing a senior citizen lifecare retirement community in the State.

Your Committee finds that there is an urgent need to provide affordable, quality lifecare residences and services for Hawaii's aging population. Accordingly, your Committee finds that it is in the public interest to encourage the development of senior citizen lifecare retirement communities in the State through the issuance of special purpose revenue bonds. Furthermore, your Committee notes that

the Honolulu Neighborhood Housing Services may be assisted through the issuance of special purpose revenue bonds, because this project is a health care project as defined in part II, chapter 39A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1542 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, D., Iwase, Anderson).

SCRep. 788 Commerce and Consumer Protection on S.B. No. 513

The purpose of this measure is to allow family child care homes to operate in condominiums, townhouses, and apartments.

Testimony in support of this measure was presented by the Department of Human Services, People Attentive to Children, and five individuals. The Department of Health, Good Beginnings Alliance, and numerous individuals, including many who signed a petition, though not present, submitted written testimony in support. Testimony in opposition to this measure was presented by the Management Specialists Company, Hawaiiana Management Company, Ltd., Hawaii Independent Condominium & Cooperative Owners, Hawaii Council of Associations of Apartment Owners, and three individuals. The Hawaii Fire Chiefs Association, Fire Department of the City and County of Honolulu, and numerous individuals, though not present, submitted written testimony in opposition. Informational testimony was presented by State Farm Insurance and the Commission on Persons with Disabilities.

Your Committee finds that current restrictions for a number of condominium associations do not permit family child care homes to operate in condominiums, townhouses, and apartments. Yet, your Committee feels that the need for child care is undisputed and that more child care homes should be allowed in these buildings. However, apartment owner associations typically disallow child care homes for fear of liability. This measure is intended to assuage the concerns over liability by requiring the family child care home to obtain liability insurance to cover the child care home.

Your Committee has amended this measure by:

- (1) Restricting the protections in this measure to owner occupants who are child care providers;
- (2) Limiting the number of family child care homes in a complex to at least one unit but not more than three per cent of the total number of units;
- (3) Restricting the protections in this measure to family child care homes located on the first four floors of a building;
- (4) Clarifying that the new section does not apply to associations that allow family child care homes to operate under conditions less restrictive than provided in this measure;
- (5) Deleting statutory amendments to section 346E-3, Hawaii Revised Statutes, relating to the Commission on Persons with Disabilities; and
- (6) Making technical, nonsubstantive amendments for clarity and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection, that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 513, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 513, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, none.

SCRep. 789 Commerce and Consumer Protection on S.B. No. 845

The purpose of this measure is to change the scope of social worker licensing to include "bachelor's social worker".

The Board of Psychology, the National Association of Social Workers, the Hawai'i Nurses' Association, and nine individuals presented testimony in support of the measure. The Hawaii Government Employees Association, the Brigham Young University Hawaii Social Work Department and forty-six individuals, though not present at the hearing, submitted written testimony in support of the measure.

The Hawaii Psychological Association and eight individuals presented testimony in opposition to the measure. Forty-two individuals, though not present at the hearing, submitted written testimony in opposition to the measure.

The Department of Commerce and Consumer Affairs presented comments on the measure. The Clinical Social Work Federation, though not present at the hearing, submitted written comments on the measure.

Your Committee finds that a single level licensing program for social work professionals is inadequate to protect the health, safety, and welfare of the public. Social workers' skills and competency levels vary depending upon their level of education and degree of

clinical experience. In order for consumers to make informed choices when selecting a social worker, clear distinctions need to be established in the law between the different categories of social workers, and the permissible scope of practice for each category needs to be clearly defined.

Your Committee further finds that the American Association of State Social Work Boards encourages states to adopt its model social work licensing scheme that establishes three levels of licensing: a bachelor's in social work (BSW) license, a master's in social work (MSW) license, and a clinical social worker license.

Your Committee has amended this measure by:

- (1) Retaining a licensing category for individuals with a bachelor's degree in social work, but providing that these individuals shall be known as "social work associates" (SWA);
- (2) Creating a new licensing category of "licensed clinical social worker" (LCSW) for individuals with clinical social work experience beyond that of a "licensed social worker", who have met certain certification and examination requirements;
- (3) Deleting the definition of "social worker";
- (4) Making the licensure of SWAs effective upon the measure's approval, but delaying the licensure of LCSWs until December 31, 2001; and
- (5) Making technical, nonsubstantive amendments.

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. 845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 845, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 790 Commerce and Consumer Protection on S.B. No. 837

The purpose of this measure is to allow patients direct access to dermatologists without referral from a primary care physician (PCP). This measure would also require health care plans that include dermatological coverage to reimburse the plan participant or pay the provider for dermatological services rendered regardless of whether a referral or authorization was obtained prior to delivery of services.

The Hawaii Federation of Physicians and Dentists, Hawaii Dermatological Society, and two individuals presented testimony in support of the measure. The Hawaii Medical Services Association and Kaiser Permanente presented testimony in opposition to the measure. The Insurance Commissioner presented testimony in support of the measure with proposed amendments.

Your Committee finds that using PCP's as gatekeepers, generally lowers the cost of health insurance and results in more comprehensive care being provided in the most cost-effective manner. However, if the use of PCP's as gatekeepers, endangers the quality of health care services offered, then direct access to a medical specialist should be available for consumers.

Your Committee further finds that a recently published study at one of the leading medical centers revealed that the working diagnosis of skin disease by non-dermatologists was incorrect in 68% of the patients. In the case of skin cancer, error or even delay in detection and proper treatment could be fatal.

Your Committee further finds that direct access to dermatologists will not increase the overall costs of medical care. Because dermatologists offer faster, more accurate diagnosis and superior knowledge of the best available treatments, the consumers will need to make fewer visits, resulting in less lost time from work, in addition to a generally higher quality of service.

Your Committee has amended this bill by deleting the section that addresses fraternal benefit societies, because fraternal benefit societies in Hawaii do not offer health insurance to their members.

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. 837, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 837, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 791 Commerce and Consumer Protection on S.B. No. 1073

The purpose of this measure is to subject condominium property regimes to county zoning and development ordinances and rules and provide for county review of such projects prior to recordation or the issuance of a final public report. Additionally this measure prohibits condominium property regimes on agricultural designated land.

The Department of Business, Economic Development and Tourism, Real Estate Commission, Department of Planning and Permitting for the City and County of Honolulu, the Land Use Research Foundation of Hawaii, the Kona Action Group to Address Flooding, Van Pernis, Smith, and Vancil, Attorneys at Law, and one individual, presented testimony in support of this measure. The Hawaii Association of Realtors and the Hawaii State Bar Association presented testimony opposed to this measure.

Your Committee finds that county land use ordinances and regulations ensure that a site is suitable for a proposed project, in terms of its impact on traffic, drainage and other important services, as well as the cumulative impacts on the physical environment and the surrounding community.

Your Committee further finds that the extent of the counties' authority over the uses proposed by condominium property regimes is often ambiguous. This measure would clarify the counties' authority over those uses.

Your Committee has amended this measure to:

- (1) Enable the counties to adopt supplemental rules and regulations to ensure CPR conformance with county ordinances;
- (2) Delete the ban of CPRs on agricultural designated land;
- (3) Delete the requirement for projects to be reviewed by the counties prior to recordation; and
- (4) Delete sections 5 and 6 of the measure, which would have required a developer to file a site plan with the counties prior to recordation.

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. 1073, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1073, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 792 (Joint) Commerce and Consumer Protection and Judiciary on S.B. No. 1510

The purpose of this bill, as received by your Committees, is to require professionals and businesses to maintain liability insurance and to exclude professionals and businesses that maintain the required liability insurance from the definition of "joint tortfeasors."

Testimony in support of this measure was submitted by the Building Industry Association of Hawaii, the Hawaii Association of Realtors, and Pacific Geotechnical Engineers, Inc. Testimony commenting on this measure was submitted by the Department of Commerce and Consumer Affairs, State Farm Insurance Companies, the Hawaii Insurers Council, and Consumer Lawyers of Hawaii. Testimony in opposition to this measure was submitted by Consulting Structural Hawaii, Inc.

Your Committees further find that Hawaii's liability insurers are in a unique position to provide important empirical data illuminating the effectiveness of Hawaii's tort system generally. A Tort Law Study Group was convened in 1997 pursuant to S.C.R. 256, H.D. 1, to undertake a comprehensive study of the tort law system and to submit recommendations to the legislature for possible reforms. The Study Group found that there was a paucity of empirical data available regarding tort claims in Hawaii, and recommended that the Insurance Commissioner establish a procedure for the systematic collection of tort claims data. The vast majority of tort claims involve liability insurance claims of some sort. Your Committees believe that insurers have the capability to track empirical data of the sort requested by the Study Group, but that insurers may have concerns that disclosure of such information would give an advantage to competitors or to plaintiffs' attorneys, or would reveal confidential information about specific claims. Explicitly permitting and requiring that such information be collected and provided to the Insurance Commissioner will allow the Insurance Commissioner to compile an accurate picture of the operation and effectiveness of Hawaii's tort law system.

Your Committees are concerned that property and casualty insurance lines generally, including the insurance coverages affecting most businesses, have been reaping profits from Hawaii business that are well above the national average and, for some lines, are the highest in the nation. The Insurance Commissioner has broad powers to regulate insurance premiums for worker's compensation and automobile insurance, including the power to reduce rates when appropriate. Your Committees believe this power should be extended to allow the Insurance Commissioner to roll back rates on all lines as appropriate to prevent excessive insurance profits at the expense of Hawaii's businesses and homeowners.

Your Committees find that there is interest in the business and professional communities in the abrogation of joint and several liability, perhaps in exchange for carrying a mandatory minimum level of liability insurance. However, it is not clear who would be best suited to set minimum liability insurance levels for a broad range of businesses and professions. Further, the potential costs and economic effects of this measure are unsusceptible to any accurate estimation at this time. For these reasons, your Committees believe it will be best to first examine the feasibility of this approach for a limited segment of the professional and business communities. Because the real estate community, in particular, has indicated interest in this measure, and because the real estate community is subject to state regulation, your Committees believe that real estate professionals will be an appropriate group to study and eventually test a system in which mandatory minimum insurance levels are combined with exemption from joint and several liability.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting the proposed new article relating to mandatory liability insurance;
- (2) Deleting the proposed amendment to the definition of joint tortfeasors;
- (3) Inserting a section requiring the Insurance Commissioner to study the feasibility of setting mandatory minimum insurance levels for real estate agents and brokers, in exchange for an exemption from joint and several liability for complying agents and brokers;
- (4) Adding a new section to the Hawaii Revised Statutes requiring the Insurance Commissioner to track tort claims data and permitting insurers to collect tort claims data as requested by the Insurance Commissioner; and
- (5) Allowing the Insurance Commissioner to adjust rates for all types of insurance.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1510, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1510, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 4 (Hanabusa, Ihara, Matsuura, Anderson).

SCRep. 793 Commerce and Consumer Protection on S.B. No. 665

The purpose of this measure is to consider motorcycle education courses approved by an armed services branch installation commander that meets the Motorcycle Safety Foundation requirements as a qualifying motorcycle education course for the purpose of obtaining motorcycle liability insurance coverage.

The Department of Transportation, the State Director of Street Bikers United, Carr's Insurance Agency, the Hawaii Motorcycle Dealers Association, and a concerned citizen presented testimony in support of the measure. The Treasurer of Street Bikers United and the Secretary of the Honolulu Chapter of Harley Owners Group, although not present, submitted written testimony in support of the measure.

The Insurance Commissioner presented testimony in opposition to the measure. The Chancellor of Community Colleges of the University of Hawaii and a concerned citizen, although not present, submitted written testimony in opposition to the measure.

Your Committee finds that motorcycle safety courses save lives and reduce insurance costs. Every opportunity should be taken to encourage and facilitate motorcycle driver enrollment in these courses.

Your Committee further finds that under the current law, only those motorcycle drivers who have enrolled in a motorcycle safety course through the University of Hawaii are allowed to obtain required liability insurance. At the same time, those enrolled in courses offered through the United States Armed Forces are not allowed to obtain temporary insurance, even though both courses have identical curriculum. This measure would allow greater opportunity for motorcycle drivers to enroll in courses in compliance with state law and obtain the necessary insurance.

Your Committee has amended the measure to:

- (1) Delete the amendment, which would allow persons to obtain liability coverage by enrolling in a motorcycle education course;
- (2) Allow persons to obtain a temporary insurance binder, if they have enrolled in a motorcycle education course which is approved by the installation commander of any branch of the armed services, and meets the Motorcycle Safety Foundation standards; and
- (3) Make technical and nonsubstantive amendments.

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. 665, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 665, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 794 Commerce and Consumer Protection on S.B. No. 783

The purpose of this measure is to permit a patient to direct an insurer to directly reimburse a nonparticipating dental provider.

The Insurance Commissioner and three individuals presented testimony in support of the measure. The Hawaii Dental Association and twenty-nine individuals, though not present at the hearing, submitted written testimony in support of the measure.

Queen's Health Management, the Chamber of Commerce of Hawaii, Legislative Information Systems of Hawaii, the Hawaii Building and Construction Trades Council, AFL-CIO, and the Hawaii Medical Services Association presented testimony in opposition to the measure. The Hawaii Medical Group Management Association, the Hawaii State AFL-CIO, and the Hawaii Government Employees Association, though not present at the hearing, submitted written testimony in opposition to the measure.

This measure gives the patient the option to allow the dental plans to directly reimburse the provider. Your Committee notes that this measure does not require a plan to reimburse a nonparticipating provider at the same or equal rate of reimbursement as a participating provider.

Your Committee has amended this measure by:

- (1) Changing the effective date of the bill to July 1, 2001, to provide dental plans sufficient time to implement the direct reimbursement option;
- (2) Adding similar language to other chapters in Hawaii's insurance laws so that all plans are covered; and
- (3) Making technical amendments for style and conformity.

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. 783, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 783, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Bunda).

SCRep. 795 Commerce and Consumer Protection on S.B. No. 785

The purpose of this measure is to require the Public Utilities Commission (PUC) to replace an existing telecommunications provider with an alternative provider when the PUC determines that an area of the State has less than adequate service and the existing provider fails to satisfy its burden in response to an order to show cause why the PUC should not authorize an alternative provider for that area. The measure also allows the alternative provider to acquire the former provider's property by eminent domain as may be necessary for the provision of basic legal exchange service in the area.

The Department of Commerce and Consumer Affairs, the Department of Business, Economic Development, and Tourism, Oceanic Communications, AT&T, TelHawaii, Inc., and GST Telecom Hawaii presented testimony in support of the measure. Four individuals not present at the hearing submitted written testimony in support of the measure. GTE Hawaiian Tel and the International Brotherhood of Electrical Workers Local Union 1357 presented testimony in opposition to the measure.

Your Committee finds that under current law the PUC is mandated, upon finding that any area of the State has less than adequate telecommunications service, to require the existing telecommunications provider to show cause why the PUC should not authorize an alternative telecommunications provider for the area.

Implicit in the law's mandate is the PUC's authority, upon the failure of the existing provider to justify its continued operation in an inadequately served area, to decertify the existing provider and to select an alternative provider to serve the area. Your Committee finds that this measure is necessary to clarify and make explicit the law's intent to empower the PUC to replace an existing carrier with an alternative carrier. It is not your Committee's intent in passing this measure to interfere with the PUC's existing powers and authority.

Your Committee has amended the measure by:

- (1) Deleting the purpose section of the measure;
- (2) Deleting the amendment to the eminent domain law that establishes a public utility's right to exercise the power of eminent domain upon written notification of a proposed condemnation to the PUC, and after the PUC has determined that the proposed condemnation is necessary and in the public interest, and that the public utility will use the property for its utility operations;
- (3) Making optional the PUC's decertification of a telecommunications provider and the selection of an alternative telecommunications provider upon the existing provider's failure to show cause to the PUC why it should not be decertified for providing less than adequate service in a particular area;
- (4) Deleting the provision establishing a replacement telecommunications provider's right to acquire under power of eminent domain the existing telecommunications provider's property and requiring the payment of just compensation for property taken by eminent domain;

- (5) Deleting the provision repealing section 101-43, Hawaii Revised Statutes, relating to requirements prior to the exercise of the power of eminent domain;
- (6) Deleting the measure's retroactivity provision; and
- (7) Making technical, nonsubstantive amendments.

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. 785, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 785, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Matsuura).

SCRep. 796 Commerce and Consumer Protection on S.B. No. 873

The purpose of this measure is to require the use of the Uniform Standards of Professional Appraisal Practice (USPAP) to determine real property fair market value for condemnation and lease renegotiation purposes. This measure also allows for the reopening of lease renegotiations that were concluded within the last five years for reconsideration under USPAP standards.

Seventeen individuals, though not present at the hearing, submitted written testimony in support of the measure. The Housing and Community Development Corporation of Hawaii and the Hawaii Chapter of the Appraisal Institute presented testimony in opposition to the measure. The Land Use Research Foundation of Hawaii and Kamehameha Schools Bishop Estate, though not present at the hearing, presented testimony in opposition to the measure.

Your Committee finds that all real estate transactions performed by real estate appraisers licensed or certified to practice in this State must comply with USPAP. This measure would provide for consistency in the appraisal of a property's fair market value by requiring the use of USPAP in condemnation proceedings and lease renegotiations.

Your Committee has amended this measure by:

- (1) Deleting the requirement that USPAP be used in fixing the compensation or damages to be paid for property condemned under the power of eminent domain;
- (2) Making optional the use of USPAP to determine the fair market value of real property for lease renegotiation purposes;
- (3) Deleting the option of reopening lease negotiations concluded within the last five years for reconsideration under USPAP;
- (4) Deleting the requirement that all lessees have equally available to them remedies relating to the lease of real property;
- (5) Postponing the measure's effective date to January 1, 2004; and
- (6) Making technical, nonsubstantive amendments.

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. 873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 873, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ihara, Matsuura).

SCRep. 797 Commerce and Consumer Protection on S.B. No. 984

The purpose of this measure is to permit certain contracts of warranty or guaranty to include coverage for towing and substitute transportation.

The Hawaii Automobile Dealers' Association presented testimony in support of this measure. One individual, while not present, submitted testimony in support. The State Insurance Commissioner testified in opposition to the measure.

Your Committee finds that all other states allow the extended service contracts sold by car dealers to provide towing, rental car, and other types of services. In Hawaii, the Insurance Division of the Department of Commerce and Consumer Affairs has maintained that by statute, additional services such as towing and car rental make the service contract an insurance product. For an insurance product, the dealer would have to be licensed as an insurer and only licensed agents may sell the product.

Your Committee finds that under current law, the Insurance Division does not have the power to exempt motor vehicle service contracts that include other services, and also finds that the Insurance Division is willing to implement the National Association of Insurance Commissioner's (NAIC) Service Contract Model Act if it becomes law.

The NAIC goes through a lengthy process involving numerous meetings and extensive discussion with all parties that may be affected by a law before a model act is adopted. Your Committee feels confident that the NAIC Service Contract Model Act contains provisions to adequately protect consumers.

Your Committee has amended this measure by repealing paragraph (14) of section 431:1-209, Hawaii Revised Statutes, and including the NAIC Service Contract Model Act. The Model Act was changed so that only motor vehicle service contracts or extended warranties would fall under this measure.

As amended, this measure sets forth requirements that must be met before motor vehicle service or extended warranty contracts can be sold, including other services such as towing and car rental. In order to assure performance on these contracts, the measure requires that each provider of service must either insure all service contracts under a reimbursement insurance policy, set up a reserve fund, or meet minimum net worth 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. 984, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 984, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, none.

SCRep. 798 Ways and Means on S.B. No. 4

The purpose of this bill is to prohibit state agencies from charging other state agencies for goods or services procured with general funds.

Your Committee has gutted the bill and in its place has inserted the contents of S.B. No. 38, S.D.1 without reference to the counties and an annual audit. The resulting bill authorizes the auditor to hire independent auditors to conduct audits of state government to ultimately reduce government waste and enhance government spending. The auditor is to report to the 2000 legislative session with its findings and recommendations.

Your Committee further finds that this bill is necessary to address the public demand for more accountability from state government and to eliminate government waste, fraud or the excesses that have plagued the administration for many years.

Additionally, your Committee has included provision to create a joint legislative task force to conduct interim hearings related to state government efficiency. The task force is to receive public input and may submit suggestions to the auditor on possible subjects for audits.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 4, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 4, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 799 Ways and Means on S.B. No. 46

The purpose of this measure is to amend chapters 37 and 302A, Hawaii Revised Statutes, to facilitate the implementation of school-based budgeting.

Specifically, this measure:

- (1) Requires the Department of Education to provide each school with the skills and information necessary for each school to prepare its own budget, and for each school to do so; and
- (2) Requires that prior to the beginning of each school year, schools prepare reports on their expenditures in the previous fiscal year.

Your Committee concurs with the concept that individual schools should be given increased involvement in the preparation and execution of each school's budget. This measure would make schools responsible for the preparation of their budgets, and give them maximum flexibility in the expenditure of their moneys.

However, your Committee has received information from the individual schools that they do not have the resources or the expertise to prepare their own budgets. Additionally, with the current economic hardship of the State, the Department of Education is not able to provide funds for each school to hire fiscal officers.

Nevertheless, your Committee believes that schools must assume more responsibility for their budgets. Your Committee finds that while the Department of Education currently allocates funds on a school-by-school basis, and gives schools flexibility to expend funds, these allocations are not made known to the individual schools until August, well after the Department of Education's budget is finalized by the Legislature, and only weeks before the school year commences. This does not give the individual schools adequate time to determine the most effective expenditure options.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the requirement that each individual school prepare its own budget;
- (2) Requiring the Department of Education to submit a report on its proposed school-by-school budget to the Legislature and the individual schools by the opening day of each regular session;
- (3) Deleting the amendment to section 37-34.5, Hawaii Revised Statutes, as it is no longer necessary; and
- (4) Making technical amendments for the purposes of clarity.

Your Committee notes that this measure focuses on school-based budgeting, and the issue of educational accountability is dealt with in another measure. The Committee on Education and Technology has passed S.B. No. 1307, S.D. 1, which also mandates increased accountability by the Department of Education and the schools. S.B. No. 1307, S.D. 1, establishes a comprehensive accountability system for school performance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 46, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 46, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Ige, M.).

SCRep. 800 Ways and Means on S.B. No. 175

The purpose of this bill is to make appropriations for the protection of children and families.

Specifically, this measure makes appropriations for:

- (1) Department of Health child death review teams to hire personnel;
- (2) Attorney General's family law division to hire personnel;
- (3) Department of Human Services to prevent child abuse and neglect;
- (4) Hawaii Children's Trust Fund;
- (5) Healthy Start program for services for families "at risk";
- (6) Substance abuse and treatment services of the Department of Human Services for pregnant and parenting women and their families;
- (7) Blueprint for Change program ("Neighborhood Place") of the Department of Human Services;
- (8) Foster parent training; and
- (9) Psychosocial support services programs ("The Parent Line" and "Home Reach") of the Department of Health.

Your Committee finds that the appropriations contained in this measure are necessary to prevent child abuse. The various programs focus on different aspects of a total matrix of effective prevention with proven success. Each program fits into continuum of enforcement and prevention services that are necessary to effectively address child abuse and neglect in Hawaii.

Upon further consideration, your Committee has amended this bill to delete all appropriation amounts for the purpose of promoting 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. 175, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 175, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, D., Iwase, Anderson).

SCRep. 801 Ways and Means on S.B. No. 392

The purpose of this bill is to authorize the issuance of general obligation bonds for the repair, upgrading, and reconstruction of Saddle Road, Hawaii.

Your Committee finds that the Saddle Road is the most direct route connecting Hilo and Kona but it was built more than fifty years ago with sections that are substandard and needs to be improved to current highway standards.

Your Committee has amended this bill by requiring the county of Hawaii to reimburse the State for the cost of issuing the general obligation bonds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 392, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 392, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 802 (Majority) Ways and Means on S.B. No. 425

The purpose of this bill is to increase fees charged by state agencies to more accurately reflect the cost of providing governmental services.

Your Committee finds that the State must find ways to generate income and collection of fees for different services can help to ease the current financial burden due to the weak economy.

Your Committee has amended this bill by deleting section 2 regarding fees for parking at state parks. Furthermore, it is not the intent in section 3 of fee charges to focus on alternative education students. Your Committee has also amended this bill by deleting the overbroad delegation of authority to the revisor of statutes in section 9 and made technical nonsubstantive changes, including renumbering sections to follow standard drafting practices.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 425, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 425, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, 3 (Buen, Iwase, Kawamoto). Excused, 4 (Ige, D., Ige, M., Nakata, Taniguchi).

SCRep. 803 Ways and Means on S.B. No. 426

The purpose of this bill is to establish a program for the specific purpose of maximizing the receipt of federal revenues for state agencies and programs.

The program is intended to secure eligible federal funds and grants for various state programs. In particular, the bill provides for this program to serve as a facilitator in state government responsible for applying for and maximizing federal funds and as the State's clearinghouse for information on federal funds; serve as an "early alert" on opportunities for obtaining federal funds to appropriate state agencies; coordinate all state efforts in applying for federal funds; and monitor federal compliance, including following-up with applicable federal agencies on behalf of state departments.

The bill further provides that the program will help pool applicable agency applications for federal funds into one or more multi-agency applications to maximize the target populations that are served by those agencies in applying for federal funds. The bill also offers incentives to state agencies to work with the program in aggressively pursuing federal funds; provides for the temporary transfer of personnel from other state agencies into this program; requires it to prepare comprehensive annual reports to the legislature; requires each state agency to designate employees as federal funds coordinators; and creates a grant writing team in the program. Finally, this bill makes permanent the interagency federal revenue maximization revolving fund by repealing the June 30, 1999, sunset date for that fund.

Your Committee is supportive of the creation of a permanent agency in state government to aggressively seek federal dollars on behalf of state programs. Your Committee finds that there is often a very limited time period in which to secure federal assistance for many state programs, much of which is available on a matching basis with state funds, and that the existing piecemeal approach to seeking new federal funds and grants is often counterproductive. The creation of a program for federal revenue maximization would allow state agencies to pool their applications as appropriate into a consortium of agencies to become more competitive with state agencies on the Mainland representing larger populations. Finally, the creation of a professional grant writing team would help to consolidate these important functions in one office with expertise in seeking grant funding.

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

- (1) Clarifying that federal funds refer to "new" federal assistance provided or potentially made available to state agencies after the effective date of the bill;
- (2) Providing for the establishment of the program for federal revenue maximization within the Department of Business, Economic Development, and Tourism or such other comparable agency as determined by the Governor, instead of within the Research Corporation of the University of Hawaii;
- (3) Providing that federal funds obtain by the program, with or without the assistance of the departments, shall be deposited in the interagency federal revenue maximization revolving fund for expenditure by the subject agency for programs it administers, rather than providing incentives for agencies that aggressively pursue grants;
- (4) Clarifying that the program for federal revenue maximization may receive, as processing fees, up to five per cent of the new federal funds obtain as a result of the program's efforts;
- (5) Deleting subsection (d) in section 307-E, providing that unexpended and unencumbered funds lapse to the credit of the general fund, and designating subsection (e) and (d);
- (6) Deleting the provision in section 29-14, Hawaii Revised Statutes, that authorizes the Governor to transfer funds between specified departments to obtain additional federal funds for medical assistance and the work incentive program; and
- (7) Making a number of technical nonsubstantive changes 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. 426, S.D. 1, as amended herein, and recommends that it pass Third Reading in the the form attached hereto as S.B. No. 426, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Nakata).

SCRep. 804 (Majority) Ways and Means on S.B. No. 686

The purpose of this bill is to increase the allowable motor vehicle certificate of registration fee that is imposed and used by the counties for highway beautification and abandoned vehicle disposal from \$1 to \$3 and exempting U-drive motor vehicles from the fee increase.

Your Committee finds that Hawaii needs to maintain its image as a beautiful state and this is possible by keeping its roadways and highways clean and free of abandoned cars. By making car owners pay a small fee at the time of registration, the counties have been able to clear many roadways. A further increase of \$2 is still a small price to pay for the overall benefit to the environment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 686, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, 1 (Anderson). Excused, 2 (Ige, M., Taniguchi).

SCRep. 805 (Majority) Ways and Means on S.B. No. 792

The purpose of this bill is to clarify that the automatic permit approval process does not apply to county or state permits relating to health and safety.

Your Committee finds that health permits are directly subject to the maximum time period elsewhere in chapter 91. Accordingly, your Committee has amended this measure by deleting the exemption for health permits.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 792, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 792, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, 5 (Buen, Chun Oakland, Iwase, Kawamoto, Anderson). Excused, none.

SCRep. 806 Ways and Means on S.B. No. 803

The purpose of this bill is to provide for a planned reduction in the size of state government and a framework for the orderly restructuring of government programs.

Specifically, this measure requires the State administration to draft a strategic workforce reduction and reorganization plan for legislative approval prior to restructuring programs, redeploying employees, and offering voluntary separation incentives. Furthermore, this measure gives permanent full-time employees whose positions are to be eliminated the right to receive transitional

severance benefits in lieu of other rights to which the employee may be entitled. If the employee is a vested member of the Employees' Retirement System, this measure also gives the employee special retirement benefits in lieu of other entitlements.

Your Committee finds that this bill is inspired by the successful Federal Workforce Restructuring Act of 1994, and reflects community concerns that the state government in the twenty-first century must be responsive, efficient, and flexible to address the ever-changing societal needs. State government must accordingly reinvent itself and the way that it operates in order to be cost-efficient and capable of attaining measurable result.

Your Committee has amended this measure making some stylistic changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 803, as amended herein, and recommends that it pass Third Reading, in the form attached hereto as S.B. No. 803, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

SCRep. 807 Ways and Means on S.B. No. 825

The purpose of this measure is to provide a positive environment at the workplace for breastfeeding mothers.

Specifically, this measure establishes an income tax credit for employers who provide a specific place for the sole purpose of breastfeeding or expressing milk. Additionally, this measure requires employers to provide up to at least one hour of unpaid leave per working day for the sole purpose of breastfeeding or expressing milk. This measure also protects breastfeeding by defining employment-based restrictions as a discriminatory employment practice.

Your Committee recognizes that breastmilk is an important part of a child's early life. Breastmilk provides all the nutrients and helpful antibodies needed to protect a child from a number of chronic diseases.

Your Committee has amended this measure by allowing rather than requiring the employer to provide up to an hour off to an employee for breastfeeding or expressing milk and making other technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 825, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 825, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Iwase, Tam, Taniguchi, Anderson).

SCRep. 808 (Majority) Ways and Means on S.B. No. 860

The purpose of this bill is to include marriage and family therapists as mental health and substance abuse treatment providers under health insurance plans.

Currently, state law does not recognize marriage and family therapists as mental health and substance abuse treatment providers for insurance benefits coverage purposes. Therefore, those with health insurance who need the services of a marriage and family therapist must pay in full or go without.

This bill would rectify that situation, offer consumers more treatment options, and help develop private sector mental health and substance abuse treatment opportunities in underserved areas of the State. It would also allow the Department of Education to seek third party reimbursement for services provided to special needs students by licensed marriage and family therapists pursuant to the Felix-Waihee consent decree. Finally, this bill would create parity among the core mental health professions since physicians, psychologists, clinical social workers, and advanced practice registered nurses are presently authorized to provide mental health and substance abuse treatment services under health insurance plans and contracts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 860 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, 3 (Ige, M., Iwase, Kawamoto). Excused, 2 (Buen, Taniguchi).

SCRep. 809 Ways and Means on S.B. No. 866

The purpose of this bill is to make an appropriation for a Medicaid managed care long-term care demonstration project.

Your Committee believes that long-term care for Hawaii's residents is a critical issue due to the increase in the aging population, shortage of nursing home beds, and fragmentation or nonexistence of home- and community-based care. This bill is a means for the

State to examine alternatives to administer long-term care to provide an effective and affordable system. This bill introduces the managed care concept into long-term care, starting with the Medicaid population.

Upon further consideration, your Committee has amended this bill by deleting the appropriation amount in section 2 of the bill for the purpose of promoting 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. 866, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 866, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Taniguchi, Anderson).

SCRep. 810 Ways and Means on S.B. No. 887

The purpose of this bill is to increase the number of Circuit Court judges in the Fifth Circuit from one to two.

Your Committee finds that the Fifth Circuit, which serves the islands of Kauai and Niihau, is overwhelmed with a much greater case load than one judge can efficiently manage. Your Committee agrees that an additional circuit court judge is needed to better balance the workload of and provide necessary services to court users in the Fifth Circuit.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 887 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Ige, M., Tam).

SCRep. 811 Ways and Means on S.B. No. 959

The purpose of this bill is to allow special facility revenue bonds for airports to be used for the construction, acquisition, remodeling, furnishing, and equipping of cargo facilities and operations, including site acquisition.

Your Committee has amended this bill by clarifying that special facility revenue bonds for airports may be used for the construction, acquisition, remodeling, furnishing, and equipping of air cargo facilities and operations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 959, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 959, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Tam, Anderson).

SCRep. 812 Ways and Means on S.B. No. 1138

The purpose of this bill is to provide for the orderly transfer of the licenses, assets, responsibilities, and function of the Hawaii Public Broadcasting Authority to the Hawaii Public Television Foundation.

The Hawaii Public Broadcasting Authority, a state created entity is no longer a feasible way to provide public television. This bill continues to implement a strategic plan presented during the 1997 regular session to transfer the licenses, assets, responsibilities, and functions to the private not-for-profit 501(c)(3) organization, Hawaii Public Television Foundation. The bill also gives the State of Hawaii the first right, at no cost, to any equipment or asset that is discarded or nonusable by Hawaii Public Television Foundation or the successor to public broadcasting.

Your Committee finds that this transfer is essential to maintain quality public broadcasting 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 is in accord with the intent and purpose of S.B. No. 1138, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Buen, Taniguchi).

SCRep. 813 Ways and Means on S.B. No. 1129

The purpose of this bill is to require continuing education for insurance agents as a condition of license renewal.

The bill also creates an insurance licensing administration special fund to pay for expenses relating to licensing and the continuing education program. Lastly, the bill increases insurance licensing fees.

Your Committee finds that a continuing education program for the insurance industry will serve the public's interest by requiring standards of competence to ensure a knowledgeable and qualified insurance workforce. A continuing education program will also benefit local insurance agents by entitling them to licensure reciprocity with other states.

Your Committee has adopted the suggestions proposed by the Insurance Commissioner and has therefore amended the bill by:

- (1) Replacing the proposed subsection (f) on page 7 of the bill with a provision to prevent the funds in the insurance licensing administration special fund from reverting to the general fund;
- (2) Decreasing the proposed increases in fees in section 4 of the bill by fifty per cent;
- (3) Increasing the amount appropriated from the insurance licensing administration special fund by \$500,000; and
- (4) Adding a new section 7 of the bill on page 13 requiring a two year assessment of insurers, general agents, subagents, nonresident agents and brokers, solicitors, adjusters, limited licensees under section 431:9-214(c), Hawaii Revised Statutes, managing general agents, reinsurance intermediaries, surplus lines brokers and designated representatives.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1129, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1129, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, D., Iwase, Tam, Anderson).

SCRep. 814 Ways and Means on S.B. No. 1183

The purpose of this bill is to make emergency appropriations of approximately \$6,000,000 to the University of Hawaii system for fiscal year 1998-1999 in order for the University to fulfill its present fiscal year obligations.

Your Committee finds that the university transferred about \$6,000,000 of its fiscal year 1997-1998 general fund encumbrances to fiscal year 1998-1999 in order to avoid a budgetary deficit of the same amount in the former fiscal year. Consequently, the transfer increased the university's obligations for the latter fiscal year.

Your Committee further finds that despite the fiscal and managerial autonomy granted to it, the university has not been able to cover the deficit on its own in the present fiscal year. Unless legislative assistance is received, the university will again have to replay its previous cost-shifting strategy, transferring \$6,000,000 of its fiscal year 1998-1999 obligations to fiscal year 1999-2000 in order to avoid a second budgetary shortfall of the same amount in the present fiscal year. Your Committee finds that funds are available in the state treasury, as these funds were appropriated but subsequently restricted.

Your Committee has amended this measure by changing the specific appropriation amounts to the campuses to blank amounts for the purpose of continued discussion on the matter. Your Committee has also amended this measure by making technical nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1183, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Chun, Taniguchi).

SCRep. 815 Ways and Means on S.B. No. 1303

The purpose of this bill is to re-start the time for the salary review commission for the Office of Hawaiian Affairs.

Your Committee finds that section 10-9.5, Hawaii Revised Statutes, established a salary commission review process for periodic review of the salaries of the Office of Hawaiian Affairs board of trustees. However, the commission was never appointed and the review cycle not initiated. Your Committee finds that it is appropriate to start the review process at this time.

Your Committee has amended the bill by clarifying that the Governor shall appoint the review commission upon the passage of the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1303, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1303, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Ige, M., Iwase, Tam).

SCRep. 816**Ways and Means on S.B. No. 1325**

The purpose of this measure is to establish a new tax credit for hotel construction and remodeling for tax years 1999 to 2001.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Department of Taxation, the Maui Hotel Association, the Waikiki Improvement Association, and Outrigger Enterprises. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that Act 108, Session Laws of Hawaii 1997, established a hotel remodeling tax credit for tax years 1997 and 1998, to encourage owners to refurbish, repair, and renovate their facilities. This measure provides a similar tax credit to replace the expiring credit.

Your Committee further finds that this measure has expanded the original tax credit to allow an association of apartment owners of a hotel-condo as defined in section 486K-1, Hawaii Revised Statutes, to claim the credit, and to allow persons who take the credit, the option of treating the credit as taxable income or reducing the basis of the property by the amount of the credit. In addition, there is no cap on the tax credit in this measure, thus, increasing its value.

Your Committee believes this measure will help to revitalize Hawaii's tourism industry as well as the overall economy. Your Committee has amended this measure to change the end date for the tax credit from before December 31, 2001, to before January 1, 2002, correcting the one day loss and to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1325, S.D. 1, and be placed on the calendar to Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Buen).

SCRep. 817**Ways and Means on S.B. No. 1345**

The purpose of this bill is to provide for an increase in judicial salaries by eighteen percent over two years.

The bill also amends judicial retirement provisions to provide that judges entering or reentering service after June 30, 1999, without vested benefits, may retire after ten years of credited service and having attained age fifty-five or after twenty-five years of credited service. The bill does not affect the retirement of those judges who are current members of the employees' retirement system or who are confirmed prior to the bill's effective date.

Your Committee finds that Hawaii's judges are significantly undercompensated. Hawaii is the only state in the nation that has not increased the salary of its judges during the last nine years. Your Committee notes that since 1990, forty-four of the remaining forty-nine states have granted their judges three or more raises. In 1997 alone, twenty-nine states raised the salaries of their general trial court justices.

Your Committee further finds that insufficient compensation creates the risk that quality judges will leave the bench, thus depriving the public of the significant value of experienced jurists. Since 1992, ten seasoned and experienced judges have left Hawaii's bench due, in part, to the lack of adequate compensation and, in recent months, another two seasoned judges have announced their intention to leave the bench. Your Committee believes that an increase in judicial salaries is necessary to ensure that the most highly qualified individuals will be attracted to the state judiciary and will be able to serve and continue to serve without unreasonable economic hardship.

Your Committee has amended the bill by changing the amounts specified for judicial salaries in part II of the bill to unspecified amounts and the amounts appropriated in section 8 of the bill to unspecified amounts to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1345, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1345, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Ige, M., Tam).

SCRep. 818**Ways and Means on S.B. No. 1452**

The purpose of this bill is to strengthen the protection of consumer rights for patients in managed care plans and health maintenance organizations.

Your Committee finds that Act 178, Session Laws of Hawaii 1998, is the Hawaii Patient Bill of Rights and Responsibilities Act. Besides regulating managed care, the Act also required the Insurance Commissioner to convene a task force to recommend suggested legislation to protect patients in health and managed care situations.

This bill is the product of the task force's efforts and generally includes issues such as:

1. A health insurance revolving fund;
2. Accreditation of managed care plans;
3. Standing referrals to specialists;
4. Notice for managed care complaints;
5. Appeals procedures;
6. Information to managed care plan enrollees;
7. Reimbursements; and
8. Alternate plans.

Your Committee supports and concurs with the testifiers on this bill before the Committees on Commerce and Consumer Protection and Health and Human Services and finds that this bill will ensure quality health care that is responsive and accountable to patient consumers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1452 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, Ige, D., Iwase).

SCRep. 819 (Majority) Ways and Means on S.B. No. 1501

The purpose of this measure is to incorporate into one comprehensive measure the contents of S.B. No. 1277, S.B. No. 1318, and S.B. No. 1233, in order to provide for the creation of new century schools as alternate educational programs, and a process whereby existing public schools and new schools may be established as new century schools.

Specifically, this measure:

- (1) Designates student-centered schools henceforth as "new century schools", and defines new century schools as those schools implementing alternative frameworks with regard to curriculum; facilities management; instructional approach; length of school day, week, or year; and personnel management;
- (2) Adds a new part to chapter 302A, Hawaii Revised Statutes, that will dictate a process by which an existing public school, or a new school may become a new century school, including petitioning to the Governor as an alternative to the current formation of student-centered schools. The program requirements and exemptions of these new century schools are also established; and
- (3) Repeals the sections in chapter 302A, Hawaii Revised Statutes, which deal with student-centered schools.

Testimony in support of this measure was submitted by the Department of Human Resources Development and the Estate of James Campbell. Testimony in support of the intent of this measure but with certain concerns was submitted by the Department of Education, the Hawaii State Teachers Association, the Lanikai School, and the South Maui Learning Ohana. The Hawaii Government Employees Association and League of Women Voters of Hawaii submitted testimony in opposition to this measure.

Your Committee believes that this measure will allow schools greater autonomy and flexibility in the formation of alternate educational programs independent from the governance of the board of education.

Pursuant to concerns raised by the testimony, your Committee has amended this measure to:

- (1) Replace the petition process to establish a new century school with a process whereby the community submits a letter of intent to establish a new century school to the Superintendent of Education. The community will then formulate an implementation plan for the establishment of a new century school;
- (2) Ensure that the implementation plan of a new century school includes the basic protection of employees and their reasonable academic freedoms, a plan for recruiting students that is nondiscriminatory, a plan for assessing student performance and accountability consistent with established State standards, and that the facilities management of the new century school is consistent with the state facilities plan;
- (3) Exempt new century schools from chapter 103D, Hawaii Revised Statutes, provided that the new century schools are subject to accepted guidelines of ethical practice and maintain an accounting system open to public scrutiny;

- (4) Add an additional funding allotment for new century schools which are small schools; and
- (5) Mandate that the Department of Education, in collaboration with the unions and representative of new century schools, formulate a system of technical assistance that will provide a baseline for the success of a new century school.

Your Committee believes in the importance of this measure and the integral role it plays in education reform as a whole. The State must do all it can to afford students with educational programs that are effective and responsive to all needs. Your Committee encourages further discussion on this measure and the amendments made to prevent any future problems or misunderstandings.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1501, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1501, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, 1 (Anderson). Excused, 1 (Taniguchi).

SCRep. 820 Ways and Means on S.B. No. 1583

The purpose of this measure is to foster and support the growth and development of high technology industries in Hawaii.

Specifically, this measure:

- (1) Consolidates the State's high technology agencies, divisions, and offices, under the coordination of a special advisor for technology development, and creates a governor's special advisory council for technology development to assist the advisor;
- (2) Offers a tax incentive for technology training or job creation;
- (3) Offers a tax incentive for investments in qualified high technology businesses;
- (4) Integrates high technology with Hawaii's tourism and marketing industries;
- (5) Prohibits the imposition of taxes on Internet commerce;
- (6) Establishes the Hawaii Internet Exchange to serve as a catalyst for the development of Internet focused businesses;
- (7) Focuses work force development programs to ensure a pool of technology professionals; and
- (8) Accelerates high speed access to the Internet for the University of Hawaii and the public schools, and establishes educational technology programs within public schools.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, and the High Technology Development Corporation. The Department of Business, Economic Development, and Tourism and the Ohana Foundation submitted testimony in support of the intent of this measure. Testimony in opposition to this measure was submitted by the Department of Taxation. In addition, the Tax Foundation of Hawaii submitted informational testimony regarding this measure.

Your Committee strongly believes in the necessity of this measure. In the past, Hawaii's economy was at a disadvantage because of its isolation from mainland businesses and other international ventures. Currently, with the advances of telecommunications, information technology, and the explosive growth of the Internet, geographic isolation is no longer a factor, as commerce and businesses are becoming increasingly global. Hawaii must foster the growth of high technology industries in the State in order to take full advantage of the global economy. It is only through the development of a strong high technology sector that Hawaii can diversify its tourism-dependent economy and grow and prosper in the twenty-first century.

Your Committee has amended this measure by:

- (1) Changing the sunset date of the Internet Tax Freedom Act from January 1, 2005, to January 1, 2002. This makes the sunset of Hawaii's Internet Tax Freedom Act more consistent with the sunset of the Federal Internet Tax Freedom Act, and minimizes any confusion caused by conflicting state/federal regulations; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1583, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1583, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 821 Ways and Means on S.B. No. 1635

The purpose of this bill is to reconvene the joint legislative committee to study and make recommendations on resolving issues related to the public lands trust, and to increase the ceded land payments to the Office of Hawaiian Affairs to \$16,060,000.

The bill also extends the progress report date and reporting date for the joint committee from twenty days prior to the 1998 session to the 2000 session, and twenty days prior to the 1999 session to the 2001 session, respectively. The bill further transfers the duties of performing the ceded lands inventory from the Department of Land and Natural Resources to the Auditor, and requests a progress report for the 2000 session and a final report for the 2001 session.

Your Committee has amended the bill by changing the amounts appropriated to a unspecified amount to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1635, S.D. 1, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1635, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 822 Ways and Means on S.B. No. 1639

The purpose of this bill is to make an emergency appropriation for Kapolei high school.

Campbell high school presently handles the students who live in the Kapolei area. Campbell is over-enrolled and has an inadequate capacity for all its students. The Department of Education seeks to construct and open a new high school in Kapolei for September 2000 for students in grade 9, adding grade 10 the following year. Your Committee finds that overcrowding is a serious problem at Campbell, and to alleviate it an emergency appropriation is necessary to enable construction to start as soon as possible this year. The bill will not require additional funding but will borrow funds already appropriated for Iao intermediate school that are not going to be used in this fiscal year.

Your Committee has amended the bill by making a technical nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1639 and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1639, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, M., Anderson).

SCRep. 823 Ways and Means on S.B. No. 1046

The purpose of this bill is to authorize the Director of Human Resources Development to draft replacement civil service legislation.

Your Committee finds that the director is faced with an enormous challenge in overhauling the present civil service system. Accordingly, your Committee has amended this measure by postponing the replacement of the present civil service system by one year from 2000 to 2001.

Your Committee intends that with the extended time period prior to the replacement of the present civil service system, the director should continue maintain and renew collective bargaining agreements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1046, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1046, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 824 Judiciary on S.B. No. 590

The purpose of this bill, as received by your Committee, is to consolidate the laws covering domestic violence temporary restraining and protective orders into one new chapter.

Your Committee finds that there are several important objectives that would be accomplished by consolidating the provisions of three existing statutes covering restraining orders and protective orders into a single comprehensive statute. These objectives are consistency, uniformity, and effectiveness. However, your Committee recognizes the possibility that this bill, as drafted, may create

more confusion rather than providing clarity. Your Committee is also concerned that the scope of the bill is unclear, and rather than providing consistency, this measure could cause jurisdictional controversies.

Nevertheless, your Committee is committed to the idea of consolidating temporary restraining and protective orders into a single chapter and recommends that the Judiciary, the domestic violence advocates, the prosecuting attorneys, the public defender, and the legislative drafting agencies work together during the interim to develop a comprehensive recodification of all state laws addressing domestic violence.

Your Committee further finds that the penalties for violating temporary restraining and protective orders must be standardized to assure adequate and appropriate consequences for those who choose to ignore a court order designed to prevent further harassment, threats, and violence from occurring.

Testimony in support of this measure was submitted by the Honolulu County Committee on the Status of Women, the Honolulu Police Department, the Domestic Violence Clearinghouse and Legal Hotline, Hawaii State Coalition Against Domestic Violence, Child and Family Service, Hawaii Lawyers Care, Hawaii Women Lawyers, Hawaii Rifle Association, Hawaii Family Forum, Hawaii Citizens' Rights Political Action Committee, and Parents and Children Together. The Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of the bill with recommendations. Testimony in opposition to this measure was submitted by the Office of the Public Defender. The Judiciary took no position on this measure but provided comments.

Upon further consideration, your Committee has amended this measure by deleting its contents and substituting therefor the following provisions:

- (1) Adding that a violation of a temporary restraining order must be a knowing or intentional violation within section 586-4, Hawaii Revised Statutes (HRS), in order to be consistent with all other orders granted pursuant to chapter 586; and
- (2) Conforming sections 586-5.5 and 586-10, HRS, by including similar language presently contained in section 586-4, HRS, relating to mandatory fines and sentencing.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 590, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 590, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 825

Judiciary on S.B. No. 591

The purpose of this bill, as received by your Committee, is to prohibit the courts from granting orders permitting custody and visitation rights for a parent who has murdered the other parent of the child.

Your Committee finds that evidence of domestic violence is a relevant factor that courts need to consider when making a determination as to child custody or visitation awards. It is estimated that more than three million children in the United States annually witness domestic violence. Your Committee further finds that it may not be in the best interest of the child to be required to visit a parent who has been convicted of murdering the child's other parent. Children are harmed -- cognitively, psychologically, and socially -- merely by observing or hearing the domestic brutality against a parent at home. Your Committee notes that these children are already traumatized by the domestic abuse and resulting homicide. For most children the physical act of going to a prison to visit their parent can also be intimidating and traumatic.

Although your Committee firmly believes in and supports the intent of this bill, your Committee recognizes that the bill leaves many questions unanswered. For example,

- (1) Should a parent who is convicted of the lesser offense of manslaughter be prevented from seeing the parent's child?
- (2) Should a parent who kills the other parent in self-defense be prevented from seeing the parent's child?
- (3) How should a "child of suitable age" be defined?

Your Committee realizes that the best interests of the child may be more appropriately determined by the seasoned and experienced judges of our family courts.

Testimony in support of this measure was submitted by the Domestic Violence Clearinghouse and Legal Hotline, Hawaii State Coalition Against Domestic Violence, and Child and Family Service.

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

- (1) Deleting the provision that prohibits a court from granting visitation rights for a child to a parent who has been convicted of murder of the other parent of the child;

- (2) Providing that before an order for visitation can be granted, the court must find that the child's physical safety and psychological well-being will be protected; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 591, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Anderson).

SCRep. 826 Judiciary on S.B. No. 592

The purpose of this bill is to modify the exemptions to the firearms laws given to law enforcement officers, by excluding those officers who have been convicted of an offense involving abuse of a family or household member.

Your Committee finds that existing law allows law enforcement officers to carry firearms while on duty, even though an order of protection has been filed against them. Your Committee further finds that due to the repetitive and often escalating nature of domestic violence, victims are exposed to potentially lethal harm when the abuser has access to a firearm. Therefore, your Committee believes that any person who has been convicted of an offense involving domestic abuse should lose the right to carry a firearm, without regard to the person's occupation.

Testimony in support of this measure was submitted by the Honolulu Police Department, the Domestic Violence Clearinghouse and Legal Hotline, the Child and Family Service, the Hawaii State Coalition Against Domestic Violence, the Hawaii Rifle Association, and the Hawaii Citizens' Right Political Action Committee.

Upon further consideration, your Committee has amended this measure by making a technical, non-substantive change for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 592, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Anderson).

SCRep. 827 Judiciary on S.B. No. 594

The purpose of this bill, as received by your Committee, is to remove the good cause exemption that allows persons who are the subject of a restraining order to possess a firearm.

Your Committee finds in cases involving restraining orders where good cause exemption becomes an issue, judges generally take into consideration whether the person subject to the restraining order is required to be armed at work. If the case involves a police officer, the courts defer the granting of exemptions to the police chief with the rationale that the police chief would best be able to determine whether the officer would qualify for a good cause exemption. Your Committee further finds that within the past two years, the courts handled thirty-one cases involving the granting of good cause exemptions, and twenty-one of those cases involved police officers.

Your Committee believes that the current law needs to be applied consistently in all cases, regardless of whether the person subject to a restraining order is a police officer. Judges should not be deferring the granting of an exemption to a police chief.

Testimony in support of this measure was submitted by the Domestic Violence Clearinghouse and Legal Hotline and the Hawaii State Coalition Against Domestic Violence. Testimony in opposition to the measure was submitted by the Honolulu Police Department, the Office of the Public Defender, Hawaii Citizens' Rights Political Action Committee, and the Hawaii Rifle Association.

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

- (1) Deleting the provisions of sections 1 and 2 as they are unnecessary since Act 189, Session Laws of Hawaii 1995, which effective date was extended by Act 133, Session Laws of Hawaii 1998, only affects section 134-7(c), Hawaii Revised Statutes;
- (2) Deleting the repeal of the good cause exemption; and
- (3) Providing that "good cause" shall not be based solely upon the consideration that a person subject to a restraining order is required to be armed at work, but should also consider the protection and safety of the person to whom a restraining order is granted.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 594, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 594, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 828 Judiciary on S.B. No. 599

The purpose of this bill is to amend the definition of "family or household member" to include persons who have or have had a dating relationship.

Your Committee finds that domestic violence against teenagers is one of the fastest growing types of domestic abuse in the nation. It is estimated that as many as one-third of all high school and college age individuals may now experience some form of violence in an intimate or dating relationship. Even when they understand what is happening, teenagers are reluctant to come forward to ask for the necessary help and support from trained professionals. Your Committee further finds that abusers who clearly have a relationship with their victims, but have not lived with them, escape the penalties of section 709-906, Hawaii Revised Statutes, which includes mandatory jail sentence. Your Committee recognizes that it is the dynamics of the relationship, and not the physical living situation, that is the controlling factor in responding to domestic violence disputes.

Testimony in support of this measure was submitted by the Department of Health, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Domestic Violence Clearinghouse and Legal Hotline, Child and Family Service, Hawaii State Coalition Against Domestic Violence, Hawaii Lawyers Care, Hawaii Women Lawyers, Parents and Children Together, and Hawaii Family Forum. Testimony in opposition to this measure was submitted by the Office of the Public Defender and the Honolulu Police Department.

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

- (1) Clarifying the definition of "dating relationship" to include such factors as the length of time of the relationship, the nature of the relationship, and the frequency of interaction between the parties;
- (2) Deleting the provision that makes a similar amendment in section 709-906, Hawaii Revised Statutes; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 599, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Anderson).

SCRep. 829 Judiciary on S.B. No. 176

The purpose of this measure is to create criminal offenses for child abuse in the first and second degrees and to make other revisions to the penal code pertaining to child abuse.

Specifically, this measure:

- (1) Makes it a class A felony to intentionally, knowingly, or recklessly cause serious bodily injury to a minor twelve years of age or younger;
- (2) Makes it a class B felony to intentionally, knowingly, or recklessly cause substantial bodily injury to a minor twelve years of age or younger;
- (3) Requires that, in determining whether the use of force is justifiable under section 703-309, Hawaii Revised Statutes, consideration must be given to the condition of the minor;
- (4) Raises the age of a child victim from eight to twelve years old for purposes of determining whether to impose an extended term of imprisonment, under section 706-662, Hawaii Revised Statutes;
- (5) Raises the age of a child victim from eight to twelve years old for purposes of determining whether to impose a mandatory term of imprisonment for offenses against children, elder persons, or handicapped persons, resulting in the victim's death or serious bodily injury, under section 706-660.2, Hawaii Revised Statutes; and
- (6) Changes recklessly allowing another person to inflict serious or substantial bodily injury on a minor from a misdemeanor offense (endangering the welfare of a minor in the second degree) to a class C felony offense (endangering the welfare of a minor in the first degree).

Your Committee received testimony in support of the measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, and the Police Department of the City and County of Honolulu. The Public Defender testified as to a number of reasons why the bill is unnecessary.

Your Committee is gravely concerned about the high incidence of child abuse in our society and finds that present provisions in the penal code are woefully insufficient to provide appropriate punishment for or deterrence to child abuse. Accordingly, your Committee believes that stronger measures are needed to adequately safeguard children in our society who are most at risk of being harmed.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 176 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 830 Judiciary on S.B. No. 606

The purpose of this bill, as received by your Committee, is to make it a class C felony to knowingly or intentionally sell or transfer any deadly weapon or switchblade knife to a minor.

Your Committee finds that certain types of knives, particularly switchblade and butterfly knives, are associated with gang activity. Your Committee further finds that although switchblade knives are presently illegal, and although butterfly knives (also known as balisongs or gravity knives) appear to be covered within the definition of switchblade knives, stores openly sell and minors can readily purchase butterfly knives.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu and the Honolulu Police Department. Testimony in opposition to this measure was submitted by the Office of the Public Defender and the Libertarian Party of Hawaii.

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

- (1) Removing the proposed criminal penalties for sale to minors of deadly weapons, which under current law may legally be owned or transferred by minors and adults but may not be carried concealed;
- (2) Clarifying that butterfly knives fall within the definition of switchblade knives;
- (3) Creating a class C felony offense for sales of such knives to minors; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 606, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 831 Judiciary on S.B. No. 607

The purpose of this bill is to repeal, under certain conditions, the prohibition for non-resident aliens on bringing firearms into the State.

Your Committee finds that Hawaii has a relatively low rate of violence involving firearms due to its strict controls on the possession and use of firearms within the State. However, your Committee also finds that allowing non-resident aliens to bring firearms into the State would have the desirable effect of expanding the State's visitor industry by developing niche markets such as recreational hunting.

Testimony in support of this measure, with certain amendments, was submitted by the Department of Land and Natural Resources, the Honolulu Police Department, and three organizations supporting shooting sports. No testimony was received in opposition to this measure.

Upon further consideration, your Committee has amended this measure to reflect the changes proposed by the Department of Land and Natural Resources and the Honolulu Police Department, by:

- (1) Removing the requirement of proof of ownership;
- (2) Accommodating visitors invited to shoot on private land; and

- (3) Limiting the length of time and number of weapons allowed to be registered by non-resident aliens.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 607, as amended herein, and recommends that it pass second reading in the form attached hereto as S.B. No. 607, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 832 Judiciary on S.B. No. 823

The purpose of this bill is to require judges, when imposing a sentence for certain domestic violence offenses, to consider as an aggravating factor the fact that a minor witnessed the crime.

Your Committee finds that children who witness domestic violence are harmed in many ways, and acknowledges that domestic violence is a perpetuation of a violent cycle, as children of abuse grow up to be abusers themselves. Your Committee further finds that 3.3 million children annually witness domestic violence. Various studies indicate that in homes where there is domestic violence, approximately 87 percent include children who witness these violent acts. Over eighty studies have documented multiple problems among children that have witnessed continual assaults by one parent on another in the home. These problems include: psychological and emotional distress such as aggression, hostility, anxiety, social withdrawal, and depression; cognitive functioning problems such as lower verbal and quantitative skills and the development of attitudes supporting the use of violence; and physical problems such as delayed motor skills, speech difficulties, and multiple health problems. Therefore, because of the high social and financial costs resulting from domestic violence, your Committee agrees that more serious penalties should be imposed for both their deterrent and punitive effects.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Domestic Violence Clearinghouse and Legal Hotline, and the Child and Family Service.

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

- (1) Defining "in the presence of the minor" to mean in the actual physical presence of a child, or knowing that a child is present and may hear or see the offense;
- (2) Deleting the provision that requires the family court to amend the sentencing guidelines; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 823, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 833 Judiciary on S.B. No. 851

The purpose of this bill, as received by your Committee, is to require the Department of Health to adopt rules relating to patient self-determination for medical care and pain management during end of life care. In addition, the bill requires health insurers to cover expenses for hospice care and removes county zoning barriers to the location of hospice homes in residentially designated areas.

Your Committee finds that as the aged population continues to increase in Hawaii, so does the terminally ill population. This particular population may not be able to rely on their families for care and support in their time of need. Especially during these tough economic times, families need to be engaged full time in the work force, oftentimes leaving no one at home to tend to the terminally ill.

Your Committee further finds that hospice care may be a possible solution for the terminally ill in these situations. Hospice care is not a place, but it is a service that can be delivered at home, in nursing or care homes, or even in beds set aside in acute care hospitals. Hospice care is a philosophy which accepts that an illness has progressed to a terminal stage, and death cannot be avoided even with aggressive medical treatment. Your Committee agrees that the goal of hospice care is not to prolong life, but to make dying as comfortable as possible for the person dying, and for family and friends. Therefore, your Committee believes that to help more terminally ill patients take advantage of this service, the health insurers and HMOs should reimburse hospice care providers.

While your Committee agrees with the intent of this measure and supports the concept of hospice care, your Committee still has concerns that should be addressed as this measure proceeds through the legislative process. First, S.B. No. 851, S.D. 1, defines a "hospice home" as any facility operated by a "licensed hospice service agency" but the bill does not define "licensed service agency."

Second, your Committee notes that the bill mandates that HMOs are to provide the required benefits upon the approval of the Act, but, insurers and mutual benefit societies have until January 1, 2000. Thus, clarification is needed to resolve this discrepancy.

Testimony in support of this measure was submitted by Hospice Hawaii, Hawaii Catholic Conference, and St. Francis Health Services Network. The Executive Office on Aging, the Department of Health, Hawaii Medical Association, and Hawaii Nurses Association also submitted testimony in support of this measure but with the recommendation that section 3 (providing that the Department of Health adopt rules with regards to patient self-determination) be deleted.

Upon further consideration, your Committee has amended this measure by deleting section 3 and making technical, non-substantive corrected changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 851, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 834 Judiciary on S.B. No. 896

The purpose of this bill is to allow waiver of notice in guardianship proceedings where the person cannot be found.

The provisions governing protection of persons under disability provide for notice to specified parties, including grandparents. This bill allows the court to waive notice, for good cause, upon a showing that all reasonable efforts have been made to find the person or give notice to the person, and that the efforts were unsuccessful and further effort should not be required.

Your Committee finds that while all reasonable efforts should be made in this situation, once those efforts have been exhausted, it is appropriate to allow the court to waive notice and proceed.

Your Committee has amended the bill by correcting a reference and by adding the phrase "because that person has not demonstrated a reasonable degree of interest or concern in the subject" from subsection (c) to subsection (b) for the purposes of conformity and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 896, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 835 Judiciary on S.B. No. 919

The purpose of this bill, as received by your Committee, is to:

- (1) Clarify that for the offense of robbery, it shall not be a defense that any person other than the defendant is aware of the theft or attempted theft;
- (2) Clarify that if a person indicates by either assertion or conduct that the person is armed with a dangerous instrument, then the person has committed robbery in the first degree; and
- (3) Clarify that the definition of "dangerous instrument" includes articles simulating items currently defined as dangerous instruments.

Your Committee finds that S.B. No. 919 is intended to overrule two recent Hawaii appellate decisions that have raised issues regarding what is sufficient to constitute the offense of robbery. In State v. Mitsuda, 86 Haw. 37 (1997), the state Supreme Court found that the offense of robbery required that the victim or someone present be aware of the defendant's theft. As to the second case, State v. Ugalde, No. 21002 (Haw. App. Nov. 9, 1998), which was subsequently reversed by memorandum opinion and unpublished, the state Intermediate Court of Appeals found that, although the robber stated to the victim that he had a gun and the victim saw an object covered by a sock-like cloth in the robber's hand, this was not sufficient to prove that the robber possessed a dangerous instrument.

Your Committee believes that robbery requires awareness of the theft because it is in essence a "forcible theft from the person." This differentiates robbery from a theft by stealth or deception, such as shoplifting, pickpocketing, or embezzling. If the victim is aware of the theft and the theft is from his or her person, he or she has a heightened sense of danger.

Your Committee agrees that it is a rare case where a defendant is charged with a robbery offense when the victim of the robbery is unaware of the theft. Your Committee hesitates to legislatively overrule a Supreme Court decision as to one specific case with an unusual fact pattern. Similarly, your Committee is wary of treading into an issue as to which the Supreme Court has already corrected

a lower court holding and reaffirmed well-settled doctrine. The Supreme Court rejected the Intermediate Court of Appeals decision in the Ugalde case and decided that the existence of a dangerous instrument could be circumstantially proven, as with any other material fact at issue in a trial. Your Committee believes that the definition of "dangerous instrument" may be interpreted to include those situations where a defendant says he has a gun, holds an object which resembles a gun, and brandishes it as if it were a gun.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu and the Honolulu Police Department. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Upon further consideration, your Committee has amended this bill by deleting its substance and substituting therefor a provision that includes within the definition of "dangerous instrument" an animal. Your Committee believes that a dangerous animal, when used in furtherance of a theft, may be capable of producing death or serious bodily injury.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 919, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 919, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 836 Judiciary on S.B. No. 924

The purpose of this bill is to clarify the definition of "contraband" by excluding dangerous instruments and drugs from the definition, for purposes of the offense of promoting prison contraband in the second degree.

Testimony in support of the bill was received by your Committee from the Department of Public Safety, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department.

Your Committee finds that section 710-1022, Hawaii Revised Statutes (relating to the offense of promoting prison contraband in the first degree), deals exclusively with dangerous instruments and drugs. However, section 710-1023 (relating to the offense of promoting prison contraband in the second degree) also includes dangerous instruments and drugs within the definition of "contraband", thus causing overlapping of the two offenses.

Your Committee notes that this overlapping between the offenses of promoting prison contraband in the first and in the second degree have restricted the State to charging only in the lesser offense when dangerous instruments and drugs are involved. Accordingly, your Committee finds that this bill is necessary to clarify the distinctions between the two offenses and to permit the State to charge the higher offense when dangerous instruments and drugs are involved in promoting prison contraband cases.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 924 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 837 Judiciary on S.B. No. 1003

The purpose of this bill is to allow parents who do not contest their support obligations and who are not in arrearage with their payments to opt out of the child support enforcement agency payment system.

Your Committee finds that many custodial parents have not been able to obtain effective assistance from the Child Support Enforcement Agency (CSEA). The CSEA's overwhelming caseload greatly contributes to the difficulty custodial parents have in obtaining assistance from CSEA. Your Committee further finds that a decrease in the number of cases handled by CSEA would allow the agency to address the many other computer, staffing, and system maintenance problems that have plagued it. Therefore, your Committee intends for this bill to provide more parents the opportunity to make alternative payment arrangements, thereby decreasing the caseload of CSEA and increasing agency efficiency and service.

However, your Committee is concerned that this bill, as drafted, may make it easier for obligor parents to request direct payment and then not pay. Your Committee finds that at least seventy percent of obligor parents do not pay all or part of their child support obligations. In addition, your Committee is concerned that situations may occur whereby an obligor parent may unduly influence the custodial parent into agreeing to the direct payment option.

Your Committee is aware that section 576D-10, Hawaii Revised Statutes, already provides for alternative or "opt-out" arrangements allowing for direct payment of child support between an obligor parent and the custodial parent upon a finding by the court that it is in the "best interest of the child." Your Committee strongly believes that this standard should still be applied as the primary standard when allowing parents to "opt-out" of the system.

Testimony in support of the measure was submitted by two private citizens. The Department of the Attorney General, the Department of Human Services, Hawaii State Commission on the Status of Women, Hawaii Women Lawyers, and a private citizen submitted testimony in support of the intent of the bill but had several concerns about the ramifications of allowing the parents to agree to "opt-out" of the CSEA system.

Upon further consideration, your Committee has amended this bill by authorizing the court to permit opt-out agreements, provided that such agreements are in the best interests of the child and comply with all federal regulations.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1003, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 838 Judiciary on S.B. No. 1022

The purpose of this measure is to enact a Uniform Health Care Decisions Act.

Your Committee finds that since the Supreme Court's decision in Cruzan v. Commissioner, Missouri Department of Health, 497 U.S. 261 (1990), significant changes have occurred in state legislation on health care decision making. Nearly all states have statutes authorizing the use of powers of attorney for health care. In addition, a majority of states have statutes allowing family members, and in some cases close friends, to make health-care decisions for adult individuals who lack capacity. However, your Committee recognizes that there is a greater need for uniformity among advance directives for health care and believes that this Uniform Health Care Decisions Act will simplify and facilitate the making of advance health-care directives.

Testimony in support of this measure was submitted by the Executive Office on Aging, the Governor's Surrogate Decision Making Committee, the Policy Advisory Board for Elder Affairs, Hawaii Medical Association, Healthcare Association of Hawaii, Hospice Hawaii, Hawaii Right to Life, Hawaii Nurses Association, an attorney specializing in elder law, and a law school professor who teaches elder law and health-related law. The Judiciary submitted comments on this measure.

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

- (1) Changing all references of "individual" to "patient";
- (2) Changing all references of "individual instruction" to "instruction" and amending the definition to mean any type of written or oral direction concerning health-care treatment;
- (3) Adding the definition of "patient" to mean an adult or emancipated minor;
- (4) Changing all references of "principal" to "patient";
- (5) Deleting the provisions setting forth the instructions for witness declarations;
- (6) Deleting the provisions setting forth the instructions for a notary public;
- (7) Adding reciprocal beneficiaries to the class of persons that may serve as an alternate designee to a surrogate;
- (8) Changing the reference of "residential long-term health care institution" to "health care institution";
- (9) Changing all references of "ward" to "patient";
- (10) Changing the majority of references of "person" to "agent, guardian, or surrogate" where applicable;
- (11) Adding the word "guardian" to section 10 of the bill;
- (12) Deleting the repeal of Act 332, Session Laws of Hawaii 1997 since it automatically will repeal on June 30, 1999 and the effective date of this Act is July 1, 1999; and
- (13) Making technical, non-substantive changes for the purposes of clarity and style.

Although your Committee supports the intent of the measure, your Committee still has many concerns that need to be addressed as this bill winds its way through the legislative process. The following is not meant to be an exhaustive list of issues and should be considered as a starting point for further discussions.

- (1) In section 3 (a) and (b), clarification is needed to address the question of whether an "instruction", "power of attorney" and "patient instruction" has the same meaning;

- (2) In section 3 (e), clarification is needed to address the question of whether the effectiveness of a power of attorney permanently ceases upon the patient's recovery;
- (3) In section 4 and 6, clarification is needed to address the question of whether "personally informing" actually means an oral communication;
- (4) In section 6, clarification is needed to address the issue of whether there is a compelling need for a surrogate decision maker and a scheme for multiple alternates;
- (5) In section 6, clarification is needed to address the issue of whether the approach in subsection (e) is the best way to handle a disagreement among the surrogate alternates;
- (6) In section 6, clarification is needed to address the question of how is a surrogate required to communicate the surrogate's assumption of authority -- in writing, orally, by telephone, by fax, etc.;
- (7) In section 7(a), clarification is needed to address the question of when would a legal guardian be appointed by the court. It appears that the courts will not appoint a guardian unless the patient (ward) was previously determined to be incapacitated. Consideration should be given to the Judiciary's comments with regards to this provision;
- (8) In section 8, clarification is needed to address the issue of how to define "reasons of conscience";
- (9) In sections 9 and 10, a closer examination of the immunity and liability provisions is required; and
- (10) In section 11, clarification is needed to address the question of who is an "aggrieved individual", who is the "person", and who is the "individual".

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1022, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1022, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 839 Judiciary on S.B. No. 1048

The purpose of this bill is to allow foster boarding homes to accommodate six or more minor siblings.

The bill also requires inquiries into the criminal history records of a foster boarding home operator for the first two years after a boarding home certification and biennially thereafter in conjunction with the certification schedule.

Presently, foster boarding homes may be certified for up to five children. Large sibling groups, however, have had to be separated in foster placement as a result of this restriction. The separation of siblings in a stressful situation can be traumatic, especially for younger children.

This bill provides for large families by allowing siblings to be placed in the same home.

Your Committee has amended the bill by requiring the annual (in addition to the biennial) inquiry of criminal history records after the first two years, if the certification status of the foster boarding home operator warrants such action. Your Committee has also amended the bill by making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1048, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1048, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 840 Judiciary on S.B. No. 1050

The purpose of this administration bill is to strengthen and clarify the Child Protective Act, and to bring it into compliance with the federal Adoption and Safe Families Act of 1997.

Specifically, this bill:

- (1) Adds a definition of "abandoned infant";
- (2) Adds "abandoned infant" to the definition of "aggravated circumstances";

- (3) Allows for service of summons to be made by registered or certified mail if the party resides out of State;
- (4) Reduces from eighteen months to twelve the time in which the Family Court may set the case for a show cause hearing if the child's family home is determined not to be safe;
- (5) Requires the Family Court to set the case for a show cause hearing if the court determines that aggravated circumstances are present;
- (6) Places the burden of presenting evidence upon the child's family in a show cause hearing as to why the case should not be set for a permanent plan hearing;
- (7) Requires the Family Court to set the case for a show cause hearing within thirty days if the court determines that aggravated circumstances are present, or if the child has been residing outside the family home for twelve consecutive months;
- (8) Requires the Department of Human Services to file a motion to set the matter for a permanent plan hearing if the child has been residing outside the family home for an aggregate of fifteen out of the most recent twenty-two months; and
- (9) Reduces from three to two years from the date on which the child was first placed in foster custody for the court to proceed with a permanent plan hearing if it is not reasonably foreseeable that the child's parents or guardians are able to provide a safe family home.

Your Committee received testimony in support of this bill from the Department of Human Services and the Judiciary.

Your Committee believes that this measure will enable the Family Court to deal more effectively with child abuse. Your Committee finds that the Child Protective Act needs to be periodically updated to deal with new situations and to tighten up the statutory standards.

Accordingly, your Committee has amended this bill on the recommendation of the Judiciary, and with the support of the Department of Human Services, to:

- (1) Elaborate and expand the definition of "abandoned infant" to make it more consistent with Hawaii's existing adoption law;
- (2) Amend the definition of "aggravated circumstances" by:
 - (A) Amending paragraph (3) of the definition to clarify that aggravated circumstances exist if parental rights were terminated by a court inside or outside of Hawaii;
 - (B) Amending paragraph (5) of the definition by replacing the provision "The parent has abandoned the infant" with "The child is an abandoned infant"; and
 - (C) Amending paragraph (6) of the definition to require the elements under both paragraphs 587-73(a)(1) and (2) to be present, rather than either one or the other;
- (3) Amend section 587-71, Hawaii Revised Statutes, to add a new subsection (o) to the effect that nothing shall prevent the court from setting a show cause hearing or a permanent plan hearing at any time the court determines it appropriate, that is, even without a finding of aggravated circumstances if it is in the best interests of the child.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1050, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1050, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 841 Judiciary on S.B. No. 1051

The purpose of this measure is to allow the Department of Human Services to disclose records relating to child abuse or neglect in accordance with its rules, as required by federal law or regulation.

This is an administration measure to conform the Department of Human Services' procedures regarding disclosing information relating to child abuse or neglect cases with federal law and regulations.

Your Committee has made a technical, nonsubstantive amendment for the purposes of clarification on page 4, line 21 by adding the phrase "of reports and records relating to child abuse or neglect" to clarify the subject of the disclosures.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1051, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1051, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 842 Judiciary on S.B. No. 1052

The purpose of this bill is to extend the sunset date for the child protective services reform coordinating committee from June 30, 1999 to June 30, 2002. The bill also exempts the committee's operations from chapter 91, Hawaii Revised Statutes, and permits the committee to share data with the neighborhood places, subject to confidentiality requirements.

Your Committee finds that the coordinating committee needs more time to fulfill its function and that extending its sunset date for three years will enable it to accomplish its tasks. Your Committee also finds that the coordinating committee is already exempt from the public notice and public hearing requirements of chapter 91, and that extending its exemption to the entire law is appropriate at this time, given the relatively short duration of its intended existence.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1052, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 843 Judiciary on S.B. No. 1122

The purpose of this bill is to clarify that any conviction or sentence for carrying or use of a firearm in the commission of a separate felony shall be in addition to and not in lieu of any conviction and sentence for the separate felony. In addition, this bill clarifies that the sentence imposed may run concurrently or consecutively with the sentence for the separate felony.

Your Committee believes that stronger and more certain penalties should be instituted to discourage the use of firearms in the commission of a felony and to provide a deterrent effect against such use.

Your Committee finds that clarification in the law is necessary due to a recent Hawaii Supreme Court case, State v. Jumila, 87 Haw. 1 (1998), in which the Court held that the offense of carrying or using a firearm in the commission of a felony was not punishable as a separate offense from the underlying felony. In Jumila, the majority and the dissent agreed that the legislature could, if desired, permit the conviction and sentencing for both offenses. However, the majority and dissent disagreed as to whether the legislature had done so. The majority found that there was insufficient legislative history to conclude that the legislature had intended separate convictions and sentencing. The dissent disagreed, citing prior case law and language in committee reports indicating that carrying or using a firearm in the commission of a felony could be charged in addition to the underlying offense.

Your Committee agrees with the dissent. Senate Standing Committee Report No. 1217 (1993 Senate Journal at 1210) clearly states "[A]n offender who uses a firearm in the commission of a felony can be charged with, in addition to the underlying offense, a class A felony under section 134-6(a) and therefore be subject to enhanced penalty." (Emphasis added.)

At the same time, your Committee recognizes and seeks to address another shortcoming in the law, as pointed out by the Jumila dissent. The dissent noted that there was insufficient legislative intent to permit cumulative sentencing under section 134-6(a) and section 706-660.1 (sentence of imprisonment for use of a firearm in a felony). Your Committee believes that when the application of both statutes is based upon the same underlying felony, cumulative punishment is permissible.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, and the Honolulu Police Department. Testimony in opposition to this bill was submitted by the Office of the Public Defender and the Hawaii Rifle Association.

Upon further consideration, your Committee has amended this bill by adding a saving provision and making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1122, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 844 Judiciary on S.B. No. 21

The purpose of this bill, as received by your Committee, is to add injuring athletic contest officials to the offense of assault in the second degree, and to provide a civil liability exemption for athletic contest officials.

Your Committee finds that violence against referees, umpires, and other athletic contest officials is a perpetual problem in the sports world, and that violent confrontations may be on the rise. Your Committee finds that organized leagues or other sporting associations do have the power to sanction athletes, coaches, fans, or teams that cause or participate in such confrontations within the structure of the league, ultimately to the extent of banning troublemakers from all further participation. However, your Committee finds that sporting officials hired by the Department of Education should be treated as educational officials for the purpose of the current law.

Testimony in support of this measure was submitted by the National Federation Interscholastic Officials Association and the Hawaii Football Officials Association. Testimony in opposition to this measure was submitted by the Office of the Public Defender and Consumer Lawyers of Hawaii.

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

- (1) Deleting the provision giving a civil liability exemption to athletic contest officials;
- (2) Deleting the provision adding injury to an athletic contest official as a basis for assault in the second degree;
- (3) Deleting portions of the purpose section to conform with the amendments made to this measure; and
- (4) In the definition of an "educational worker," changing the requirement that the person be carrying out an educational function to a requirement that the person be carrying out an education-related function.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 21, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 21, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 845 Judiciary on S.B. No. 36

The purpose of this bill, as received by your Committee, is to authorize condominium associations to: collect through liens delinquent maintenance fees; assess arrearages upon tenants and terminate utilities provided to occupants; and allow associations to invest funds in out-of-state financial institutions.

Your Committee finds that delinquent maintenance fees are a continuing problem for the condominium associations and their respective governing boards are responsible for ensuring the financial solvency of the associations and the provision of services guaranteed to the owners and occupants. Your Committee further finds that existing law requires associations to maintain a certain level of revenue in a reserve fund in anticipation of large expenditures for common-area maintenance and improvements, which expenses should be borne by all owners. Your Committee is concerned that the provisions which would allow associations to assess tenants for unpaid maintenance fees inappropriately reaches beyond the scope of the contractual agreement between the owner and the tenant. Thus, your Committee believes that a process needs to be established through the landlord tenant code if associations seek remedy from the tenant for arrearages.

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

- (1) Allowing a written notice to be sent to the owner, tenant, and mortgagee regarding termination of utilities for non-payment of maintenance fees;
- (2) Changing the provision allowing association liens to be prior to any mortgages, to allowing association liens in an unspecified chronology to mortgages;
- (3) Changing the period of recovery of unpaid assessments from six months preceding any legal collection action to an unspecified period preceding such action;
- (4) Giving judicial foreclosure actions priority over actions by the association to make collections;
- (5) Requiring the mortgagee of record or other purchaser upon transfer of title to pay the apartment's share of assessments within an unspecified time after the hearing at which the sale is confirmed;
- (6) Deleting the provisions which allow the association to collect arrearages from tenants; and
- (7) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 36, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 36, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 846 Judiciary on S.B. No. 42

The purpose of this measure is to extend the sunset date of Act 190, Session Laws of Hawaii 1996, which created the Task Force on Beach and Water Safety, and to require the task force to report to the legislature before every regular session.

Your Committee finds that the Task Force on Beach and Water Safety has been effective in advising the Chairperson of the Board of Land and Natural Resources on the design and placement of signs warning of extremely dangerous natural conditions in the ocean off State or County beach parks. Your Committee further finds that the Task Force should be afforded additional time to complete its work on the development of signs and a comprehensive plan for warning of dangerous natural conditions in the ocean off public beach parks.

Testimony in support of this measure was submitted by the Chairperson of the Board of Land and Natural Resources, the Office of the Mayor for the County of Maui, the Department of the Corporation Counsel for the City and County of Honolulu, the County Council for the County of Maui, the Office of the County Attorney for the County of Kaua'i, and the Consumer Lawyers of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 42, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 847 Judiciary on S.B. No. 186

The purpose of this bill, as received by your Committee, is to limit county liability for personal injury from hazardous recreational activities occurring at a county-owned or controlled facility, and to repeal the invitee or licensee exception to assumption of the risk for injuries on school property.

Your Committee finds that the limitation on county liability proposed by this measure would provide counties with greater protection from liability than is enjoyed by the State or by any private landowner. Your Committee further finds that the proposed expansion of the assumption of the risk defense for injuries occurring on school property would not sufficiently protect persons who were injured after being invited onto school grounds for fairs, plays, or other events.

However, your Committee finds that this measure, relating to tort liability, is an appropriate vehicle for changes to Hawaii's tort laws recommended by the Tort Law Study Group. The Study Group, which was convened in 1997 as requested by the Legislature examined the issue of punitive damages. Your Committee notes that a recent Hawaii Supreme Court case has addressed this issue in the context of tort claims arising out of breaches of contract. Codification of the holding in that case will give greater certainty in the area of punitive damages.

Your Committee notes that businesses and individuals have also objected to the practice by plaintiffs filing a lawsuit of naming all possible defendants before determining which defendants were most involved in the alleged wrongful conduct. This is sometimes done as a protective measure, to avoid a situation in which a known potential defendant is later discovered to have been substantially responsible, but cannot be named because the statute of limitation has already run. If plaintiffs could name additional defendants without regard to statutes of limitation, though, defendants would be prejudiced by being brought into lawsuits late and without a fair opportunity to prepare for trial. Your Committee believes this issue can be addressed by allowing plaintiffs to name as Doe defendants known potential defendants whose responsibility for the alleged wrongful acts could not be ascertained through reasonable efforts before filing of a complaint, but requiring plaintiffs to act with diligence in determining the responsibility of potential defendants and, if appropriate, identifying them to the court.

Testimony in support of this measure was submitted by the Department of Education, the Office of the Mayor for the County of Maui, the Department of the Corporation Counsel for the City and County of Honolulu, a member of the Maui County Council, and the Hawaii County Council. Testimony in opposition to this measure was submitted by the Consumer Lawyers of Hawaii.

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

- (1) Deleting the provision limiting county liability for hazardous recreational activities;
- (2) Deleting the provision changing the circumstances in which a person on school grounds is deemed to have assumed the risk of injury;
- (3) Adding a provision codifying the Hawaii Supreme Court's decision as to tortious breach of contract in Francis v. Lee Enterprises, Inc., No. 21631 (Haw. 1999); and

- (4) Adding a provision permitting pleaders to name under fictitious names defendants whose responsibility for the wrongful acts alleged is unknown, in addition to defendants whose identity is unknown.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 186, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 848 Judiciary on S.B. No. 235

The purpose of this bill, as received by your Committee, is to amend the Whistleblower Protection Act by expanding the areas of protected conduct and the types of reportable violations.

Your Committee finds that persons who draw attention to violations of law or of public safety on the part of their employers are often punished by discrimination ranging from the subtle to the very direct. While many people will be discouraged by the threat of retaliation from coming forward, some will still come forward to report violations, and may bring suit under the Act. Your Committee believes the increased penalties provided in this bill, and the extension of time within which to file, will encourage those few whistleblowers who do come forward to make a claim under the Whistleblower Protection Act. Your Committee further notes that this measure clarifies that the common law remedies for discharges in violation of public policy are not precluded either by this Act or by the exclusivity provision of the workers compensation laws.

Your Committee fears that this measure as written may expand the Whistleblower Protection Act to the point of providing a road map for abusive claims under the Act by disgruntled employees who were never genuine whistleblowers. It is not your Committee's intent to expose Hawaii's businesses to a threat of increased exposure to claims that are not well-founded. Your Committee believes that the provisions of this measure expanding the penalties and the time for filing are important as an incentive for whistleblowers to seek recourse under the Act, but feels that the provisions widely expanding the range of situations giving rise to a whistleblower claim will not encourage whistleblowers falling within the Act's core coverage to come forward. Your Committee further believes that many of the proposed amendments in this measure would not substantively change the Act, but instead would simply provide a more verbose description of the conduct that is currently proscribed for employers.

Testimony in support of this measure was received from the American Civil Liberties Union, the ILWU Local 142, the Hawaii State Teacher's Association, the Hawaii Nurses' Association, Common Cause Hawaii, and seventeen individuals. Testimony in opposition to this measure was received from the Society for Human Resource Management and the Chamber of Commerce of Hawaii.

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

- (1) Deleting provisions that would explicitly provide coverage for violations of a code of ethics;
- (2) Deleting provisions that would expand coverage to reporting of information about fraud, waste, and malfeasance by an agency that is not already covered as a violation of law;
- (3) Deleting language adding detail to the description of what is proscribed conduct by an employer under the current laws;
- (4) Deleting language that would require as a condition of liability that the employer's discriminatory acts be taken solely because of anti-whistleblower considerations;
- (5) Deleting language that would specify each type of damages obtainable under the Act;
- (6) Deleting a provision subjecting a state employee who violates the Act to disciplinary proceedings; and
- (7) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 235, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 235, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 849 Judiciary on S.B. No. 236

The purpose of this bill is to make it an unfair and deceptive practice to hold a sweepstakes in which prizes are not awarded unless written disclosure is made to each offeree of the drawing date and the possibility of no prizes being awarded.

Furthermore, this bill makes it an unfair and deceptive practice to offer real property as the sweepstakes prize.

Your Committee finds that this measure is necessary to deter unscrupulous individuals from unfairly exploiting the natural assumptions of consumers that if there is a sweepstakes for a prize, someone will actually win it, and win it in a reasonable period of time. Your Committee further finds that the State's very high cost of living and sluggish economy makes the offer of real property as a sweepstakes prize especially cruel to the underprivileged, who are understandably most likely to participate in such a sweepstakes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 236, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 850 Judiciary on S.B. No. 484

The purpose of this bill is to increase the maximum limit for the value of a motor vehicle exempt from attachment and execution in bankruptcy cases.

Your Committee finds that section 651-121(2), Hawaii Revised Statutes, currently permits a \$1,000 attachment and execution exemption for a debtor's motor vehicle. Your Committee further finds that this twenty-two year old exemption does not accurately reflect the average price of a motor vehicle today and would deprive debtors of a reliable mode of transportation.

Testimony in support of this measure was submitted by the Hawaii Financial Services Association and a private attorney.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 484, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 484, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 851 Judiciary on S.B. No. 628

The purpose of this bill is to amend various election laws to:

- (1) Add a new category of "ballot issue committee;"
- (2) Redefine "committee" to exempt organizations that raise or expend funds solely to produce and disseminate informational or educational advertising;
- (3) Require candidates to register with the Campaign Spending Commission within ten days of the first expenditure;
- (4) Remove the requirement that continuing candidates re-register for each election;
- (5) Remove a provision apparently limiting a candidate's contributions to the candidate's own campaign;
- (6) Extend to committees the opportunity to voluntarily turn over excess contributions;
- (7) Repeal a prohibition against corporate contributions to committees that were formed less than a year before a primary election;
- (8) Move the first reporting date for candidate committees to July 30 of an election year;
- (9) Extend potential criminal prosecution to "persons" rather than "individuals;" and
- (10) Make technical, non-substantive changes.

Your Committee finds that constitutional constraints raise questions regarding the degree to which the State can exercise regulatory authority over informational or educational advertising. Similarly, the Attorney General has opined that committees that receive and expend funds only to impact ballot issues cannot be subject to contribution limits.

Your Committee finds that amending the candidate registration threshold to require candidates to register after making a first expenditure of any amount will improve the Campaign Spending Commission's awareness of candidates in smaller races, who may not be required to even register under current law until late in the campaign. Your Committee further finds that the current requirement of registration for each new election has been unnecessarily burdensome upon continuing candidates and administration.

Your Committee finds that a limitation on a candidate's contributions to the candidate's own campaign may not be legal, and that it should be made clear that campaign contribution limitations are not intended to apply to candidates. Your Committee further finds that committees should have the same opportunity and obligation that candidates currently have to voluntarily turn over excess or wrongful contributions. Also on the subject of contributions, your Committee finds that the existing prohibition against corporate contributions to committees formed within the last year is virtually unenforceable and subject to court challenge.

Your Committee finds that the Campaign Spending Commission should have the option to publish either in the newspaper, or on the internet, or by both methods, the names of candidates, committees, and parties who have failed to file a report. The obligation to publish the names by one or more of those methods, however, should be mandatory.

Testimony in support of this measure was received from the Campaign Spending Commission, the League of Women Voters, Common Cause Hawaii, Hawaii Clean Elections, and one individual.

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

- (1) Giving the Campaign Spending Commission the option of publishing on the internet (rather than just in the newspaper) the names of those who have failed to file a report;
- (2) Clarifying that a candidate is not subject to contribution limitations as to the candidate's own campaign;
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 628, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 852 Judiciary on S.B. No. 629

The purpose of this bill is to amend the campaign spending law with respect to the voluntary expenditure limit and public matching funds provisions. Specifically the bill:

- (1) Amends the definition of "qualifying contribution" to clarify that makers of such contributions cannot have contributed more than \$100 during any matching payment period;
- (2) Repeals a provision permitting a candidate to withdraw an affidavit of compliance with voluntary spending limits;
- (3) Moves the deadline for filing affidavits of compliance to the date of filing nomination expenditures;
- (4) Clarifies that expenditure limits apply to each election;
- (5) Changes the time period within which candidates who exceed spending limits must notify all contributors from the same day to thirty days;
- (6) Amends the distribution procedure for the Hawaii Election Campaign Fund, if near depletion, to distribution by order in which application filed;
- (7) Clarifies that the maximum amount of public matching funds available to any candidate is based on the maximum expenditure limit per election;
- (8) Allows the minimum qualifying contributions for each election to be based on the total qualifying contributions to date instead of just those relating to the particular election (primary, general, or special) for which matching funds are sought;
- (9) Changes the deadline for application for matching funds from sixty to thirty days after the general election;
- (10) Changes the time by which initial public funds checks must be issued from ten to twenty days after application;
- (11) Deletes a provision that a candidate less than one percent over expenditure limits need only return twenty-five percent of public funds; and
- (12) Clarifies that all unspent public funds must be returned.

Your Committee finds that the changes to the elections law made by this bill will promote fairness in the campaign process, more effective use of public matching funds for their intended purpose, and encourage compliance with voluntary spending limits.

Your Committee's reading of this bill is that it will change the matching fund requirements by allowing candidates to meet the minimum contribution requirement based on their total qualifying contributions collected during any matching payment period, even if their qualifying contributions for that particular election would otherwise fall below the minimum. Thus, a candidate who raises only the minimum amount necessary for the primary election, but then raises a greater qualifying amount for the general election, will be able to collect matching funds for the general election based on the qualifying amount collected toward the general election. Similarly, a candidate who raises the minimum qualifying amount for the primary election but raises less than the minimum amount for the general election will still qualify for matching funds for the money raised for the general election, because the total of primary and general election contributions will be greater than the minimum amount required. Your Committee further finds that the law needs clarification to prohibit the use of public funds to match any portion of a contribution of more than one hundred dollars.

Testimony in support of this measure was submitted by the Campaign Spending Commission and Common Cause Hawaii.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes to section 9 of the bill for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 629 and recommends that it pass Second Reading in the form attached hereto as S.B. No. 629, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 853 Judiciary on S.B. No. 630

The purpose of this bill, as received by your Committee, is to add to the campaign spending laws new sections regarding reports for late contributions, limitations on contributions during legislative sessions, and limitations on contributions by corporations, trade organizations, or labor organizations.

Your Committee finds that under current law, last-minute contributions -- contributions made to candidates or committees within fifteen days of an election -- are not publicly disclosed until after the election. Would-be contributors can simply wait until two weeks before the election to make major contributions and thereby avoid any pre-election public disclosure of the donations. Requiring late contribution disclosure of the type proposed in this measure will close this loophole in public disclosure laws. Your Committee believes this will strengthen public disclosure laws and promote fairness in campaigning.

Your Committee further finds that the provision requiring electronic filing of campaign spending reports after the 2002 election period will substantially increase public access to campaign spending disclosures. The availability of these reports in electronic form, combined with the explosive growth in internet access in recent years, will allow a large number of Hawaii citizens to access campaign spending disclosures from their own homes or businesses.

This measure would also prevent contributions during the legislative session. However, your Committee is concerned that preventing fundraisers during the legislative session would cut off an important point of contact, and have a chilling effect on other contacts between legislators and their constituents, during the very period when legislators most need to keep open lines of communication with their constituents.

Your Committee is also concerned that the limitations proposed by this measure on contributions by corporations, trade organizations, and labor organizations, and on contributions by state contractors, would put a heavy and unfair burden on the ability of a broad range of businesses to support candidates or political committees whose policies they favor. Your Committee deems unacceptable this burden on the right of Hawaii's businesses to freely express their political views.

Testimony in support of this measure was submitted by the Campaign Spending Commission, the League of Women Voters of Hawaii, and Common Cause Hawaii. Comments regarding this measure were submitted by the Hawaii State Coordinating Council on Deafness. Testimony in opposition to this measure was submitted by Legislative Information Services of Hawaii.

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

- (1) Deleting the provision forbidding acceptance of contributions during the legislative session;
- (2) Deleting the provision limiting contributions by corporations, trade organizations, or labor organizations;
- (3) Deleting the provision requiring disposal of surplus contributions after an election period;
- (4) Deleting proposed amendments that would have lowered the current campaign contribution limits, except for a provision setting an aggregate limit for all contributions by anyone other than a political party for any election year;
- (5) Deleting a provision preventing a state contractor from making any political contribution at any time from the initiation of negotiations for a state contract to the completion of the contract;

- (6) Deleting a provision that would have deleted portions of the current campaign spending law limiting the use of surplus campaign contributions;
- (7) Changing the effective date for the provision requiring electronic filing to apply to candidates who will appear on the ballot for the 2004 election; and
- (8) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 630, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 854 Judiciary on S.B. No. 631

The purpose of this bill is to make it easier for a political party to qualify and operate in Hawaii. Specifically, this is accomplished by lowering the number of required signatures needed to qualify as a party from one per cent to one-tenth of one per cent of the registered voters at the last general election.

Your Committee received supporting testimony for this bill from the Office of Elections, League of Women Voters, and minority parties. Your Committee finds that the voting public may increase its participation in the electoral process if it has a greater choice in political parties. An informed electorate that participates in the election process can better understand the workings of government and reduce the current cynicism about politicians and government bureaucracy.

Your Committee has amended this bill by retaining the requirements that petitioners provide their name, signature, residence address, date of birth, and other information, rather than just their signatures. This amendment is necessary to continue to allow the Office of Elections to verify whether a voter is a qualified registered voter.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 631, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 855 Judiciary on S.B. No. 777

The purpose of this bill is to clarify certain provisions of the alternate power of sale foreclosure law and to effect substantive changes to other provisions of the law by removing certain requirements.

Your Committee finds that this measure proposes reasonable means to address concerns with the power of sale foreclosure process adopted during the 1998 legislative session. Your Committee further finds that these proposed changes will improve the efficiency of the power of sale foreclosure process and thereby reduce the time and cost of foreclosures.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Community Associations Institute Hawaii Chapter, the Hawaii Credit Union League, the Hawaii Council of Associations of Apartment Owners, Legal Aid Society of Hawaii, First American Long & Melone Title Company, Ltd., Title Guaranty of Hawaii, Security Title Corporation, the American Association of Retired Persons, Hawaii Bankers Association, Hawaii Financial Services Association, and four private attorneys.

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

- (1) Reinserting the provisions amending section 667-31(a), relating to signatories on the conveyance documents, which were inadvertently deleted during the drafting of S.B. No. 777, S.D. 1; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 777, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 777, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 856 Judiciary on S.B. No. 906

The purpose of this bill is to require financial disclosures, without dollar amounts, from members of the University of Hawaii Board of Regents, the Board of Land and Natural Resources, the Board of Agriculture, and the Hawaiian Homes Commission.

Your Committee finds that members of these boards currently do not file financial disclosure statements, even though their respective executive directors or equivalent positions are required to file such statements. Your Committee further finds that financial disclosure statements are required from equivalent state officeholders, either by statute or, in the case of judges, by Supreme Court rule. Your Committee believes that this bill strikes an appropriate balance between disclosure of financial interests and privacy by not requiring that the actual dollar value be reported.

Testimony in support of this measure was received from the Hawaii State Ethics Commission and Common Cause Hawaii. Testimony stating no objection to this measure was received from the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 906 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Anderson).

SCRep. 857 Judiciary on S.B. No. 913

The purpose of this bill is to establish a provision allowing elections by mail for any federal, state, or county election held other than on the date of a regularly scheduled primary or general election.

Your Committee finds that the possibility of holding an election other than on the date of a regularly scheduled primary or general election would provide a logistical quandary for the Office of Elections. Although section 11-174.5, Hawaii Revised Statutes, provides that the Office of Elections has one hundred twenty days to conduct a special election, logistical and personnel requirements associated with polling place elections would still exist. Your Committee further finds that this measure would significantly reduce the logistical and personnel requirements and would reduce the costs associated with conducting such an election.

Testimony in support of this measure was submitted by the Office of Elections, the Commission on Persons with Disabilities, the Hawaii State Coordinating Council on Deafness, Common Cause Hawaii, Aloha State Association of the Deaf, the County Council of Maui, and a private citizen.

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

- (1) Deleting the provision that required the county clerks to adopt rules pursuant to chapter 91, Hawaii Revised Statutes; and
- (2) Making technical non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 913, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 913, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 858 (Majority) Judiciary on S.B. No. 914

The purpose of this bill is to conform section 11-151, Hawaii Revised Statutes, to a 1997 Hawaii Supreme Court ruling by specifying that ballots cast includes blank ballots and overvotes when tabulating the results of a ballot question regarding the convening of a constitutional convention.

Your Committee finds that in March 1997 the Hawaii Supreme Court ruled that blank ballots and overvotes count toward total ballots cast regarding a question for a constitutional convention. Your Committee further finds that counting blank ballots and overvotes toward total ballots cast on that question ensures that the important step of convening a constitutional convention will not be taken unless a true majority of all voters voting that day support it.

Testimony in support of this measure was submitted by the Office of Elections, the League of Women Voters, and Common Cause Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 914 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, 1 (Sakamoto). Excused, 1 (Anderson).

SCRep. 859

Judiciary on S.B. No. 915

The purpose of this bill is to require replacement candidates to fill out an application for nomination, sign the proper certifications, and take an oath or affirmation.

Your Committee finds that replacement candidates in elections are presently not being required to present the same certifications as initial candidates regarding, for instance, district residence. Your Committee further finds that requiring all candidates, replacement or initial, to comply with the same basic rules for nomination will make for fairer and more trustworthy elections.

Testimony in support of this measure was submitted by the Office of Elections.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 915, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 860

Judiciary on S.B. No. 947

The purpose of this bill is to create a new chapter in the Hawaii Revised Statutes to regulate telemarketing activity in Hawaii. Specifically, this measure creates the Telemarketing Fraud Prevention Act, which:

- (1) Provides that a seller or telephone solicitor commits an unfair and deceptive act or practice by making false representations or by being abusive;
- (2) Requires recordkeeping by persons who engage in telemarketing in Hawaii;
- (3) Exempts certain persons and activities from being subject to the Act; and
- (4) Makes contracts or agreements in violation of the Act voidable at the consumer's request.

Your Committee finds that telemarketing fraud is a widespread crime that is nonetheless hard to trace and prosecute. Fraudulent telemarketers, working out of anonymous boiler-rooms, prey on the elderly, the vulnerable, and the mentally deficient, using misleading or high-pressure tactics to manipulate victims into giving the perpetrators of the fraud, money in exchange for nonexistent or low-value goods or services. This measure, in conjunction with federal law, will aid in seeking out and punishing telemarketing fraud, and deterring future fraudulent telemarketing schemes.

Your Committee further finds that many legitimate businesses use telemarketing as part of their legitimate and non-fraudulent marketing practices. While your Committee believes that such businesses should comply with the requirements set forth in this measure, it is not your Committee's intent to harshly punish legitimate businesses that use telemarketing, for careless or inadvertent failures to strictly comply with the recordkeeping requirements and other technical violations of the proposed Act. Your Committee believes the penalties for violations of this Act should reflect the difference between a simple violation which may have resulted from mere carelessness in recordkeeping or in training of employees, and a knowing violation by a fraudulent telemarketer intending to bilk consumers of their savings through deceptive practices and high-pressure sales techniques.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the American Association of Retired Persons, and Legislative Information Services of Hawaii, Inc. Comments on this measure were submitted by the Hawaii Financial Services Association and State Farm Insurance Companies. Testimony in opposition to the criminal penalties provided by this measure was submitted by the Office of the Public Defender.

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

- (1) Deleting the requirement that information about the identity of the caller and purpose of a telemarketing call be given within the first minute, as the measure already requires that the information be given prior to any solicitation or request for money, and the one minute time limit is likely to lead to inadvertent violations;
- (2) Deleting a provision providing that a telemarketer who let the phone ring more than five times would violate the Act;
- (3) Adding a provision that use of an automatic dialer to initiate telemarketing calls violates the Act;
- (4) Adding language to provide that a telemarketer who complies with federal regulations and through error calls a consumer who had previously requested not to be called does not violate the Act as a result of that error;

- (5) Changing the earliest time a telemarketer can legally call in the morning from 9:00 a.m. to 8:00 a.m., in conformance with federal regulations, and changing the applicable time zone from Hawaii Standard Time to the local time at the residence of the consumer called;
- (6) Specifying that the Attorney General and the Department of Commerce and Consumer Affairs are authorized to review records kept by telemarketers;
- (7) Requiring that "do not call" lists maintained in compliance with federal regulations be kept as part of the records required by the Act;
- (8) Adding licensed non-depository financial services loan companies and affiliates of licensed financial institutions to the list of entities excepted from the Act;
- (9) Adding individuals licensed by the Insurance Commissioner to the list of entities excepted from the Act;
- (10) Adding to the list of entities excepted from the Act, entities with national or worldwide operations that are subject to the oversight of government agencies, but only for telephone calls to and from consumers with whom the entity has an existing business relationship;
- (11) Amending the penalties provided by the bill to distinguish between a simple violation, which is punishable by a civil fine and possible forfeiture, and a knowing violation, which is punishable as a class C felony and by mandatory forfeiture;
- (12) Curtailing the period in which previously undiscovered offenses may be prosecuted by setting an outside limit of ten years for all prosecutions;
- (13) Amending terms used throughout the Act to conform to the definitions of terms in the first section of the Act;
- (14) Changing the effective date; and
- (15) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 947, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 947, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 861

Judiciary on S.B. No. 949

The purpose of this bill is to enact the Uniform Unincorporated Nonprofit Association Act (UUNAA). More specifically, this bill provides that when two or more members meet for nonprofit purposes, they will be treated as a legal entity with:

- (1) The authority to acquire, hold, and transfer personal and real property;
- (2) The authority to sue and be sued as a separate legal entity; and
- (3) Separate contract and tort liability from its officers and members.

Your Committee finds that enactment of the UUNAA will clarify the status of, and encourage citizen participation in, nonprofit associations such as homeowners' associations, parent-teacher associations, athletic clubs, civic associations, and neighborhood community associations. Your Committee further finds that nine other states -- Alabama, Arkansas, Colorado, Delaware, Idaho, Texas, West Virginia, Wisconsin, and Wyoming have adopted this act.

Testimony in support of this measure was submitted by the Commission to Promote Uniform Legislation and the Aloha Society of Association Executives.

The Department of Commerce and Consumer Affairs (DCCA) submitted testimony in support of the intent of this measure but was concerned that the unincorporated nonprofit association would be filing a notice of appointment or resignation with the Department. DCCA felt that such a record, if filed, would be kept under the Business Registration Division's current record keeping system and could cause confusion for the members of the general public as they may think that the unincorporated association is a registered entity.

Upon further consideration, your Committee has amended this measure by requiring that the unincorporated nonprofit association file a notice of appointment and resignation with the Bureau of Conveyances rather than with DCCA. Technical, non-substantive changes were also made for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 949, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 949, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 862 Judiciary on S.B. No. 1024

The purpose of this bill is to bring all management practices relating to water pollution, domestic sewage, animal wastewater, and recycled water under the water pollution law; and to transfer the certification of private cesspool pumping firms to the Department of Health.

Your Committee finds that this bill will increase and make uniform the maximum penalties that can be assessed against persons who violate the laws relating to water pollution and the treatment, processing, storage, transport, use, and disposal of domestic sewage, animal wastewater, and recycled water. For example, a violator who is an individual and who commits a violation that the individual knows will place another person in imminent danger of death or serious bodily injury, is subject to a fine of not more than \$250,000, or imprisonment for not more than fifteen years, or both, under the water pollution law (chapter 342D, Hawaii Revised Statutes). In contrast, violations of the Hawaii law for mandatory certification of private cesspool pumping firms and operating personnel in wastewater treatment plants are punishable at most by a petty misdemeanor.

Your Committee also finds that the law relating to the mandatory certification of private cesspool pumping firms has not been implemented, and will probably not be implemented in the foreseeable future, by the board of certification established pursuant to section 340B-4, Hawaii Revised Statutes. The law requiring the certification of private cesspool pumping firms was enacted in 1987 and essentially took effect on January 1, 1988.

Your Committee has amended this bill by:

- (1) Adding a provision clearly indicating that the Director of Health's authority with respect to recordkeeping and monitoring requirements includes systems and plants subject to chapter 340B, Hawaii Revised Statutes, in addition to systems and plants subject to chapter 342D, Hawaii Revised Statutes;
- (2) Adding existing statutory material that appears to have been inadvertently omitted from section 342D-16, Hawaii Revised Statutes (section 8 of the bill); 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1024, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1024, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 863 Judiciary on S.B. No. 1088

The purpose of this bill is to amend the conservation and resources enforcement program law with respect to the forfeiture of perishable natural resources.

In particular, this bill allows any natural resources that have been seized by agents of the Department of Land and Natural Resources to be immediately returned to their natural environment or suitable habitat, or disposed of as determined by the Department. If the natural resources disposed of were unlawfully seized, the Department is liable to the owner for the fair market value of the items disposed of.

The bill further allows the Department to sell or cause the sale of perishable natural resources that have been seized to prevent the waste of that resource and ensure the economic value of the resource, require the person who took the resource to sell the seized resource at fair market value, or require purchasers of the seized resource to deliver the proceeds of the sale to the Department. The Department is to deposit and keep the proceeds of the sale in an interest bearing account until the suspected violation is settled or submitted to the court. Finally, the bill allows for the seizure of perishable natural resources prior to a forfeiture proceeding.

Your Committee agrees with the intent of the bill, and finds that the bill will assist in preventing the waste of natural resources. This bill will also relieve the Department of Land and Natural Resources of the time and expense of storing a perishable natural resource that declines rapidly in value with storage, and limits the State's liability for loss of value if it is later determined that the seizure was unlawful.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1088, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 864 Judiciary on S.B. No. 1091

The purpose of this bill is to consolidate and standardize various penalty provisions, to establish minimum fines, and to establish separate and graduated penalties within chapters 187A, 188, 189, and 190, Hawaii Revised Statutes.

Your Committee finds that the same graduated penalties apply to violations of all sections, including those that apply to freshwater fishing, recreational and commercial open fishing, and State managed fishing areas. These violations are all classified as misdemeanors, while the only offense classified as a felony is the use of explosives, electrocution, or poison when fishing. Your Committee further finds that the Department of Land and Natural Resources has had very little success in convincing the courts of the importance of natural resources and the need to deter violations. Your Committee believes that this bill would deter repeat violators by imposing substantial penalties including mandatory minimum and graduated fines.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Deleting all provisions that state that each specimen of aquatic life taken, killed, or injured would constitute a separate offense subject to the minimum penalties;
- (2) Deleting the provision that provides for the seizure and forfeiture of property when used in the commission, attempted commission, or conspiracy to commit a violation of this chapter; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1091, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1091, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 865 Judiciary on S.B. No. 1095

The purpose of this bill is to delay for two years the sunset date on provisions allowing licensed hunters to hunt game mammals with handguns.

Your Committee finds that this measure will give the Department of Land and Natural Resources additional time to complete its rulemaking process and implement a trial period of handgun hunting before the sunset date. Your Committee further finds that the rulemaking process has taken longer than anticipated in order to address the many legal concerns that had been raised. These concerns have been resolved and public hearings to amend the rules have been scheduled for March 1999.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, Hawaii Rifle Association, Hawaii Citizens' Rights Political Action Committee, Lessons in Firearms Education, Hawaii Hunting Association, and two concerned individuals.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1095, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 866 Judiciary on S.B. No. 1109

The purpose of this bill is to provide the Board of Land and Natural Resources with more flexibility in the administration of its lease management duties.

Specifically, the bill provides the Board with more flexibility by:

1. Deleting the provision requiring the Board to provide personal service regarding a notice of a lease breach or default;
2. Reducing the time a lessee may respond to a notice of breach or default from sixty to thirty days;
3. Providing the Board with the discretion to determine the period during which a lessee must respond to a notice for failure to make timely payments;

4. Providing the Board with the discretion to determine the time provided to a defaulting lessee who has made a good faith attempt to cure such default; and
5. Allowing alternative means of providing notice.

Your Committee finds that this bill will not only provide administrative flexibility to the Board of Land and Natural Resources, but will also allow the Board to provide more equitable and fair treatment to lessees of state lands.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1109, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 867 Judiciary on S.B. No. 1142

The purpose of this bill is to give corporations, partnerships, limited liability partnerships, and limited liability companies the ability to seek administrative relief against other entities who have registered or are using a name that is substantially identical or confusingly similar.

Your Committee finds that this measure will increase the protections afforded to businesses by allowing them to file a petition for an administrative order of abatement with the Department of Commerce and Consumer Affairs in order to protect the use of their business name. Your Committee further finds that this measure will provide businesses a convenient, expeditious, and inexpensive process through which they can resolve their disputes without having to bear the burden of taking their disputes to court.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and the Hawaii State Bar Association Business Law Section.

Upon further consideration, your Committee has amended this measure, as requested by the Department of Commerce and Consumer Affairs, by deleting the reference to "professional corporation" from section 2 for consistency throughout this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1142, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 868 Judiciary on S.B. No. 1320

The purpose of this bill is to provide protection for persons who make commercially reasonable efforts to identify and find solutions for potential year 2000 errors in computer systems and to set standards and provide guidance as to what steps must be undertaken as part of commercially reasonable efforts.

Your Committee finds that there is widespread uncertainty about what claims may be brought based on year 2000 errors, and about what acts may provide a basis for or a defense to liability for such errors. Among businesses seeking to identify and prevent potential errors before the immovable and fast-approaching deadline, this uncertainty has diverted personnel and resources from the actual process of finding and fixing problems to documentation of the process in anticipation of future lawsuits. Your Committee believes that this measure, by providing guidance as to what steps should be taken as part of a commercially reasonable approach to identifying and fixing problems, will help those with potential year 2000 problems to focus on remediation of the potential problems in the time remaining, rather than predicting the possible bases for future claims.

Your Committee notes that this measure's limitation on consequential damages, which are difficult to resolve quickly but which may also be the most substantial part of a claim by a business injured by a year 2000 problem, does not apply when the claimant's actions were commercially reasonable and the respondent's actions or inaction were not. Thus, claimants will be precluded from seeking consequential damages only when the respondent had undertaken appropriate efforts to prevent year 2000 errors or when the claimant itself had failed to undertake appropriate efforts to prevent problems.

Testimony in support of this measure was submitted by the Attorney General, the Department of Accounting and General Services, the Chamber of Commerce of Hawaii, the Hawaii Bankers Association, the Hawaii Long Term Care Association, Hawaiian Electric Company, Bank of Hawaii, Queen's Health Systems, Hawaii Medical Service Association, State Farm Insurance Companies, and one individual. The Judiciary submitted comments expressing concern about the mandatory non-binding arbitration provision in this measure, and recommending an amendment to permit a variety of forms of alternative dispute resolution. Testimony in opposition to this measure was submitted by one individual.

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

- (1) Deleting the limitation on the amount of noneconomic damages recoverable for a physical injury claim, to be consistent with current law which does not limit the noneconomic damages recoverable for any other sort of physical injury claim;
- (2) Replacing the mandatory non-binding arbitration provision with a provision calling for an early alternative dispute resolution status conference before the court and explicitly permitting the court to order any form of alternative dispute resolution;
- (3) Clarifying that remediation steps must be implemented in a timely fashion to be commercially reasonable, and that implementation of remediation steps and compliance with any standard data formats are minimum requirements for a finding of commercially reasonable efforts;
- (4) Changing the repeal date to December 31, 2003; and
- (5) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1320, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1320, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 869 Judiciary on S.B. No. 1421

The purpose of this bill is to allow probation as a sentencing option for income tax offenses.

Your Committee finds that the Hawaii Supreme Court recently determined that under current law, the state statutes relating to penalties for tax offenses provide for mandatory sentencing options of a fine, imprisonment, or both, but do not allow probation. Your Committee further finds that including probation as a sentencing option will give courts more flexibility in sentencing, and will enable the Department of Taxation to collect taxes from convicted offenders that might have been uncollectible had such offenders been imprisoned.

Testimony in support of this measure was submitted by the Department of Taxation, the Tax Foundation of Hawaii, the Hawaii Society of Certified Public Accountants, the Tax Section of the Hawaii State Bar Association, and a former District Court Judge.

Upon further consideration, your Committee has amended this measure by making it clear that a court has the option to impose a sentence that combines one or more of the listed penalties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1421, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 870 (Joint) Judiciary and Ways and Means on S.B. No. 1462

The purpose of this bill, as received by your Committees, is to make the office of elections and the elections appointment panel permanent. This bill also renames the elections appointment panel as the elections appointment and review panel. In addition, this bill requires that panel to establish an elections review program to establish standards, evaluate, and make recommendations regarding the performance of the operation of elections and conduct of the chief election officer.

Your Committee finds that the independence of the office of elections serves a role in preserving the integrity of the elections system, as well as the perception of that integrity. Given the significance of this integrity and the perception thereof, adding a review function to the appointments panel should help maintain or improve the performance of the operation of elections and of the chief election officer. Your Committee further finds that making the elections appointment and review panel more independent by changing the method by which the members are selected advances this same goal.

Testimony in support of this measure was submitted by the Lieutenant Governor, the League of Women Voters of Hawaii, and Common Cause Hawaii.

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

- (1) Clarifying that the review of the chief election officer shall focus on the "performance" rather than the "conduct" of the chief election officer;
- (2) Transferring the office of elections and the elections appointment and review panel from the office of the lieutenant governor to the department of accounting and general services;

- (3) Requiring the office of elections to provide staff support for the elections appointment and review panel;
- (4) Changing the appointment of the members of the panel from appointment by the governor, to selection of one member each by the president of the senate, speaker of the house of representatives, minority leader of the senate, minority leader of the house of representatives, and one member by the governor, without the advise and consent of the senate;
- (5) Changing and staggering the terms of the panel members to six years, with the members appointed by the president of the senate, minority leader of the house, and the governor serving the first six year term, and the remaining two members serving for four years;
- (6) Inserting an appropriation of \$5,000;
- (7) Changing the effective date to June 29, 1999, with the appropriation section taking effect July 1, 1999; and
- (8) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1462, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1462, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 16. Noes, none. Excused, 2 (Buen, Taniguchi).

SCRep. 871 Judiciary on S.B. No. 1502

The purpose of this bill is to require a candidate or a committee to file a report with the campaign spending commission disclosing disbursements for electioneering communications over a \$5,000 annual threshold, and to treat the expenses incidental to a fundraiser as expenditures.

Your Committee finds that informational and educational advertising has become an unregulated and virtually unlimited aspect of political campaigns. A Federal law that was proposed but not enacted, the McCain-Feingold campaign spending reform bill, contained language designed to address this very issue. The bill before your Committee is modeled on the McCain-Feingold bill in its treatment of electioneering communications.

Your Committee further finds that the current exemption of fundraising expenditures from voluntary spending limits has created another loophole in campaign spending laws. This provision is ripe for abuse, as it is almost impossible to enforce or to administer, and serves no clear purpose within the framework of our expenditure limit and public financing programs.

Testimony in support of this measure was submitted by the Campaign Spending Commission, the Hawaii State Coordinating Council on Deafness, the League of Women Voters of Hawaii, Common Cause Hawaii, and Hawaii Clean Elections.

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

- (1) Adding paid advertising via bulk mail to the definition of electioneering communication; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1502, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 872 Judiciary on S.B. No. 166

The purpose of this bill is to prohibit the distribution of samples of, or coupons, for cigarettes or tobacco products on any public street, sidewalk, park, or within one thousand feet from any elementary, intermediate, or high school.

Your Committee finds that cigarette smoking is Hawaii's and the nation's number one preventable cause of morbidity and mortality. In Hawaii, those casualties represent sixteen percent or over 1,200 lives lost and \$238 million in economic losses. Your Committee recognizes that the number of cigarettes consumed annually by about three million minors in the United States has been estimated conservatively at 516 million packs, at least half of which are sold illegally to minors. Your Committee further finds that as tobacco companies compete for shares of a shrinking domestic market, advertisements and promotions have intensified, the tobacco industry spending in excess of \$6 billion on ads and promotions. Your Committee believes that more aggressive measures are needed to counteract the social forces that continue to induce Hawaii's young people to use tobacco products.

Testimony in support of this measure was submitted by the Department of Health, the Department of Education, the Honolulu Police Department, the American Lung Association of Hawaii, the American Heart Association, Hawaii Nurses Association, and five graduate students in the School of Social Work program.

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

- (1) Clarifying that the distribution of sample tobacco products or tobacco promotional materials is prohibited during regular school hours;
- (2) Deleting all references to coupons; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 166, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 166, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 873**Judiciary on S.B. No. 613**

The purpose of this bill is to create a statewide licensure mechanism for retail tobacco sales that provides for licensing retail tobacco vendors, inspections and enforcement, adjudication of fines and penalties, training and education for retail merchants, and public awareness of the State's law governing the sale of tobacco to minors.

Your Committee finds that about ninety percent of smokers begin before age eighteen, and that minors are beginning to experiment with tobacco use at younger ages than ever before. Your Committee further finds that reducing youth access to tobacco products is an instrumental component in reducing the number of minors who smoke cigarettes or use tobacco products, and that the compliance of merchants is of utmost importance.

The American Lung Association of Hawaii and the American Heart Association both submitted testimony supporting the licensure provisions of this measure but opposed penalizing minors for the possession of tobacco products. Testimony in opposition to this measure was submitted by the Office of the Public Defender and Legislative Information Services of Hawaii.

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

- (1) Providing that all liquor license fees and tobacco license fees shall be maintained in separate accounts;
- (2) Changing the effective date from July 1, 1999 to July 1, 2000;
- (3) Adding a saving provision; and
- (4) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 613, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 613, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 874**Judiciary on S.B. No. 618**

The purpose of this bill, as received by your Committee, is to limit pathological intoxication to intoxication resulting from use of alcohol or legal drugs taken pursuant to medical advice or prescription.

Your Committee finds that current laws relating to pathological intoxication as the basis for a criminal defense are not intended to apply to defendants whose intoxication is the result of a physical condition itself caused by the use over time of any legal substance, and are not intended to apply to defendants whose intoxication is attributable to the use of illegal drugs. Nonetheless, your Committee finds that there has been inconsistent application by the courts of these laws, resulting in the doctrine's application to physical conditions caused by the use of illegal drugs.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu and the Honolulu Police Department. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Limiting the ingested substances used as the basis for pathological intoxication to controlled substances, except alcohol or drugs taken under medical advice, to ensure that over-the-counter drugs and other legal substances are not excluded; and
- (2) Clarifying that the physical abnormality forming a basis for pathological intoxication must be a pre-existing condition.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 618, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 875 Judiciary on S.B. No. 619

The purpose of this bill, as received by your Committee, is to amend the definition of "physical or mental disease, disorder, or defect" to exclude abnormalities that are attributable to the voluntary ingestion of alcohol or any other psychoactive substance, and to include abnormalities that grossly and demonstrably impair a person's perception or understanding of reality.

Your Committee finds that the current laws relating to penal responsibility were intended to exclude from criminal defenses mental or physical conditions caused by a defendant's voluntary ingestion of alcohol or drugs. However, your Committee further finds that there has been inconsistent interpretation among judges as to whether a mental disorder attributable to a person's own drug use may qualify for the defense.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu, the Department of the Prosecuting Attorney for Maui County, and the Honolulu Police Department. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Removing the added requirement that a physical or mental disease, disorder, or defect "[g]rossly and demonstrably impair a person's perception or understanding of reality," as this provision was unnecessary to the bill's purpose;
- (2) Deleting the reference to psychoactive substances and replacing it with a reference to controlled substances as defined in section 329-1; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 619, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 876 Judiciary on S.B. No. 1035

The purpose of this bill, as received by your Committee, is to allow persons under twenty-one years of age to participate in authorized studies or enforcement of statutory provisions relating to the sale of liquor to minors.

Your Committee finds that alcohol is the most socially accepted intoxicating substance and is one of the most abused as it is readily available throughout the State at many retail stores. Your Committee further finds that in a Department of Health Student Alcohol and Drug Use Survey, twenty-four percent of sixth graders, thirty-eight percent of eighth graders, forty-six percent of tenth graders, and fifty-nine percent of twelfth graders can easily purchase alcohol from stores in Hawaii. Your Committee believes that education and enforcement are essential to preventing youth from using intoxicating liquor.

Testimony in support of this measure was submitted by the Department of Health, the Office of Youth Services, and the Hawaii Advisory Commission on Drug Abuse and Controlled Substances.

Upon further consideration, your Committee has amended this bill by clarifying that only persons aged eighteen to twenty may participate in any controlled purchase enforcement activity or a study authorized by the Department of Health.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1035, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1035, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 877

Judiciary on S.B. No. 1160

The purpose of this bill is to amend Hawaii's Uniform Controlled Substance Act to conform to changes in federal and state law.

Your Committee finds that the amendments to the Uniform Controlled Substance Act proposed by this measure will create consistency between federal and state requirements, assist law enforcement in the investigation of drug-related offenses, and strengthen the enforcement of our drug laws.

Some of the amendments to the Uniform Controlled Substance Act proposed by this measure will:

- (1) Add a new definition for the term "ephedrine";
- (2) Update the record-keeping requirement for controlled substances from two years to five years due to changes made to chapter 328, Hawaii Revised Statutes;
- (3) Standardize the paper size requirements for prescriptions;
- (4) Prevent the diversion of controlled substances by persons posing as interns, residents, or other authorized persons prescribing controlled substances using the hospital DEA number and internal code;
- (5) Expand the list of chemicals subject to mandatory reporting requirements;
- (6) Establish reporting requirements for suspicious purchases of exempt items and tableting or encapsulating machines;
- (7) Removing the exemption for ephedrine products, but creating an exception for dietary supplements containing ephedrine alkaloids extracted from the plant Ephedra;
- (8) Establishing penalties for sellers of ephedrine products who make certain claims about the product's effects; and
- (9) Increasing the penalties for the sale or distribution of a regulated chemical without a permit or by a person convicted for the second time of a violation of section 329-67, Hawaii Revised Statutes, and increasing the level of offense for other illegal acts.

Testimony in support of this measure was submitted by the Department of Public Safety, the Honolulu Police Department, the Dietary Supplement Safety and Science Coalition, and Longs Drugs Stores. Testimony in opposition to this measure was submitted by the Legislative Information Services of Hawaii on behalf of Nonprescription Drug Manufacturers Association.

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

- (1) Deleting the provisions requiring record keeping and reporting of regulated chemical transactions and requiring the reporting of above threshold quantity, suspicious purchases of exempt items and tableting or encapsulating machines;
- (2) Deleting the exceptions to the reporting requirements as noted above in (1); and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1160, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1160, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 878

Judiciary on S.B. No. 1212

The purpose of this bill is to consolidate and make uniform and consistent, where appropriate, the statutory provisions relating to operating a vehicle while using an intoxicant.

More specifically, the bill creates a new chapter within the Hawaii Revised Statutes that:

- (1) In effect, reenacts many existing provisions in part VII and XIV of chapter 286 and in chapter 291;
- (2) Consolidates the implied consent provisions for driving with a measurable amount of alcohol (zero tolerance), driving under the influence of intoxicating liquor, driving under the influence of drugs, and impaired boating offenses;

- (3) Makes driving with a measurable amount of alcohol (zero tolerance), driving under the influence of drugs, and impaired boating offenses subject to the administrative revocation of driver's license provisions, instead of providing for suspension of license or privilege to operate a vehicle pursuant to a district court hearing; and
- (4) Makes the penalties for driving under the influence of drugs and impaired boating offenses consistent with those for driving under the influence of intoxicating liquor by consolidating these provisions into the offense of operating a vehicle while under the influence of an intoxicant.

Testimony in support of the bill was received by your Committee from the Department of Transportation, Department of Land and Natural Resources, Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Governor's Highway Safety Council Impaired Driving Task Force, and Mothers Against Drunk Driving. The Judiciary submitted testimony in support of the intent of the bill. The State Public Defender submitted informational comments.

Your Committee recognizes that this bill is the result of efforts by the Governor's Highway Safety Council Impaired Driving Task Force and the Department of Transportation, in response to House Concurrent Resolution No. 26, S.D. 1, entitled "Requesting the Department of Transportation to Review Hawaii's Impaired Driving Statutes and to Make Recommendations for Uniform Statutory Construction". The Legislature passed the Resolution during the Regular Session of 1998 out of concern over inconsistent statutory provisions and disparate penalties for similar offenses.

Your Committee finds that it is entirely appropriate to provide for uniform and consistent statutory provisions with respect to operating a vehicle while using intoxicants. Your Committee further finds that the present inconsistent provisions relating to zero tolerance, impaired driving, and impaired boating have occurred largely as a result of patchwork legislation over time that amended some statutory provisions relating to impaired driving, but failed to make mirror amendments to other, similar offenses. Accordingly, your Committee believes that consolidating similar provisions and creating a separate chapter within the Hawaii Revised Statutes to deal solely with these issues will help to ensure that future legislative actions will maintain the consistency and uniformity established within this bill.

Your Committee has amended the bill by:

- (1) Inserting language in section -3 of the new chapter being created in the bill that is similar to that presently provided under section 291-5(b), Hawaii Revised Statutes, concerning presumptions of being under the influence of an intoxicating liquor, except the .05 is changed to .04, for consistency with alcohol concentrations under section 286-240, Hawaii Revised Statutes, relating to commercial drivers, and current medical evidence concerning intoxication and impairment;
- (2) Inserting language in section -11 that is similar to that of the present right of election, under the implied consent statute (section 286-151, Hawaii Revised Statutes), between a breath and blood test in the case of alcohol and between a blood or urine test in the case of drugs and making conforming amendments to sections -13 and -33 ;
- (3) Reinstating present statutory language that requires a "conviction" of an offense to qualify as a "prior offense" for purposes of imposing enhanced penalties for subsequent offenses;
- (4) Adding language to section -41(a) and -81(f) to recognize and indicate that a person whose license is revoked for less than a year (under section -41(b)(1) or -81(c)(1)) may apply for and be granted a new license notwithstanding section 286-126, Hawaii Revised Statutes;
- (5) Deleting paragraphs (6) and (7) of section -81(c), which provide for class A felony offenses, and changing the offense under section -81(c)(5) from a class B felony to a class C felony;
- (6) Inserting a new section -22 to the new chapter to reflect statutory language in the present section 286-159.6, Hawaii Revised Statutes, relating to admissibility of test results for drug content in other proceedings;
- (7) Inserting a new section -45 to the new chapter to reflect statutory language in the present section 286-265, Hawaii Revised Statutes, relating to relicensing after administrative revocation of driver's license;
- (8) Inserting a new section -46 to the new chapter to reflecting statutory language in the present section 286-266, Hawaii Revised Statutes, relating to computation of time;
- (9) Correcting a number of internal cross references within the bill; and
- (10) Making several technical nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1212, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1212, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 879**Judiciary on S.B. No. 155**

The purpose of this bill, as received by your Committee, is to prohibit the use of social security numbers on driver's licenses after July 31, 2000, and to require the Director of Transportation to implement a new system of assigning unique identification numbers to motor vehicle licenses.

Your Committee finds that the widespread use of social security numbers in the private sector to identify individuals tracked by financial, credit, educational, and other institutions, has facilitated the criminal practice of identity theft through unlawful use of another's social security number. Hawaii's statewide practice of using social security numbers as driver's license numbers makes it a relatively simple matter for con artists and other unscrupulous people to obtain social security numbers for their vile deceptions.

Your Committee further finds that rules promulgated by the federal Department of Transportation will require states, beginning in October 2000, to collect and verify the social security numbers of driver's license applicants and, unless a state explicitly does not so require, to use the social security numbers on the licenses. Thus, Hawaii must collect social security numbers as part of the driver's license application to comply with these rules, but may provide by statute that the numbers shall not appear on the driver's license itself.

Testimony in support of this measure was submitted by the Office of Information Practices. Testimony in support of this measure with amendments was submitted by the Department of Transportation and the Department of Customer Services of the City and County of Honolulu.

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

- (1) Removing a provision that would have deleted the social security number from the list of information to be collected in the application for a commercial driver's license, to comply with federal requirements regarding commercial driver's licensing;
- (2) Adding a provision to require collection of social security numbers as part of the general driver's license application; and
- (3) Changing from July 31, 2000, to July 31, 2001, the date after which new or renewed licenses may not include the social security number, to allow additional time for the Department of Transportation and the counties to implement the new driver's licensing procedures.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 155, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 155, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 880**Judiciary on S.B. No. 162**

The purpose of this measure is to increase from three to four, the age under which children are required to be properly restrained in a child passenger seat when being transported in a motor vehicle.

Your Committee finds that this measure reflects this National Highway Traffic Safety Administration's standards and recommendations, and will improve highway safety for young children. Under current law, a three year old child may legally ride in a car restrained by only a standard motor vehicle seat belt, although such seat belts are designed for much larger adults.

Testimony in support of this measure was received from the Department of Transportation, the Department of Health, the Commission on Persons with Disabilities, the Honolulu Police Department, the American Academy of Pediatrics, the Hawaii Insurers Council, the Keiki Injury Prevention Coalition, Mothers Against Drunk Driving, and one individual.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 881**Judiciary on S.B. No. 660**

The purpose of this bill, as received by your Committee, is to impose a mandatory minimum consecutive jail sentence and a \$500 fine, in addition to penalties already provided by law, for persons who commit the offense of driving under the influence of intoxicating liquor while having a passenger less than 18 years old in the motor vehicle.

Your Committee finds that increasing the penalty for driving under the influence with a child passenger will be a deterrent to doing so, and will thus increase highway safety for children. However, the measure as drafted includes not only children but teenage passengers. In addition, your Committee notes that the measure, as drafted, could result in jail sentences of greater than thirty days and potentially trigger the right to a jury trial.

Testimony in support of this measure was submitted by the Department of Transportation, the Department of the Prosecuting Attorney for the County of Maui, the Honolulu Police Department, Mothers Against Drunk Driving, the Keiki Injury Prevention Coalition, and Hawaii Youth In Action. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Narrowing the application of this measure to drivers 18 years old and over and passengers 12 years old and under;
- (2) Deleting the additional jail time imposed by this measure to avoid triggering the right to a jury trial; and
- (3) Amending the preamble to reflect the changes made.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 660, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 660, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 882 Judiciary on S.B. No. 674

The purpose of this measure is to clarify that a police roadblock is not invalidated by a failure to comply with internal police procedures that exceed the minimum statutory roadblock requirements.

Your Committee finds that internal police procedures for roadblocks, which may relate to points as minor as the color of vest to be worn by officers at the roadblock, should not be treated as having the weight of law for the purpose of determining the legal validity of a roadblock. However, your Committee notes that rules adopted pursuant to Chapter 91, Hawaii Revised Statutes (HRS), after the public review and hearing process provided for by that chapter, should be followed after their adoption and may fairly be treated as requirements for a legally valid roadblock.

Testimony in support of this measure was submitted by the Department of Transportation, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the Governor's Highway Safety Council Impaired Driving Task Force, and Mothers Against Drunk Driving. Testimony in support of this measure with an amendment was submitted by the Office of the Public Defender.

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

- (1) Clarifying that the measure deals with the failure to follow internal police procedures not subject to HRS Chapter 91; and
- (2) Amending the purpose section of the bill to reflect that change.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 674, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 674, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 883 Judiciary on S.B. No. 685

The purpose of this bill is to repeal the requirement that a specific form be provided by the Director of Finance when registering a vehicle under two names that is not held in joint tenancy.

Your Committee finds that the counties have had difficulty in creating legally sufficient joint ownership forms for motor vehicle registration. Repealing the requirement that a Director of Finance provide a specific form in this situation will allow registrants who wish to register as joint owners in some form other than joint tenancy to provide their own documents as evidence of the joint ownership they claim.

Testimony in support of this measure was submitted by the Department of Customer Services of the City and County of Honolulu.

Upon further consideration, your Committee has amended this measure by making a technical, non-substantive change.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 685, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 685, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 884 Judiciary on S.B. No. 709

The purpose of this bill is to authorize additional experimentation in the use of new traffic enforcement technologies.

Specifically, this bill allows the use of other photo technology systems to enforce the unlawful crossing of longitudinal traffic lane markings, which use would be in conjunction with the photo red light and photo speed imaging detector systems of the renamed traffic enforcement demonstration project.

Current law requires police officers to physically pull over vehicles and hand traffic citations to violators unlawfully crossing longitudinal traffic lane markings. Police officers often cannot enforce these violations because road configurations prevent the officer and motorist from stopping safely on the side of the road. In addition, stopping a motorist on the freeway is dangerous and causes traffic slowdowns because of rubbernecking and safety concerns.

A photo technology system would produce a photo identifying a violator and the violator's vehicle unlawfully crossing longitudinal traffic lane markings and also enable a citation and summons to be mailed to that violator.

Your Committee finds that permitting the use of photo technologies in enforcing the violation of unlawfully crossing longitudinal traffic lane markings allows for more effective, efficient, and safer enforcement of the law.

In addition, your Committee finds that concerns relating to holding a registered owner responsible where the owner allegedly was not the driver at the time of the alleged violation have been addressed by allowing the registered owner to submit a sworn affidavit identifying the operator of the vehicle at the time of the violation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 885 Judiciary on S.B. No. 898

The purpose of this bill is to transfer the care and disposition of notary records from the Judiciary to the Attorney General.

Your Committee finds that under current procedures, an applicant applies for a notary commission at the Department of the Attorney General, and the Attorney General issues the notary commission. The notary must then travel to the circuit court to file a signature card, a bond, and a copy of the commission. The circuit court files completed notary books, and subsequently microfilms these books. The court also authenticates a notary signature. On the other hand, the Attorney General monitors and revokes notary commissions. Your Committee further finds that since the Judiciary has no jurisdiction over these records, the safekeeping of these records should reside with the Attorney General.

Testimony in support of this measure was submitted by the Judiciary and the Department of the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 898 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 886 Judiciary on S.B. No. 921

The purpose of this bill is to amend section 604-8, Hawaii Revised Statutes, relating to the jurisdiction of the district court, by deleting reference to charges brought by complaint or indictment.

Your Committee finds that Act 64, Session Laws of Hawaii, 1998, provided for concurrent jurisdiction between the district, circuit, and family courts over certain offenses. Thus, the district court has concurrent jurisdiction with the family court for any violation of an order issued pursuant to chapter 586 or any violation of section 709-906, when multiple offenses are charged through complaint or indictment and at least one other offense is a criminal offense within the jurisdiction of the district court. Your Committee further finds that the district court does not require that offenses be charged through "complaint or indictment" nor is it a common court practice.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 887 Judiciary on S.B. No. 922

The purpose of this bill, as received by your Committee, is to amend the state of mind required for the offense of unauthorized control of propelled vehicle to include a knowing and reckless state of mind.

Your Committee finds that in unauthorized control of propelled vehicle cases the State must prove that the defendant intentionally exerted the unauthorized control over the vehicle. Thus, if a defendant claims that he thought he had permission from another person whom he believed was the owner or the agent of the car owner, the State may be unable to prove beyond a reasonable doubt that the defendant "intentionally" exerted unauthorized control of a propelled vehicle. Your Committee recognizes the difficulty the State may have in prosecuting such cases. However, your Committee believes that "recklessness" is a less culpable state of mind that does not rise to the same level as "intentionally" or "knowingly" and that a reckless violation should not be punished in the same manner as an intentional or knowing violation of the statute.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu and the Honolulu Police Department. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Upon further consideration, your Committee has amended this measure by deleting the "reckless" state of mind provision.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 922, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 922, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 888 Judiciary on S.B. No. 970

The purpose of this bill is to exempt bail bond rates from insurance rate filing requirements.

Your Committee finds that confusion has resulted among attorneys, bail bondspersons, and the public over the applicable law governing bail bond rates. At present, rates are separately regulated under both the insurance code and the bail bond laws. Your Committee finds that exempting bail bond rates from insurance rate filing requirements and subjecting those rates to the bail bond laws will clear the present confusion in the area.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 970, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 970, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 889 Judiciary on S.B. No. 1086

The purpose of this bill is to authorize the Board of Land and Natural Resources to impose administrative fines for violations of the ocean recreation and coastal laws.

This measure also authorizes the Board of Land and Natural Resources to pursue costs and fees through other civil remedies and does not limit the pursuit of criminal violations in addition to imposing any administrative fines for violations of the ocean recreation and coastal laws. Providing the Board with a range of penalties is an effective way to handle violators of the laws that protect one of our State's most precious assets.

The funds that are collected as a result of the new law will be deposited into the boating special fund. This added source of revenue will assist in financing some of the administrative expenses associated with the disposition of abandoned vessels and other ocean and coastal related costs incurred by the Department of Land and Natural Resources.

Your Committee finds this measure will be a step toward more efficient and self-supporting management of the ocean recreation and coastal programs.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1086 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 890 Judiciary on S.B. No. 1107

The purpose of this bill is to allow the use of an alternate number as the state identification number and to remove the requirement of displaying an individual's social security number, issue date, attorney general's signature, and registrar's signature on the state identification card. It also proposes to change the designated fingerprints to be obtained and retained by the attorney general.

Your Committee finds that there has been a growing concern over the display of an individual's social security number on the state identification card. An increasing number of individuals have requested that their social security number not be displayed on the identification card because of their fear of potential fraud. Your Committee further finds that there are many individuals who are not able to obtain a social security number since the Social Security Administration recently adopted a policy of only issuing a social security number to those individuals authorized to work in the United States.

Although your Committee recognizes that the lack of a social security number on the state identification card might diminish the value of its use as a personal identification card, your Committee notes that Department of the Attorney General testified that the major financial institutions and the Retail Merchants Association have indicated that their members would accept a state identification card with an alternate identification number for check writing purposes. Similarly, the Department testified that it contacted Voter Registration who also indicated that such an identification card would be acceptable at the polling sites because the photograph, date of birth, and signature of the cardholder could be used to verify a person's identification.

Testimony in support of this measure was submitted by the Department of the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1107 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 891 Judiciary on S.B. No. 1273

The purpose of this bill, as received by your Committee, is to require the Department of Education to conduct national and state criminal history checks for teacher trainees either employed by, or seeking employment with, the Department. This measure also provides that private schools may develop procedures for obtaining verifiable criminal history information for their employees.

Your Committee finds that teacher trainees from the University of Hawaii are assigned to a semester of student teaching in the public schools whereby these trainees work in close proximity to students. Your Committee further finds that mandatory national and state criminal history checks of such trainees would ensure the safety and well-being of students within the public schools.

Your Committee recognizes that in light of recent federal guidelines, the Federal Bureau of Investigations (FBI) will no longer be able to conduct criminal history checks on individuals unless mandated by a governmental agency. However, this poses a serious dilemma with regards to private schools.

Under current law, private schools have the option of requiring a criminal history check on its employees or prospective employees. With the recent federal restrictions, private schools would not be able to obtain criminal history checks conducted by the FBI since they are a private entity (non-governmental agency). However, private schools still retain the option of obtaining criminal history checks from the Hawaii Criminal Justice Data Center.

Your Committee firmly believes that it is a compelling state interest to provide for the protection of all children regardless of where they attend school. Children of private schools should be afforded the same protections as those attending public schools.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Education, the Hawaii State Teachers Association, and the Honolulu Police Department.

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

- (1) Clarifying that the Federal Bureau of Investigations will be conducting a fingerprint search and not a name search;
- (2) Deleting the provision that private schools may develop procedures for obtaining verifiable criminal history information;
- (3) Mandating that the Department of Education, private schools, and the counties conduct national and state criminal history checks for all its employees, for those seeking employment, teacher trainees, and those who work in close proximity to children; and

- (4) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1273, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1273, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 892 (Joint/Majority) Judiciary and Ways and Means on S.B. No. 1469

The purpose of this bill is to repeal the decriminalization of certain traffic offenses and return to the statutory structure which existed in 1993 in which traffic offenses were criminalized.

Your Committees find that possibilities exist for revenue enhancement through the elimination of the decriminalization, due to additional fines and penalties which can be imposed under criminal offenses. The increased collection of traffic fines which may result from recriminalization could have a significant effect on State revenues. While the testifiers on this measure expressed reasonable concerns about the consequences of recriminalizing these traffic violations, the potential positive budgetary impact of this bill should be explored further.

Testimony in opposition to this measure was submitted by the Judiciary, the Public Defender, the Prosecuting Attorney of the City and County of Honolulu, the Prosecuting Attorney of the County of Maui, and the Honolulu Police Department.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1469 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, 4 (Chun, Chun Oakland, Iwase, Anderson). Excused, 3 (Buen, Ige, M., Tam).

SCRep. 893 Judiciary on S.B. No. 1485

The purpose of this bill, as received by your Committee, is to permit the administrative judge of the family court to order the expungement of records of a minor who has not been adjudicated as a law violator.

Your Committee finds that the law currently does not provide a mechanism whereby an exonerated minor may petition the court and request that the minor arrest records be expunged. Your Committee notes that there are two conflicting considerations that need to be balanced: (1) the necessity for law enforcement agencies to maintain adequate identification records so that they may efficiently perform their statutory duties; and (2) the potentially disastrous effect the existence of such records might have on the minor. Your Committee is concerned that a minor who has been arrested, but never adjudicated, could continue to be affected by the existence of the arrest record. Opportunities for schooling, employment, or professional licenses may be restricted or nonexistent as a consequence of the mere fact of an arrest, even if followed by an acquittal or complete exoneration of the charges involved.

Testimony in support of this measure was submitted by the Office of the Public Defender and a private citizen. Testimony in opposition to this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department.

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

- (1) Creating a mechanism by which the administrative judge of the family court or the judge's designee may order the expungement of records upon written application to the court by a person age seventeen or older;
- (2) Inserting the contents of S.B. No. 918 that permits the court in certain cases to waive jurisdiction of other felony charges arising out of the same episode to the charge for which the minor was waived;
- (3) Inserting the contents of S.B. No. 892 that amends the law relating to family court juvenile records and hearings; and
- (4) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1485, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 894 (Joint) Judiciary and Ways and Means on S.B. No. 584

The purpose of this bill, as received by your Committees, is to require mandatory life imprisonment without parole for habitual violent offenders.

Your Committees find that habitual violent offenders and habitual sexual offenders are a small but highly dangerous segment of Hawaii's criminals. Such offenders, who have already repeatedly victimized their fellow citizens, are likely to commit violent crimes or sexual assaults over and over unless prevented from doing so.

However, your Committees find that there is a danger that too broadly written a measure can unfairly punish those who have previous convictions for relatively minor felonies and, although convicted for a third felony, do not present a danger to society meriting life imprisonment. Your Committees believe that for violent felonies other than sexual assaults, some degree of enhanced sentencing beyond the level provided by current law is appropriate only for those convicted of violent Class A felonies after three previous violent felony convictions, and those convicted of murder in the second degree after two previous violent felony conviction. As to sexual assaults, your Committees find that the evidence is even stronger than for violent felonies in general that repeat sexual offenders with several convictions will continue to repeat these assaults over and over unless prevented. Your Committees believe that for repeat sexual offenders, some degree of enhanced sentencing is appropriate even when the current conviction is for sexual assault in the second degree (a class B felony) or the third degree (a class C felony).

Your Committees note that this measure and Senate Bill 583, heard on the same day, both deal with enhanced sentencing for those convicted of sexual assaults. Your Committees have dealt with enhanced sentencing both for repeat sexual offenders and for repeat violent offenders in this measure.

Testimony in support of this measure was submitted by the Department of Health, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, and the Sex Abuse Treatment Center. Testimony in opposition to this measure was submitted by the Office of the Public Defender. Testimony in support of S.B. 583 was submitted by the Department of Public Safety, the Department of Health, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Department of the Prosecuting Attorney for the County of Maui, the Honolulu Police Department, and the Sex Abuse Treatment Center. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Upon further consideration, your Committees have amended this measure by:

- (1) Amending the definition of a habitual violent offender to limit it to a person whose current conviction is for murder in the second degree or a violent class A felony;
- (2) Amending the number of prior violent felony convictions required to qualify as a habitual violent offender to two, if the current conviction is for murder in the second degree, or three, if the current conviction is for a violent class A felony;
- (3) Deleting the automatic sentence of life imprisonment without parole for habitual violent offenders;
- (4) Inserting enhanced sentencing provisions which mandate an extended term sentence (which would be within the court's discretion under current law) for class A felons with three prior violent felony convictions, and mandate life imprisonment without parole (which is within the court's discretion under current law) for a second degree murderer with two prior violent felony convictions;
- (5) Adding a section dealing separately with repeat sexual offenders, which provides that felon sexual offenders with two previous sexual offense convictions shall be sentenced to an extended term (which would be within the court's discretion under current law), and further provides that felony sexual offenders with three previous sexual offense convictions shall be sentenced to life imprisonment without parole; and
- (6) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 584, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 584, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, none. Excused, 5 (Buen, Ige, M., Nakata, Tam, Anderson).

SCRep. 895

(Joint) Judiciary and Ways and Means on S.B. No. 585

The purpose of this bill, as received by your Committees, is to make a third offense of sexual assault in the fourth degree a class C felony and to require as part of the sentence mandatory sex offender treatment and a mandatory minimum prison sentence of two years.

Your Committees find that sex offenders suffering from mental disorders will often begin with relatively minor offenses that are classified as sexual assault in the fourth degree, but will become emboldened to commit more serious offenses in the absence of serious repercussions for their initial minor offenses. Further, first time sex offenders who do receive treatment are unlikely to offend. Your Committees further find that this measure is intended to ensure that sex offenders with a pattern of misdemeanor

offenses face stricter penalties than one-time misdemeanor offenders, and receive appropriate treatment to prevent them from committing more serious crimes.

Testimony in support of this measure was submitted by the Department of Health, the Department of the Prosecuting Attorney for the County of Maui, the Honolulu Police Department, and two individuals. Testimony in support of this measure with suggested amendments was submitted by the Department of Public Safety, the Sex Abuse Treatment Center, and one individual. Testimony in opposition to this measure was submitted by the Office of the Public Defender, the Libertarian Party of Hawaii, and one individual.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting language in the purpose section relating to paraphilia;
- (2) Reducing the mandatory sentence to one year; and
- (3) Changing the requirement of mandatory treatment to requiring a mandatory assessment and, if recommended by the assessment, mandatory treatment.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 585, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 585, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, none. Excused, 5 (Buen, Ige, M., Nakata, Tam, Anderson).

SCRep. 896 Judiciary on S.B. No. 586

The purpose of this bill is to allow enhanced sentencing for a defendant who is convicted of using a controlled substance in the course of committing or attempting to commit a felony sexual assault.

Your Committee finds that there is a need for stricter laws relating to the use of controlled substances to facilitate crimes of violence. The practice of using controlled substances on unsuspecting victims to make them vulnerable to sexual assault is not a new phenomenon. However, your Committee notes that the increasing trend over the past three years of the use of Rohypnol and other "date rape" drugs to incapacitate a victim raises new concerns about the frequency of these types of acts. Your Committee believes that enhanced sentencing is an appropriate additional sanction which should be imposed for the commission of this type of aggravated sexual assault.

Testimony in support of this measure was submitted by the Department of Public Safety, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and Hoffman LaRoche, Inc. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Clarifying that the enhanced sentencing applies when a controlled substance is used to facilitate the crime rather than incapacitate the victim; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 586, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 897 Judiciary on S.B. No. 588

The purpose of this bill is to require interagency sharing of all medical, psychological, or mental health records of sex offenders.

Your Committee finds that permitting the governmental agencies participating in the statewide sex offender treatment program to share records will help all the participating agencies protect the public from sexual predators and help sex offenders to be given appropriate treatment. Current statutes, which do not allow for sharing, have often frustrated the participating agencies in their efforts to treat sex offenders and protect the public.

Testimony in support of this measure was submitted by the Judiciary and the Department of Public Safety. Testimony in support of the intent of the measure but requesting amendment was submitted by the Department of Health. Testimony requesting amendment was submitted by the Office of Information Practices.

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

- (1) Adding a confidentiality provision restricting use of the records by the receiving agency;
- (2) Clarifying that criminal and parole records are included in the records that may be exchanged; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 588, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 898 Judiciary on S.B. No. 616

The purpose of this bill is to provide a civil cause of action for damages by persons injured as a result of being coerced into prostitution against those who coerced them.

Your Committee finds that those who promote prostitution often leave their victims with life-long physical, emotional, and financial scars. These may take the form of personal injury, disease, or even death; mental or emotional harm; medical and rehabilitation expenses; and the loss of past or future income and earning capacity. Your Committee further finds that the potential financial gains for those who coerce others into prostitution are so large that many persons evidently consider such coercion more than worth the risk of criminal prosecution. The added threat of civil liability, including payment of actual and exemplary damages, will serve as an additional deterrent to the promotion of prostitution.

However, your Committee intends that certain factors, such as promises of marriage or of financial gain, be used as evidence for this cause of action only with regard to enticing a minor into prostitution, and not serve as evidence of coercing an adult to enter or remain in prostitution. While adults may also be affected by these types of persuasion, your Committee believes it is appropriate to draw a line between minors and adults as to these acts, and expect adults to be more able than minors to resist strong persuasion that falls short of actual coercion.

Testimony in support of this measure was submitted by the American Red Cross, the Hawaii Activities and Tours Association, and six individuals. Testimony in opposition to this measure was submitted by the Libertarian Party of Hawaii.

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

- (1) Removing certain factors from the list of items constituting evidence of coercion, and instead listing those factors as evidence of soliciting or inducing a minor to practice prostitution or promoting the prostitution of a minor; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 616 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 899 Judiciary on S.B. No. 829

The purpose of this bill is to conform the Hawaii Rules of Evidence to the current federal rules of evidence with respect to sex offense cases. Specifically this bills conforms:

- (1) Rule 412 regarding the admissibility of evidence of a victim's past sexual behavior in civil cases involving allegations of sexual misconduct; and
- (2) Rule 415 regarding the admissibility of evidence of similar acts in civil cases involving alleged sexual assault or child molestations.

Your Committee finds that it is necessary to provide further protection for women and children who are victims of sexual assault and sexual harassment. For example, at least eighteen percent of Hawaii's employees reported experiencing or observing sexual harassment within the last three years. Your Committee notes that in preparation for trial, some attorneys may attempt to solicit and introduce information about the victim's sexual history. Such information is rarely material to the issue of whether or not sexual harassment has occurred. Your Committee further finds that this bill would not prohibit the introduction of evidence relating to a sexual harassment victim's alleged prior sexual history where the evidence is relevant to the alleged victim's claims.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, Hawaii Civil Rights Commission, Honolulu County Committee on the Status of Women, Hawaii Women Lawyers, National Employment Lawyers Association, the Sex Abuse Treatment Center, Hawaii Women's Legislative Coalition, and a University of Hawaii sex equity specialist.

Testimony in opposition to this measure was submitted by the Judiciary and two private law firm attorneys.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 829, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 900 Judiciary on S.B. No. 1118

The purpose of this bill is to create two new felony offenses, habitual criminal behavior against persons and habitual criminal behavior against property, while preserving the court's discretion as to sentencing.

Your Committee finds that offenders who repeatedly commit misdemeanor offenses are a significant problem for law enforcement officials because they commit a disproportionately high percentage of petty crimes. Your Committee further finds that, unlike repeat felony offenders, repeat misdemeanor offenders are not subject to enhanced penalties. Thus, your Committee agrees that enhanced sentencing provisions should apply to persons who have three prior convictions for certain misdemeanor or felony offenses for both its punitive and deterrent effects.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, the Honolulu Police Department, the Hawaii County Police Department, and the Community Coalition for Neighborhood Safety. Testimony in opposition to this measure was submitted by the Office of the Public Defender, Hawaii Lawyers Care, Affordable Housing and Homeless Alliance, the Advocate Offices of David L. Bourgojn, and 16 private individuals.

Upon further consideration, your Committee has amended this measure by deleting the reference to 709-906, Hawaii Revised Statutes, Abuse of a Family and Household Member, as existing law currently provides enhanced penalties for this offense.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1118, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 901 Judiciary on S.B. No. 1119

The purpose of this bill, as received by your Committee, is to:

- (1) Amend the offense of murder in the first degree to make any knowing or intentional killing, murder in the first degree;
- (2) Change the offense of murder in the second degree from intentionally or knowingly causing the death of another to the reckless killing of another under circumstances manifesting extreme indifference to human life or the killing of another while in the commission of a felony; and
- (3) Provide that the defense of extreme mental or emotional disturbance will be an affirmative partial defense, which reduces the severity of the offense charged by one level.

Your Committee finds that Hawaii's most severe sanction, life without parole, should be applied to those who commit the ultimate heinous crime of killing another person. However, your Committee further finds that the offense of murder in the first degree only applies in situations where a person intentionally or knowingly causes the death of a select group of people. This bill would make any intentional or knowing killing murder in the first degree.

In addition, your Committee finds that in order to obtain a murder conviction, in addition to the other elements of murder, the prosecution is required to prove beyond a reasonable doubt that the defendant does not suffer from any extreme mental or emotional disturbance if the defendant has raised this issue. Your Committee believes that it is only proper that the defendant should have the burden to prove that the defendant was under the influence of extreme mental or emotional disturbance. Therefore, your Committee has chosen to adopt the provision that makes the extreme mental and emotional defense an affirmative defense.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, the Honolulu Police Department, the Hawaii County Police Department, and the Community Coalition of Neighborhood Safety. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Upon further consideration, your Committee has amended this bill by deleting the provision relating to the felony-murder rule.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1119, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 902 Judiciary on S.B. No. 1120

The purpose of this bill, as received by your Committee, is to provide for a twenty-five year time frame within which a prior felony conviction would qualify as a prior felony for repeat offender sentencing.

Your Committee finds that repeat offenders are a significant problem for law enforcement officials because they commit a disproportionately high percentage of crimes and burden the criminal justice system. Your Committee further finds that if these offenders commit subsequent felonies, the prior felonies can be used for repeat offender sentencing only if the felonies fall within a certain time-frame which varies depending on the number of prior felony convictions and the class of the instant felony. Currently, a C felony qualifies as a prior felony conviction for repeat offender sentencing only if the current felony offense was committed within five years of the date of conviction for the prior C felony. The time frame is ten years for a B felony and twenty years for an A felony.

However, your Committee feels that a twenty-five year shelf life for all felonies may be too harsh in certain situations. Therefore, your Committee agrees that a distinction between the types of felonies involved -- class A, class B, or class C -- needs to be preserved and consideration needs to be given to the seriousness of the crime.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, the Honolulu Police Department, and the Community Coalition for Neighborhood Safety. Testimony in opposition of this measure was submitted by the Office of the Public Defender.

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

- (1) Deleting all references to a twenty-five year shelf life;
- (2) Increasing the shelf life for a prior conviction of murder in the first degree, attempted murder in the first degree, murder in the second degree, attempted murder in the second degree, and a class A felony from twenty years to twenty-five years;
- (3) Increasing the shelf life for a prior conviction where the prior conviction was for a class B felony from ten years to fifteen years;
- (4) Increasing the shelf life for a prior conviction where the prior conviction was for a class C felony from five years to ten years; and
- (5) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1120, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 903 Judiciary on S.B. No. 1151

The purpose of this bill is to add "sexual orientation" as a protected status in the laws against discrimination in public accommodation and real property transactions, and "familial status" as a protected status in the anti-blockbusting law.

Your Committee finds that Hawaii's Civil Rights Commission has received complaints alleging sexual orientation discrimination in housing and public accommodations, which it has had to reject because state law currently provides no recourse to victims of such discrimination. Hawaii law currently forbids discrimination in employment based on sexual orientation. However, while section 368-1, Hawaii Revised Statutes, states that it is against public policy to discriminate in housing or public accommodations based on sexual orientation, sexual orientation is not listed as a protected status in Hawaii laws against discrimination in public accommodation and

housing. Your Committee further finds that due to an oversight in current laws, familial status, which is generally protected under housing and public accommodations anti-discrimination laws, is not a protected status for the purpose of the anti-blockbusting law.

Your Committee received testimony expressing concerns about the constitutionality of this measure based on a recent opinion of the Ninth Circuit, U.S. Court of Appeals. The opinion held unconstitutional Alaska's anti-discrimination in housing law, which (like Hawaii's) protects against marital status discrimination, because it prohibited a commercial landlord from discriminating against an unmarried couple as he wished to do based on his religious beliefs. Hawaii's current anti-discrimination laws would also be unconstitutional under this Ninth Circuit opinion, because Hawaii's laws also apply to discrimination based on marital status, familial status, and other grounds. However, the Ninth Circuit opinion may still be vacated or reversed at this point: Alaska has moved for rehearing, and if rehearing is denied Alaska intends to petition the United States Supreme Court for certiorari. Thus, it will not be known until well after the end of this legislative session whether the opinion will stand. Your Committee believes it will be best not to rely on this opinion as a basis for either removing protected classes from Hawaii's anti-discrimination laws or declining to add protected classes to conform with Hawaii's anti-discrimination laws, until the appeal process has been concluded.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the Gay and Lesbian Community Center, the League of Women Voters of Hawaii, PFLAG O'ahu, Hawaii Women Lawyers, Hawaii Women's Legislative Coalition, and Lambda Aloha. Testimony in opposition to this measure was submitted by the Christian Voice of Hawaii and the American Center for Law and Justice of Hawaii.

Upon further consideration, your Committee has amended this measure by making a technical, non-substantive change for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1151 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1151, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 904 Judiciary on S.B. No. 1254

The purpose of this bill, as received by your Committee, is to repeal the statute of limitations for class A felonies, criminal conspiracy to commit a class A felony and criminal solicitation to commit a class A felony so that prosecutions for these offenses could be begun at any time.

Your Committee finds that under current law, prosecution for class A felonies must be commenced within six years from the time in which the offense was committed. Your Committee believes that this period of limitations is inadequate to fully investigate and address the serious nature of these types of felonies. Your Committee further finds that the increasing sophistication of forensic science means that new evidence of old crimes may become available many years after the crime has been committed. However, your Committee also recognizes that a statute of limitations serves to protect individuals from stale prosecution and erroneous convictions.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Office of the Prosecuting Attorney of the County of Hawaii, the Honolulu Police Department, the National Center for Victims of Crime, the Sex Abuse Treatment Center, and three private citizens. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Increasing the statute of limitations for class A felonies from six years to ten years;
- (2) Increasing the statute of limitations for class B felonies from three years to six years;
- (3) Providing that the statute of limitations for class C felonies remains at three years;
- (4) Providing that any prosecution for an attempted class A felony, criminal conspiracy to commit a class A felony, and criminal solicitation to commit a class A felony must be commenced within ten years after it is committed; and
- (5) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1254, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 905 Judiciary on S.B. No. 1379

The purpose of this bill, as received by your Committee, is to classify assault against a law enforcement officer as a class C felony. This measure also classifies terroristic threatening against a law enforcement officer as terroristic threatening in the first degree.

Your Committee finds that under existing law, assaulting a correctional worker or educational worker who is engaged in the performance of the worker's duties is a class C felony. Your Committee agrees that the intent of these laws was to deter the rising number of assaults committed against correctional officers in correctional facilities, and to provide additional protection for educational workers in the classrooms. Your Committee further finds that in 1997, 359 cases of assault against police officers were filed, which under existing law is a misdemeanor. Your Committee believes that an enhanced offense for the assault of a police officer may act as a deterrent to suspects who might otherwise escalate encounters with police officers into physical confrontations.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Public Safety, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, the Honolulu Police Department, the State of Hawaii Organization of Police Officers, the Department of Land and Natural Resources, and the County of Hawaii Police Department. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Creating a new offense of assault against a police officer in the first degree, providing that a person could be charged with a class C felony if the person intentionally or knowingly causes bodily injury to a police officer while that officer is engaged in the performance of duty; and
- (2) Reclassifying the current offense of assault against a police officer, section 707-712.5, Hawaii Revised Statutes, to make this an assault against a police officer in the second degree.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1379, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1379, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 906 Judiciary on S.B. No. 1568

The purpose of this bill is to expand the prohibition of street solicitation of prostitution in Waikiki to other areas designated by the council of the appropriate county.

Your Committee finds that the legislature provided for the creation of a "prostitution-free zone" in Waikiki by imposing geographic restrictions for a defendant out on bail or probation, when it adopted Act 149, Session Laws of Hawaii 1998. Your Committee recognizes that this restriction has been highly successful upon implementation, but that prostitutes are moving from Waikiki into other areas. Therefore, your Committee believes that allowing the county to designate additional areas as a "prostitution-free zone," after finding that the area is experiencing a significant incidence of prostitution-related activity, will provide the counties with the necessary flexibility to combat prostitution.

Your Committee further finds that S.B. No. 1568, S.D. 1, is intended to correct certain ambiguities in Act 149. For example, this measure clarifies that a police officer may make an arrest when there is probable cause to believe that a person has violated the geographic restriction. In addition, this measure also clarifies that once a person is arrested for violating the geographic restrictions, the person may be held without bail.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of Corporation Counsel of the City and County of Honolulu, the Honolulu Police Department, and the Hawaii Activities and Tours Association. Testimony in opposition to this measure was submitted by the Libertarian Party of Hawaii.

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

- (1) Deleting the language prohibiting defendants from driving or riding in a motor vehicle in Waikiki or other designated areas; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1568, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1568, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 907 Transportation and Intergovernmental Affairs on S.C.R. No. 21

The purpose of this measure is to urge Hawaii's congressional delegation to ensure equity in the granting of federal construction contracts to local companies.

No testimony on this measure was received.

Your Committee finds that Hawaii's industries, especially the construction industry, are experiencing serious economic downturns. Pursuant to federal law, when Hawaii's unemployment rate exceeds that of the national average, U.S. Department of Defense construction contracts for projects in Hawaii must include a provision requiring the contractor to employ Hawaii residents. This provision creates economic opportunities for Hawaii's construction industry and Hawaii's congressional delegation should do all that is possible to ensure its equitable enforcement.

Your Committee has amended this measure by replacing nonsubstantive language with language that:

- (1) Describes the progress the Department of Defense has made in complying with federal law and awarding an increasing number of contracts to Hawaii contractors over the past three fiscal years; and
- (2) Expresses that more needs to be done to support Hawaii's contractors.

Your Committee also amended the title to more accurately reflect the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 21, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 21, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Iwase, Taniguchi).

SCRep. 908 Labor and Environment on Gov. Msg. No. 185

Recommending that the Senate advise and consent to the nomination of the following:

ENDANGERED SPECIES RECOVERY COMMITTEE

G.M. No. 185 FREDERICK R. WARSHAUER, for a term to expire June 30, 2003,

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation to assist in administering various government functions. Your Committee further finds that the nominee has been nominated for reappointment based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Endangered Species Recovery Committee.

Your Committee specifically notes the following:

Upon review of the resume and background information submitted by the nominee, your Committee finds that Frederick R. Warshauer has a Bachelor of Science degree in Zoology from Colorado State University and a Master of Science degree in Zoology from the University of Hawaii. Presently Mr. Warshauer is a Botanist with the U.S. Geological Survey Pacific Islands Ecosystems Research Center. Mr. Warshauer has written extensively about Hawaii's fragile eco-systems.

Testimony in support of the nominee was received from the Chairperson of the Board of Land and Natural Resources, and the Environmental Center.

Your Committee members diligently questioned the nominee regarding the goals he has set for a second term on the Endangered Species Recovery Committee. Mr. Warshauer would like the Endangered Species Recovery Committee to take a more active role in creating opportunities for private landowners to participate in endangered species recovery initiatives. He also agreed with your Committee that the Endangered Species Recovery Committee should be able to recommend to the legislature appropriate statutory measures to streamline the process for participation in endangered species recovery initiatives.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Fukunaga, Ige, M., Ihara).

SCRep. 909 Judiciary on Gov. Msg. No. 180

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 180 JUNE K. MOTOKAWA, for a term to expire June 30, 2003;

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon her professional credentials, integrity, and a desire to make Hawaii better through her participation on the commission to which she has been nominated.

Your Committee notes the following specific qualifications of the nominee:

June Motokawa holds a B.S. degree in elementary education from Pittsburg State University and has completed graduate work in special education from the University of Hawaii at Manoa. She has served as president of the Hawaii State Teachers Association and has volunteered with community organizations such as America's Promise Hawaii, the American Lung Association, and the American Cancer Association.

Testimony in support of the nominee was submitted to your Committee by: Hawaii Civil Rights Commission; Hawaii State Teachers Association; Hawaii Women's Political Caucus; the Director of Student-Equity, Excellence and Diversity program at the University of Hawaii at Manoa; Hawaii State Commission on the Status of Women; ILWU Local 42; and Hawaii State AFL-CIO. All testimony unanimously supported the nomination of Ms. Motokawa by indicating that she has a distinguished track record in public service and has the insight and the understanding of human civil rights that highly qualify her for the position to which she has been nominated.

Your Committee diligently questioned the nominee about her role on the specific commission to which she has been nominated and believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 910 Judiciary on Gov. Msg. No. 196

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 196 KEN H. TAKAYAMA, for a term to expire June 30, 2003;

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the commission to which he has been nominated.

Your Committee notes the following specific qualifications of the nominee:

Ken Takayama holds an A.B. from Occidental College and a J.D. from the University of California at Berkley School of Law. He is a member of several professional organizations such as the American Bar Association, National Guard Association of the United States and has served on the board of directors for the Legal Aid Society of Hawaii.

Testimony in support of the nominee was submitted to your committee by: the Attorney General and a Commissioner on the Hawaii Commission to Promote Uniform Legislation. All testimony unanimously supported the nomination of Mr. Takayama by indicating that he is a hard-working and valuable member of the commission and has the skills and experience to be an asset to the Commission to Promote Uniform Legislation.

Your Committee diligently questioned the nominee about his role on the specific commission to which he has been nominated and believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 911 Judiciary on Gov. Msg. No. 216

Recommending that the Senate advise and consent to the nominations of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

G.M. No. 216 WILLIAM T. EMMSLEY, JR., for a term to expire June 30, 2003;

HARLOW M.S.L. URABE, for a term to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the board or commission to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

William T. Emmsley, Jr. holds a B.A. in political science and an M.A. in public administration. He has served as vice-chair of the Board of Marine Inspectors in American Samoa and is a member of the Kalihi-Palama Community Council.

Harlow Urabe holds a degree in business from the University of Hawaii at Manoa and currently works as a union agent for the Hawaii Government Employees Association. He is also a member of several professional and community organizations such as the Hawaii Association of Union Agents and the Farrington Alumni Association.

Testimony in support of Mr. Urabe was submitted to your Committee by: the Hawaii Government Employees Association and a private citizen. All testimony unanimously supported the nomination of Mr. Urabe by indicating that his experience and familiarity of corrections highly qualifies him for the position to which he has been nominated.

Your Committee diligently questioned Mr. Urabe who appeared before the Committee about his role on the specific board or commission to which he has been nominated and believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 912 Judiciary on Gov. Msg. No. 217

Recommending that the Senate advise and consent to the nomination of the following:

CRIME VICTIM COMPENSATION COMMISSION

G.M. No. 217 JUDY SOBIN, for a term to expire June 30, 2003;

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon her professional credentials, integrity, and a desire to make Hawaii better through her participation on the commission to which she has been nominated.

Your Committee notes the following specific qualifications of the nominee:

Judy Sobin holds an A.B. in political science from George Washington University and currently works as the executive director for Hawaii Lawyers Care. She has previously worked as the government affairs director for the Honolulu Board of Realtors and as the legislative liaison for the State Department of Business, Economic Development, and Tourism. Ms. Sobin has served as a commissioner on the Crime Victim Compensation Commission since 1995 and is also active in the American Judicature Society and the Keiki Injury Prevention Coalition.

Testimony in support of the nominee was submitted to your Committee by Hawaii Women Lawyers; Hawaii State Commission on the Status of Women; and the Crime Victim Compensation Commission. All testimony unanimously supported the nomination of Ms. Sobin by indicating that the Crime Victim Compensation Commission can only benefit from Ms. Sobin's management expertise, energy, dedication to public service and motivation to improve our communities.

Your Committee diligently questioned the nominee about her role on the specific commission to which she has been nominated and believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 913 Economic Development on H.B. No. 133

The purpose of this measure is to provide funds for the small business defender and support personnel established in Act 168, Session Laws of Hawaii (SLH) 1998, the Small Business Regulatory Flexibility Act.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, NFIB Hawaii, The Hawaii Business League, and Charley's Taxi.

Your Committee finds that Act 168, SLH 1998, established the small business defender to represent, defend, and provide legal representation to any small business during adjudicatory or contested proceedings involving civil citations issued by a state or county agency in which the small business is a party, as long as the fines or penalties do not exceed \$25,000.

Your Committee is supportive of the services that the small business defender would provide for small business as an important and vital component in the success of Act 168, SLH 1998.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 133 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 914 Economic Development on H.B. No. 221

The purpose of this measure is to require the Hawaii Tourism Authority (HTA) to:

- (1) Develop a long-range policy plan for presentation to the Legislature by January 1, 2000, identifying other departments and agencies involved and specifying a program of action for these departments and agencies; and
- (2) Require the strategic tourism marketing plan to implement these recommendations, and to be updated every two years.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority.

Your Committee finds that the HTA has already undertaken this planning process with specific emphasis on the issues of:

- (1) Location and level of optimum growth for the State and by county or island;
- (2) Current visitor research;
- (3) Rejuvenation of Hawaii's existing visitor plant and development of new facilities;
- (4) Brand marketing of Hawaii as a visitor destination;
- (5) Roles and responsibilities of the appropriate public and private sector entities;
- (6) Measures of effectiveness; and
- (7) Funding sources.

Your Committee is supportive of this planning effort as critical to the long-term success of the HTA and its mandate. Your Committee has amended this measure to reflect the change from three to two years for updating the strategic tourism marketing plan in section 201B-3(16), Hawaii Revised Statutes, and to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 221, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 221, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 915 Economic Development on H.B. No. 801

The purpose of this measure is to authorize the issuance of \$3,000,000 in special purpose revenue bonds for CEATECH USA, in planning and building a processing plant for shrimp.

Your Committee received testimony in support of this measure from the Department of Agriculture, the County of Kauai, CEATECH USA, the Hawaii Aquaculture Association, and BOC Gases/Gaspro.

Your Committee finds that CEATECH USA is a Hawaii based corporation, located in Kekaha, Kauai, with one hundred acres of land in various stages of shrimp production, including a breeding site, a plantation site, an accounting office, and a small packing facility located in Hanapepe. With the special purpose revenue bonds authorized by this measure, CEATECH USA plans to renovate and expand the Hanapepe packing facility into a processing plant capable of freezing, glazing, and packaging premium shrimp for distribution.

Your Committee further finds that CEATECH USA's contribution to diversified agricultural opportunities is particularly important for the island of Kauai, which is experiencing drastic economic change due to the continuing impacts of Hurricane Iniki and the phasing out of sugar production.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 801, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 916 Economic Development on H.B. No. 1013

The purpose of this measure is to appropriate \$31,000,000 to the Hawaii Tourism Authority for the period from January 1, 1999, to June 30, 1999.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority (HTA) and the Hawaii Hotel Association.

Your Committee finds that Act 156, Session Laws of Hawaii 1998, established the tourism special fund, but neither this Act nor the Budget Act appropriated the moneys for expenditure by the HTA. The appropriation in this measure would provide funds for tourism development and marketing through a variety of activities approved by the HTA.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1013 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 917 Water, Land, and Hawaiian Affairs on H.B. No. 1114

The purpose of this measure is to allow a Hawaiian homestead lessee to transfer the lessee's leasehold interest to a spouse, child, or grandchild who is at least one-quarter Hawaiian.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands.

Your Committee finds that under existing law, a lessee of Hawaiian home lands may designate a qualified relative to succeed in the leasehold interest upon the death of the lessee. The measure would allow a lessee of Hawaiian home lands to transfer homestead rights to a qualified relative while the lessee is still living.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1114, 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 (Kanno, Tanaka, Anderson).

SCRep. 918 Water, Land, and Hawaiian Affairs on H.B. No. 1675

The purpose of this measure is to extend the time to process individual Hawaiian Home Lands Trust claims by one year, to the year 2000.

The Hawaiian Home Lands Trust Individual Claims Review Panel (Panel), the Office of Hawaiian Affairs, the Department of Hawaiian Home Lands, the Department of the Attorney General, and the Native Hawaiian Legal Corporation testified in qualified support of the measure.

Your Committee has amended the measure by deleting its substance and inserting therefor, an amended version of S.B. No. 571, S.D. 2, which:

- (1) Extends the Hawaiian Home Lands Trust Individual Claims Review Panel and the process to resolve individual claims of breaches of the Hawaiian Home Lands Trust for two more years to the year 2001;
- (2) Adds language that establishes a special account in the Hawaiian Home Lands Trust Fund for the purpose of compensating successful claimants who were awarded a monetary judgment by the Hawaiian Home Lands Trust Individual Claims Review Panel under Chapter 674, Hawaii Revised Statutes;
- (3) Transfers the cash value credit (\$14,498,565) the State sought to obtain from the Department of Hawaiian Home Lands for lands conveyed by Act 95, Session Laws of Hawaii 1996, for settlement payments owed under Chapter 673, Hawaii Revised Statutes, to the special account in the Hawaiian Home Lands Trust Fund;
- (4) Authorizes the issuance of general obligation bonds in the amount of \$1,936,111, to cover the additional amount necessary to compensate successful claimants who were awarded a monetary judgment by the Hawaiian Home Lands Trust Individual Claims Review Panel under Chapter 674, Hawaii Revised Statutes;
- (5) Sunsets the special account on June 30, 2004; and
- (6) States that the awards authorized by the Hawaiian Home Lands Trust Individual Claims Review Panel in either their 1997 or 1999 report and settled under this measure shall not serve as a precedent for any other unresolved claims brought under Chapter 674, Hawaii Revised Statutes.

Your Committee finds that Chapter 674, Hawaii Revised Statutes, established a process by which to resolve individual claims of breaches of the Hawaiian Home Lands Trust. The process, as originally conceived, was supposed to be concluded by 1997. Due to complications and the sheer volume of claims filed, not all claims could have been filed by the original closing date. To remedy these problems the Legislature enacted Act 382, Session Laws of Hawaii 1997, which in part, extended the claims resolution process until December 31, 1999, and required the Attorney General, the Director of Finance, the Chairperson of the Hawaiian Homes Commission, and the Chairperson of the Hawaiian Home Lands Trust Individual Claims Review Panel to convene and establish a revised formula by which to compensate claimants. In 1998, Circuit Court Judge Marie Milks opined that the composition of the group to determine a revised formula had the appearance of bias and, therefore, ruled that the group was unconstitutional, thereby further slowing down the claims resolution process.

Your Committee believes that justice must prevail for those beneficiaries who have faithfully and patiently waded through the complex claims resolution process only to be put off year after year. Unfortunately, with the recent Circuit Court ruling which has clouded the issue of the amount of compensation owed to claimants, your Committee believes that a further extension is necessary.

Your Committee finds that since the enactment of Chapter 674, Hawaii Revised Statutes, the State has fallen on hard financial times. Although your Committee believes that the Legislature remains committed to resolving past breaches of trust with individual claimants, general revenues to fund such a compensation package are virtually nonexistent.

In order to compensate successful claimants who have been awarded monetary judgments by the Hawaiian Home Lands Trust Individual Claims Review Panel established pursuant to section 674-3, Hawaii Revised Statutes, without adversely impacting on the State's general fund, your Committee has established an innovative funding mechanism that involves leveraging of the cash value of lands transferred to the Department of Hawaiian Home Lands.

Your Committee also finds that Act 95, Session Laws of Hawaii 1996, authorized the transfer of certain real property developments contained in the Villages at Kapolei on Oahu and the Villages at Laiopua on Hawaii to the Department of Hawaiian Home Lands so that the State would obtain credit for its settlement with the Department of Hawaiian Home Lands authorized under Act 14, Special Session Laws of Hawaii 1995. As background, a part of the settlement agreed to under Act 14, Special Session Laws of Hawaii 1995, required the State to pay the Department of Hawaiian Home Lands \$30 million annually for twenty years. This cash payment could be offset by the prepayment of excess amounts over the annual \$30 million payment, or by the transfer of real property from the State to the Department of Hawaiian Home Lands. Act 95, Session Laws of Hawaii 1996, specifically transferred the real property to gain credit under section 6(1) of Act 14, Special Session Laws of Hawaii 1995.

Your Committee has learned however, that the cash value of the lands conveyed to the Department of Hawaiian Home Lands, which are estimated at \$14,498,565, have not yet been credited to the State's benefit by the Department of Hawaiian Home Lands. In essence, the lands conveyed have not served any purpose towards resolving claims under Chapter 673 or 674, Hawaii Revised Statutes.

Based on these findings, your Committee believes that the lands conveyed by the State to the Department of Hawaiian Home Lands pursuant to Act 95, Session Laws of Hawaii 1996, should not "lie fallow" with regard to the credit the State may be able to

receive for the settlement of past claims against it and that the cash value of the lands should be immediately credited for the benefit of native Hawaiian beneficiaries.

To this end, your Committee further finds that there exists a class of native Hawaiian beneficiaries that have successfully engaged the process established under Chapter 674, Hawaii Revised Statutes, to resolve their individual claims of breach of the Hawaiian Home Lands Trust. These beneficiaries' awards have been documented in the Hawaiian Home Lands Trust Individual Claims Review Panel's 1997 annual report. The approximate cost of compensating these beneficiaries is estimated at \$16.4 million.

Your Committee believes that rather than let the cash value of the lands conveyed pursuant to Act 95, Session Laws of Hawaii 1996, go uncredited under the State's settlement agreement for breaches of the Hawaiian home lands trust brought under Chapter 673, Hawaii Revised Statutes, the cash value should be credited in the State's favor toward compensating native Hawaiian beneficiaries that have successfully asserted claims against the State under Chapter 674, Hawaii Revised Statutes. This would be accomplished by requiring the Department of Hawaiian Home Lands to expend funds from the Hawaiian Home Lands Trust Fund, the fund in which the \$30 million dollar annual settlement payments are deposited, to compensate successful claimants.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs 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, 4. Noes, none. Excused, 3 (Kanno, Tanaka, Anderson).

SCRep. 919 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 186

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

G.M. No. 186 LYNNE WATERS, for a term to expire June 30, 2003; and

 DOUGLAS WON, for a term to expire June 30, 2002,

Upon the review of the statements submitted by the nominees, our Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Hawaii Community Development Authority. Your Committee further finds that the nominees have been appointed based on their professional credentials, integrity, and a desire to make Hawaii better through their participation with the Hawaii Community Development Authority.

Your Committee notes the specific qualifications of the nominees:

Lynne Waters is an accomplished journalist with her own business, Lynne Waters Productions. A graduate of Baylor University in Broadcast Journalism, Ms. Waters has produced a number of television documentaries and television commercials. Her community service activities include serving on the Judicial Council of Hawaii, hosting the Children's Miracle Network Telethon, and participating in a number of other worthwhile community organizations.

Your Committee received testimony in support of Ms. Waters from the Hawaii Community Development Authority and the Chairperson of the Honolulu City Council.

Douglas Won is the Vice President and General Manager of Sause Brothers, Incorporated, a local maritime company in the tug and barge business, where he is responsible for developing, approving, implementing, and directing all business policies for the company. A St. Louis High School and Michigan State University graduate, Mr. Won's community service includes serving on the Board of Directors for the Hawaii Maritime Museum, the Navy League of Honolulu, and the Clean Island Council. Mr. Won is also a member of the Navy League Bridge Club and the Propeller Club of Honolulu.

Your Committee received testimony in support of Mr. Won from the Hawaii Community Development Authority, the Chairperson of the Honolulu City Council, Matson Navigation Company, McCabe, Hamilton & Renny Company, Ltd., Brewer Environmental Industries, LLC, and Sause Brothers, Inc.

Your Committee diligently questioned the nominees about their role and vision as prospective members of the Hawaii Community Development Authority and believes that the nominees adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Kanno, Nakata, Tanaka).

SCRep. 920 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 189

Recommending that the Senate advise and consent to the nominations of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 189 HENRY CHO, SR., for a term to expire June 30, 2001; and

JOHN A. H. TOMOSO, for a term to expire June 30, 2003,

Upon the review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the duties and responsibilities of the Hawaiian Homes Commission. Your Committee further finds that the nominees have been appointed based on their professional credentials, integrity, and a desire to make Hawaii better through their participation with the Hawaiian Homes Commission.

Your Committee notes the specific qualifications of the nominees:

Henry Cho, Sr., currently serves as the Deputy Managing Director of the County of Hawaii. Prior to becoming Deputy Managing Director, Mr. Cho worked for the State Department of Transportation for thirty-three years, the last ten of which he served as a construction and maintenance supervisor. During his tenure at the Department of Transportation, Mr. Cho won several awards for highway beautification projects. His community service activities include serving as the incoming President of the Kona Lions Club, a Council Advisor for the South Kona Catholic Churches, and as a member of the Friends for Life Committee of the Blood Bank of Hawaii. Mr. Cho is also an accomplished judoka, holding a fifth degree black belt in the martial art, and teaches approximately thirty-five students.

Your Committee received testimony in support of Mr. Cho from the Department of Hawaiian Home Lands, the Kona-Kohala Chamber of Commerce, the President of the Kawaihae Hawaiian Homes Community Association, and a concerned citizen.

John A. H. Tomoso is currently employed by the County of Maui's Department of Housing and Human Concerns as a Specialist IV social worker. A St. Anthony High School and College of St. Thomas graduate in Social Work and Political Science, Mr. Tomoso also holds a Masters Degree in Social Work from the University of Hawaii and served as a graduate Teaching Assistant at the University of Wyoming. His community service includes serving on the Seabury Hall Parents Organization, the Boy Scouts of America Maui County Council, Maui United Way Campaign Team, the Maui Chamber of Commerce Health Committee, and membership in a number of other worthwhile organizations.

Testimony in support of Mr. Tomoso was received from the Department of Hawaiian Home Lands.

Your Committee diligently questioned the nominees about their role and vision as prospective members of the Hawaiian Homes Commission and believes that the nominees adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Kanno, Nakata, Tanaka).

SCRep. 921 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 220

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

G.M. No. 220 JAMES K. TSUGAWA, for a term to expire June 30, 2000;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, who will work with compassion and commitment to assist in administering the duties and responsibilities of the Hawaii Community Development Authority. Your Committee further finds that the nominee has been appointed based on his professional credentials, integrity, and a desire to make Hawaii better through his participation with the Hawaii Community Development Authority.

Your Committee notes the specific qualifications of the nominee:

James K. Tsugawa is a registered architect in Hawaii and California and is the President and Owner of James K. Tsugawa and Associates. A Hilo High School and University of Oregon graduate, Mr. Tsugawa is a member of the American Institute of Architects and served in architectural practice in California for five years prior to relocating to Hawaii and establishing his business in 1965.

Your Committee received testimony in support of the nominee from the Hawaii Community Development Authority.

Your Committee diligently questioned the nominee about his role and vision as a prospective member of the Hawaii Community Development Authority and believes that the nominee adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Kanno, Nakata, Tanaka).

SCRep. 922 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 221

Recommending that the Senate advise and consent to the nomination of the following:

LAND USE COMMISSION

G.M. No. 221 STANLEY H. ROEHRIG, for a term to expire June 30, 2003;

Upon the review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Land Use Commission. Your Committee further finds that the nominee has been appointed based on his professional credentials, integrity, and a desire to make Hawaii better through his participation with the Land Use Commission.

Your Committee notes the specific qualifications of the nominee:

Stanley H. Roehrig is a licensed attorney in Hawaii and is a partner in the law firm of Roehrig, Roehrig, Wilson & Hara. A Punahou High School and Brown University graduate, Mr. Roehrig received his law degree from the University of Washington School of Law. Mr. Roehrig has served as a Deputy Attorney General for the State of Hawaii, a Deputy Hawaii County Attorney, Hawaii County Public Defender, and a State Representative in the Hawaii State Legislature.

Your Committee received testimony in support of the nominee from the County of Hawaii's Planning Department.

Your Committee diligently questioned the nominee about his role and vision as a prospective member of the Land Use Commission and believes that the nominee adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Kanno, Nakata, Tanaka).

SCRep. 923 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 223

Recommending that the Senate advise and consent to the nomination of the following:

NATURAL AREA RESERVES SYSTEM COMMISSION

G.M. No. 223 REGINALD E. DAVID, for a term to expire June 30, 2000;

Upon the review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Natural Area Reserves System Commission. Your Committee further finds that the nominee has been appointed based on his professional credentials, integrity, and a desire to make Hawaii better through his participation with the Natural Area Reserves System Commission.

Your Committee notes the specific qualifications of the nominee:

Reginald E. David is the owner of Rana Productions Ltd., a biological consulting firm. Mr. David is a member of the American Ornithologists Union, Coopers Ornithological Society, Wilson's Ornithological Society, the Association of Field Ornithologists, and

the Wildlife Society. Mr. David has also served on the USFWS Alala Recovery Team, the DLNR/USFWS Hawaii Endangered Waterfowl Recovery Team Advisory Committee, the National Audubon Society's Board of Directors, and as the Hawaii Audubon Society's past President and Treasurer.

Your Committee received testimony in support of the nominee from the Department of Land and Natural Resources, the United States Department of the Interior, the United States Geological Survey's Biological Resources Division, the United States Department of the Air Force's Natural Resources Management Section, Geo Metrician, the Center for Plant Conservation, and two concerned citizens.

Your Committee diligently questioned the nominee about his role and vision as a prospective member of the Natural Area Reserves System Commission and believes that the nominee adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Kanno, Nakata, Tanaka).

SCRep. 924 Ways and Means on H.B. No. 1151

The purpose of this bill is to provide emergency funding to prevent the reduction or discontinuance of services to certain emotionally disturbed children and adolescents.

This bill is recommended by the Governor for immediate passage in accordance with section 9 of Article VII of the Constitution of the State of Hawaii. This bill will allow the Department of Health, Child and Adolescent Mental Health Division, to continue to provide mental health services to certain emotionally disturbed children and adolescents.

Your Committee finds that the timely passage of this bill is necessary because a funding requirement for the Department of Health must be accommodated as early as possible, and because the timely passage of another appropriation amending fiscal year 1998-1999 appropriations cannot be assured.

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

- (1) Increasing the appropriated amount by \$2,000,000 from \$40,459,294 to \$42,459,294; and
- (2) Inserting a new section 5 in the bill requiring the Department of Health to report to the Legislature on the expenditure of the emergency appropriation for the Department of Health's Child and Adolescent Mental Health Division no later than thirty days after the release of the funds appropriated. The report is to include:
 - (A) The aggregate total of hours of services used;
 - (B) The number of students served;
 - (C) The range of services provided; and
 - (D) Any other pertinent information regarding the Department's expenditure of these funds.

Your Committee further wishes to express the following concerns:

- (1) The Department of Health must provide better overall oversight of program effectiveness for child and adolescent mental health services and to ensure accountability in order to assure the Legislature that funds are being expended effectively and efficiently. This effort should include regular and consistent evaluation of contracted providers of services and the development and use of effective and relevant performance measures to address the issues of quality assurance, accountability, and effective and efficient use of appropriated funds;
- (2) The Department of Health should provide continuous thirty-day updates on the expenditures of the appropriated funds until the funds are fully expended to better assure consistent accountability;
- (3) The Department of Health should seek out data from the other states to compare and appraise how the other states are administering their child and adolescent mental health services in order to improve the Department's own administration of these services. Consonant with this effort, an examination should be made as to the possibility of increasing the federal government's share of funding for these services in Hawaii; and
- (4) The Department of Health should improve its forward planning and make better estimates of future needs and costs in the area of mental health services to children and adolescent in the State in order to preclude constant requests for emergency funding.

As affirmed by the record of votes of the members 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. 1151, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1151, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Kawamoto, Taniguchi).

SCRep. 925 Water, Land, and Hawaiian Affairs on S.C.R. No. 55

The purpose of this measure is to request the Auditor to conduct a management audit of the Department of Land and Natural Resources.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the Society for Hawaiian Archaeology, and the Public Employees Management Association of Hawaii. The Department of Land and Natural Resources submitted comments on the measure.

Your Committee finds that as the state-appointed guardian of public lands, the Department of Land and Natural Resources is charged with the wide-ranging responsibility to protect, manage, and preserve all lands and activities under its jurisdiction. Reports by the Auditor over the last seven years regarding the Department of Land and Natural Resources have indicated that the department has not been fully accomplishing its mandated responsibilities. Consequently, your Committee believes that a management audit is in order to ascertain the progress made by the Department of Land and Natural Resources in implementing the Auditor's past recommendations and any other management directives recently undertaken to comply with its mandated purpose.

Your Committee has amended the measure by:

- (1) Properly identifying the titles of the various divisions of the Department of Land and Natural Resources that are named in the measure; and
- (2) Clarifying that the review of personnel management practices includes a review of both excluded and civil service employees.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 55, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 55, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Tanaka, Anderson).

SCRep. 926 Water, Land, and Hawaiian Affairs on S.C.R. No. 57

The purpose of this concurrent resolution is to request that the Auditor audit how various executive departments and the University of Hawaii ascertain the amounts owed to the Office of Hawaiian Affairs for the use of ceded lands under their jurisdiction.

Testimony in support of the measure was received from the Department of Transportation, the Attorney General, and the Office of Hawaiian Affairs.

The specific departments subject to the audit are the Departments of Accounting and General Services; Business, Economic Development, and Tourism; Education; Health; Land and Natural Resources; Transportation (Airports and Harbors Divisions); and the University of Hawaii.

The Auditor is to report findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000.

Your Committee has amended the measure by making technical amendments for the purposes of clarity, style, and accuracy.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 57, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Tanaka, Anderson).

SCRep. 927 Transportation and Intergovernmental Affairs on S.C.R. No. 62

The purpose of this measure is to urge the United States Senate to ratify the United Nations Convention on the Elimination of All Forms of Discrimination Against Women.

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women, Hawai'i Civil Rights Commission, Hawai'i Women's Political Caucus, Violent Prevention Consortium, Women's Financial Resource Center, and two individuals.

Your Committee finds that the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (hereinafter referred to as the Treaty) became an international treaty on September 3, 1981. The Treaty establishes rights for women not previously subject to international standards and calls for equality in nearly every field of endeavor: politics, law, employment, education, health care, commercial transactions, and domestic relations. Moreover, the Treaty establishes a Committee on the Elimination of Discrimination Against Women to review periodically the progress being made by those who adopt the Treaty. Your Committee believes that the United States should support and ratify the Treaty which promotes, advances, and implements fairness and equity for all women.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 62, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.C.R. No. 62, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Buen, Ige, D., Iwase).

SCRep. 928 Transportation and Intergovernmental Affairs on S.R. No. 27

The purpose of this measure is to urge the United States Senate to ratify the United Nations Convention on the Elimination of All Forms of Discrimination Against Women.

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women, Hawai'i Civil Rights Commission, Hawai'i Women's Political Caucus, Violent Prevention Consortium, Women's Financial Resource Center, and two individuals.

Your Committee finds that the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (hereinafter referred to as the Treaty) became an international treaty on September 3, 1981. The Treaty establishes rights for women not previously subject to international standards and calls for equality in nearly every field of endeavor: politics, law, employment, education, health care, commercial transactions, and domestic relations. Moreover, the Treaty establishes a Committee on the Elimination of Discrimination Against Women to review periodically the progress being made by those who adopt the Treaty. Your Committee believes that the United States should support and ratify the Treaty which promotes, advances, and implements fairness and equity for all women.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 27, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.R. No. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Buen, Ige, D., Iwase).

SCRep. 929 Water, Land, and Hawaiian Affairs on H.B. No. 423

The purpose of this measure is to appropriate funds to match federal funds for the Hawaii Forestry and Communities Initiative.

Testimony in support of the measure was received from the Departments of Land and Natural Resources, Agriculture, and Hawaiian Home Lands, the Nature Conservancy of Hawaii, the Hawaii Farm Bureau, the Big Island Farm Bureau, the Hawaii Society of American Foresters, the Hawaii Forest Industry Association, the Forestry Management Consultants-Hawaii, and C.A.M. Resource Management.

Your Committee finds that according to the Department of Land and Natural Resources, Hawaii's forest industry is a productive, value adding industry that generates net revenues of \$29,000,000, and employs over eight hundred people. Through the Hawaii Forestry and Communities Initiative program, the State has the opportunity to assist the private sector in expanding the forest industry, not only by leasing state land for such activities, but also with job training and helping with inventory, marketing, and research.

Your Committee amended the measure by:

1. Deleting the appropriated amount; and
2. Making technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee believes that supporting the Hawaii Forestry and Communities Initiative will play an important role in bringing focus and direction to the State's forest industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 423, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 423, 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 (Kanno, Tanaka, Anderson).

SCRep. 930 Water, Land, and Hawaiian Affairs on H.B. No. 1095

The purpose of this bill is to re-start the four-year cycle for the process of reviewing the salaries of the trustees of the Office of Hawaiian Affairs, as established in Act 358, Session Laws of Hawaii 1993.

The Office of Hawaiian Affairs, the Attorney General, representatives of the Waimea Hawaiian Homesteaders' Association, Inc., Waimea Hawaiian Civic Club, and the Aged Hawaiians testified in support of the measure. The Hawaiian Political Action Council testified against the measure.

Your Committee finds that the process originally envisioned under Act 358, Session Laws of Hawaii 1993, was to have a salary commission appointed by the Governor prior to November 30, 1996, and in four-year increments thereafter. By the fortieth legislative day of the next regular legislative session, the salary commission would submit its recommendations for any trustee salary adjustments to the Legislature. Inadvertently, the salary commission was not appointed and the four-year review cycle was never initiated. This measure attempts to remedy the problem by changing the appointment date of the initial salary commission from November 30, 1996, to November 30, 1998.

Your Committee has amended the measure by clarifying that the governor may appoint the Office of Hawaiian Affairs Salary Review Commissioners upon the enactment of the measure and by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee believes that the amended measure will provide for the establishment of the salary review process as originally envisioned under Act 358, Session Laws of Hawaii 1993.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1095, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1095, 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 (Kanno, Tanaka, Anderson).

SCRep. 931 Transportation and Intergovernmental Affairs on H.B. No. 1

The purpose of this bill is to require persons transporting a child under four years of age to restrain the child in a child passenger restraint system and to require the vehicle operator to ensure that children who are three years of age or older and weigh in excess of forty pounds to be restrained in a child passenger restraint system or a seat belt assembly.

Testimony in support of this measure was received from the Department of Transportation, Commission on Persons with Disabilities, and State Farm Insurance Companies. Testimony in support of the intent of this measure but recommending that the weight component be deleted from the measure was received from the Department of Health, Police Department of the City and County of Honolulu, Police Department of the County of Maui, Hawaii Medical Association, and Keiki Injury Prevention Coalition.

Your Committee finds that child passenger restraint systems offer children more protection than seat belts which are not specifically designed for young children. Current law requires children under the age of three to be restrained in a child passenger restraint system and allows children three years of age or older to be restrained in a seat belt assembly. The National Highway Traffic Safety Administration and the National Committee on Uniform Traffic Laws and Ordinances recommend that all children under the age of four, regardless of weight, be properly restrained in a child passenger restraint system.

Your Committee has amended this measure by replacing the contents of this measure with the language of S.B. No. 162, S.D. 1, which implements the recommendations of the National Traffic Safety Administration.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 932 Transportation and Intergovernmental Affairs on H.B. No. 5

The purpose of this measure is to prevent persons with outstanding bench warrants from obtaining or renewing a driver's license.

Testimony in support of this measure was received from the Honolulu Police Department.

Your Committee finds that this measure provides an effective mechanism to prevent citizens who have outstanding bench warrants from obtaining a new driver's license or renew a driver's license. This measure encourages these citizens to return to court to clear up their bench warrant without the expense of a police arrest.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 5, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 933 Transportation and Intergovernmental Affairs on H.B. No. 212

The purpose of this measure is to impose an additional, stiffer penalty, not to exceed a thirty-day term of imprisonment and a \$500 fine, on any person convicted of driving under the influence of intoxicating liquor while having a minor passenger less than eighteen years old in or on the vehicle.

Testimony in support of this measure was received from the Department of Transportation and the City and County of Honolulu Police Department.

Your Committee finds that serious motor vehicle collisions involving minor passengers are on the increase. Therefore, your Committee finds that stronger penalties are needed to deter persons who would endanger their minor passengers by "drinking and driving."

Your Committee finds that these passengers are often not given a choice of being a passenger in a vehicle with an intoxicated driver.

Your Committee finds that under these circumstances, it is the State's responsibility to protect those who cannot protect themselves.

Your Committee is in favor of the stiffer penalties and note that it is not the intent of this measure to grant the defendant a right to a jury trial.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 212, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 934 Transportation and Intergovernmental Affairs on H.B. No. 715

The purpose of this measure is to eliminate the requirement that the counties provide the form required to record joint ownership of a vehicle.

Testimony in support of this measure was received from the Department of Customer Services of the City and County of Honolulu.

Your Committee finds that the current form issued by the counties is not legally sufficient to record the different types of joint ownership. Your Committee finds that the applicant, rather than the counties, should be responsible for providing the proper documents describing the legal ownership of a jointly owned vehicle.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 715 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Buen, Ige, D., Iwase).

SCRep. 935 Transportation and Intergovernmental Affairs on H.B. No. 849

The purpose of this measure is to include air cargo operations in the definition of a special facility for the purposes of special facility revenue bonds and leases.

Testimony in support of this measure was received from the Department of Transportation, Department of Budget and Finance, and Hawaiian Airlines.

Your Committee finds that the inclusion of air cargo operations in the definition of special facility will allow for the issuance of special revenue bonds for the development and construction of air cargo facilities in the State.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 849, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 936 Transportation and Intergovernmental Affairs on H.B. No. 1457

The purpose of this measure is to re-classify load spilling violations as traffic crimes, thereby assisting the court in enforcing its mandatory license or vehicle registration suspension.

Testimony in support of this measure was received from the Department of Transportation and the Judiciary.

Your Committee finds that currently, a five-day license or vehicle registration suspension and a \$250 fine is required for all load spilling violations. However, pursuant to chapter 291D, Hawaii Revised Statutes (HRS), these violations currently are processed through the civil traffic system, which allows the defendant to respond by written statement in lieu of a court appearance.

Your Committee finds that since the defendant is not required to appear in court for these violations, it is very difficult for the court to effectuate its orders to suspend a driver's licence or registration.

Your Committee finds that in order for the court to enforce the mandatory five-day license or vehicle registration suspension, the defendant must be present in court. Re-classifying the load spilling violations as traffic crimes will allow the court to require that the defendant be present in court so that the appropriate penalties can be imposed.

Your Committee finds that penalties for violating this section will ensure that greater attention is directed to the covering of truck loads, which will decrease the likelihood for related accidents and fatalities on our streets and highways.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1457 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 937 Transportation and Intergovernmental Affairs on H.B. No. 7

The purpose of this measure is to increase the allowable overall combined length of truck-tractors and semitrailers from sixty to sixty-five feet and the length of semitrailers from forty-five to forty-eight feet.

Testimony in support of this measure was received from the Department of Transportation and the Hawaii Transportation Association.

Your Committee finds that the length increases provided in this measure do not compromise highway safety and will make businesses more efficient by increasing the load capacity of truck-tractors and semitrailers, thereby reducing the number of vehicles and trips required to transport goods.

Your Committee has amended this measure by making a technical, nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 7, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 7, 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, 3 (Buen, Ige, D., Iwase).

SCRep. 938 Water, Land, and Hawaiian Affairs on H.B. No. 1188

The purpose of this measure is to correct erroneous or outdated references in the State Water Code.

Testimony in support of the measure was received from the Department of Land and Natural Resources.

Your Committee finds that the corrections contained in the measure will strengthen the State Water Code by clarifying that the Water Resource Management Commission maintains exclusive jurisdiction over the State Water Code, and by correcting other inconsistencies.

Your Committee has made technical amendments to the bill to reflect existing statutory language and for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1188, 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 (Kanno, Tanaka, Anderson).

SCRep. 939 Economic Development on H.B. No. 898

The purpose of this measure is to establish a separate agricultural water supply and delivery system for the farms in the upcountry region of Maui.

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds that the upcountry region of Maui is well suited for growing Maui onions, protea, and persimmons if adequate water is available. To make optimum use of this region, and to encourage further development of diversified agriculture, an agricultural water system is necessary to alleviate the effects of periodic drought.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 898, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 940 Water, Land, and Hawaiian Affairs on H.B. No. 1172

The purpose of this measure is to provide a permanent source of funding for the Bureau of Conveyances (Bureau).

The measure accomplishes this by:

- (1) Replacing the Bureau of Conveyances Equipment Modernization Special Fund with the Bureau of Conveyances Special Fund (Bureau Special Fund);
- (2) Authorizing the Bureau to change the fees charged for microfilm duplication;
- (3) Providing for the deposit of a portion of recordation fees received at the Bureau into the general fund;
- (4) Changing the required deposit to the credit of the State general fund from \$15 to \$23 for each document recorded at the Bureau;
- (5) Providing for the deposit of the remainder of recordation fees and other fees into the Bureau Special Fund; and
- (6) Authorizing the Bureau to pay for equipment, software, administrative costs, personnel, and improvements necessary for modernization of the recording system out of the Bureau Special Fund;

The Department of Land and Natural Resources (DLNR) testified in support of the measure. The Nature Conservancy of Hawaii had no objections to the measure. The Tax Foundation of Hawaii commented on the bill.

Your Committee has amended the measure by:

- (1) Mandating, rather than permitting, the Bureau to utilize the moneys in the Bureau Special Fund for the modernization of the recording system;
- (2) Adding a section to the measure that amends section 247-7, Hawaii Revised Statutes, to divert the deposit of conveyance taxes into the general fund to the Bureau Special Fund;

- (3) Deleting Section 4 of the measure which would have amended section 502-27, Hawaii Revised Statutes;
- (4) Changing the required deposit to the credit of the State general fund from \$23 to \$15 for each document recorded at the Bureau;
- (5) Adding a \$3,000,000 appropriation from the Bureau Special Fund to DLNR;
- (6) Changing the effective date of the measure to July 1, 1999; and
- (7) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee finds that returning the conveyance tax revenues to the Bureau Special Fund to plan, implement, and operate a recording system is an effective and efficient way to finance the needs of the Bureau.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1172, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1172, 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 (Kanno, Tanaka, Anderson).

SCRep. 941 Commerce and Consumer Protection on H.B. No. 1064

The purpose of this measure is to extend the authorization of the Director of Finance to issue up to \$200,000,000 in reimbursable general obligation bonds for the Hawaii Hurricane Relief Fund (HHRF) through fiscal year 2000 to 2001.

The executive director of the HHRF presented testimony in support of the measure.

The current authorization for the issuance of reimbursable general obligation bonds for the HHRF expires on June 30, 1999. By extending the authorization through the next two fiscal years, this measure ensures a continuing funding source for the HHRF and enables the HHRF to retain its federal tax exempt status.

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. 1064, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 942 Commerce and Consumer Protection on H.B. No. 792

The purpose of this measure is to exempt bail bond rates from insurance rate filing requirements.

The Insurance Commissioner and the Professional Bail Agents Association presented testimony in support of the measure.

Your Committee finds that presently, premium rates for bail bonds are established and regulated in two different sections of the law. Chapter 431, Hawaii Revised Statutes (HRS), governs the rates for a surety insurance bond, while chapter 804, HRS, governs the rates for all other types of bail bonds.

These differing rate requirements have created confusion among bail bondspersons, attorneys, and the public. This measure alleviates that confusion by exempting bail bonds issued pursuant to section 804-62, HRS, from the rate filing requirements of section 431:14-104, HRS.

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. 792, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 943 Economic Development on H.B. No. 978

The purpose of this measure is to encourage private lenders to provide financing for diversified agriculture by reducing private lenders' risks through the Department of Agriculture's loan guarantee.

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds that financing is one of the critical elements required to foster diversified agriculture's growth, and further contribute to Hawaii's economy. Agricultural lending poses higher risks in comparison to conventional commercial lending, and the program in this measure will further encourage private lenders to provide financing by virtue of streamlined procedures.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 978 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 944 Ways and Means on H.B. No. 1207

The purpose of this bill is to restore the tax exemption for sales of cigarettes and tobacco products to United States agencies and instrumentalities.

This bill fully restores an exemption that was inadvertently repealed in legislation enacted during 1993 and 1997. The original amendments in 1993 were made in anticipation of a federal law change that never materialized.

Your Committee heard testimony in support of this measure from the Department of Taxation, Hawaii Food Industry Association, and S & K Sales Co. The Tax Foundation of Hawaii submitted informational comments.

Your Committee finds that the legislature never intended to impose the cigarette and tobacco tax on sales of cigarettes and tobacco to United States agencies. This measure will rectify the current situation and the retroactive effective date clarifies the exemption for previous years.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1207 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Kawamoto, Taniguchi).

SCRep. 945 Commerce and Consumer Protection on H.B. No. 170

The purpose of this measure is to establish a State income tax deduction for long-term care insurance costs.

The Department of Taxation, State Farm Insurance Companies, the American Council of Life Insurance, and the Executive Office on Aging presented testimony in support of the measure. The Healthcare Association of Hawaii, the Policy Advisory Board for Elder Affairs, the Hawaii State Association of Life Underwriters, the Hawaii Long Term Care Association, and the Hawaii Coalition for Affordable Long Term Care, though not present at the hearing, submitted written testimony in support of the measure.

Your Committee finds that Hawaii residents age seventy and older comprise the fastest growing segment of the State's population. As Hawaii's population ages and more residents require long-term care, the problem of how to finance such care becomes more urgent.

Long-term care services can cost an average of \$65,000 to \$75,000 for skilled nursing or intermediate care facilities, and nursing home costs often exceed a family's ability to pay. Additionally, seventy per cent of Medicaid payments in the State go towards nursing home care and the cost of paying for long-term care for indigent individuals creates a drain on the State's resources.

Your Committee believes that providing a tax incentive for the purchase of long-term care insurance will encourage Hawaii's residents to purchase such coverage during their younger years when the premiums are more affordable.

Your Committee has amended this measure by replacing its contents with the contents of S.B. 194, S.D. 2. which establishes a State income tax credit equal to fifty per cent of premium costs up to a \$1,000 maximum, rather than a State income tax deduction. Your Committee believes that the cost to the State of a tax credit will be outweighed by the State's future savings in Medicaid expenses.

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. 170, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 170, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 946 Commerce and Consumer Protection on H.B. No. 326

The purpose of this bill is to require health insurance coverage for medical foods and low-protein modified food products for the treatment of inborn metabolic diseases.

The Department of Health, the State Insurance Commissioner, and Kaiser Permanente presented testimony in support of the measure. The American Council on Life Insurance presented proposed amendments to the measure. Although not present at the hearing, the Department of Human Services, and the Office of Hawaiian Affairs submitted written testimony in support of the measure.

Your Committee finds that currently few health insurance plans cover medical foods and low protein modified foods that are necessary to treat inborn metabolic diseases such as phenylketonuria (PKU) and maple syrup urine disease (MSUD). Without these foods, children born with PKU or MSUD will eventually suffer severe brain damage or death.

Your Committee further finds that medical and low-protein modified foods may cost a family over \$10,000 per year for one child. According to a Report by the Legislative Auditor, fewer than 25 people in the State of Hawaii require this treatment. Therefore, mandating coverage in these cases will have a minimal impact on the cost of health insurance, while relieving a great burden on many families in the State and ensuring that affected children receive necessary treatment.

Your Committee has amended this measure to:

- (1) Delete the third condition for coverage of medical foods and low-protein modified food products, which required that the product is "not a commonly available commercial preparation";
- (2) Delete the provision which required QUEST to cover at least eighty per cent of the cost of medical foods and low-protein modified foods; and
- (3) Make technical and non-substantive amendments.

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. 326, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 326, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 947

Commerce and Consumer Protection on H.B. No. 1078

The purpose of this measure is to clarify and update the State's business registration laws.

The Department of Commerce and Consumer Affairs presented testimony in support of the measure. Although not present at the hearing, the Business Law Section of the Hawaii State Bar Association, submitted written testimony in support of the measure.

Your Committee finds that this measure amends the laws relating to domestic, foreign, professional, and nonprofit corporations, general and limited liability partnerships, and limited liability companies, and among other things:

- (1) Requires that domestic and nonprofit corporations maintain a registered office in the State and have a registered agent who resides in the State, except for corporations that have at least one officer or director who is a resident of the State;
- (2) Establishes procedures for a change of a registered office or registered agent, and the resignation of a registered agent for domestic and nonprofit corporations;
- (3) Clarifies procedures for the amendment and reinstatement of articles of incorporation by a nonprofit corporation;
- (4) Includes domestic limited liability partnerships and foreign limited liability partnerships in the provisions prohibiting a name of a business entity from being the same or substantially identical to another business entity;
- (5) Eliminates the requirement that at least one member of the board of directors for a domestic or nonprofit corporation be a resident of the State;
- (6) Requires that a domestic or nonprofit corporation include in its articles of incorporation the address of its initial registered office and the name of its initial registered agent at that office;
- (7) Requires that a domestic or foreign corporation, or domestic or foreign nonprofit corporation provide in its annual report the address of its registered office in the State and the name of its registered agent in the State;
- (8) Requires a domestic corporation's articles of amendment to state that provisions necessary to effect an exchange, reclassification, or cancellation of issued shares have been made;

- (9) Requires the provision of certain statements or information in articles of merger and articles of consolidation; and
- (10) Extends the reinstatement period for business entities.

The changes to the State's business registration laws effected by this measure will simplify the business registration process in the State and promote Hawaii as a favorable place to form and register 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. 1078, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 948 Commerce and Consumer Protection on H.B. No. 1287

The purpose of this measure is to authorize the issuance of special purpose revenue bonds and refunding special purpose revenue bonds to assist the gas utility in providing gas service to the general public.

The Gas Company presented testimony in support of this measure.

Your Committee finds that the bonds authorized by this legislation will be used by The Gas Company to finance capital improvements to the underground transmission and distribution pipeline system. Your Committee also finds that the proposed capital improvements serve a public interest that is related to the general public health, safety, and welfare of the residents of this State.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1287, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 949 Commerce and Consumer Protection on H.B. No. 1624

The purpose of this measure is to authorize the Insurance Commissioner to set license, renewal, and other fees for captive insurance companies.

The Insurance Commissioner presented testimony in support of the measure. Fiftieth State Risk Management Services, Inc., though not present at the hearing, submitted written testimony in support of the measure.

Your Committee finds that the regulation of captive insurance companies in this State requires a greater expenditure of resources by the Insurance Division than does the regulation of traditional insurance companies. This measure allows the Insurance Commissioner to set fees for captive insurance companies commensurate with the level of resources required to provide for the licensing and regulatory oversight of captives.

Your Committee has amended the measure by:

- (1) Extending the deadline for the adoption of rules by the Insurance Commissioner to January 1, 2001;
- (2) Extending the effective date for the provision in the measure establishing application, license, and renewal fees for captive insurance companies to January 1, 2001; and
- (3) Making a technical, nonsubstantive amendment.

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. 1624, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1624, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 950 Economic Development on H.B. No. 374

The purpose of this measure is to appropriate funds to develop appropriate sites for distribution and consolidation centers to rent warehouse and cooling facilities in Hawaii and mainland states, as appropriate, for agricultural products.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Office of Hawaiian Affairs, the Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, the Hawaii Food Manufacturers Association, and one individual.

Your Committee finds that one of the biggest problems for Hawaii food manufacturers is getting the products to consumers at a reasonable cost, particularly for the U.S. mainland and international markets. Strategically located consolidation and distribution centers could lower shipping costs for some companies by thirty to fifty percent, as well as increase sales.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 374, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 951 Economic Development on H.B. No. 557

The purpose of this measure is to appropriate funds in support of tropical flower research, marketing, and pesticide screening.

Your Committee received testimony 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, the Hawaii Tropical Flower Council, the Hawaii Florists' and Shippers' Association, Hawaii Agriculture Research Center, the Big Island Dendrobium Grower's Association, and the Hawaii Export Nursery Association.

Your Committee finds that the Hawaii floriculture and nursery products industry ranks as the number one diversified agricultural industry, with annual sales in the \$40,000,000 range. Orchids alone generated \$16,000,000 in sales in 1996, and for many people are synonymous with Hawaii. Your Committee is supportive of this industry and the benefits it provides both for economic development, as well as for the image of Hawaii it promotes the world over.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 557, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 952 Economic Development on H.B. No. 948

The purpose of this measure is to appropriate funds for research, mapping, and inventories of existing agricultural water systems statewide, and for development of an agricultural water plan.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Hawaii Farm Bureau Federation, the Big Island Farm Bureau, the Hawaii Florists' and Shippers' Association, the Hawaii Agriculture Research Center, the Big Island Dendrobium Grower's Association, and East and West Kauai Soil and Water Conservation Districts.

Your Committee finds that Act 101, Session Laws of Hawaii 1998, requires the Department of Agriculture to prepare a state agricultural water use and development plan, with updates to the plan as necessary. The appropriation in this measure will allow the department to begin this planning effort. Your Committee also notes that the Commission on Water Resource Management is currently undergoing an updating of all individual county water use and development plans, and this is an opportune time to incorporate agricultural water use planning into the county plans.

Your Committee has amended this measure to clarify that existing agricultural land use and irrigation water requirements are to be inventoried.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 948, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 948, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 953 Economic Development on H.B. No. 979

The purpose of this measure is to add credit unions to the definition of "private lender", reduce the number of credit denials required for the Department of Agriculture's loan program, and provide low interest financing to agricultural producers directly affected by State eradication programs.

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds that this measure will expand loan opportunities for farmers, which is of critical importance for the continued growth of agriculture as a economic benefactor for Hawaii. Your Committee is supportive of all efforts to assist Hawaii's agricultural industry in its successful diversification and expansion.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 979, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 954 Economic Development on H.B. No. 980

The purpose of this measure is to assess only cultivatable lands within the irrigation district boundaries.

Your Committee received testimony in support of this measure from the Department of Agriculture

Your Committee finds that when these irrigation districts were established, many of the current environmental laws and resource management regulations were not in effect. As a result of changes to the law, cultivation of stream beds, dry gulches, etc., are no longer allowed and owners derive no income from these lands. This measure will give the department the legal authority to remove such lands from the revenue base, charging owners only for cultivatable lands.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 980, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 955 Economic Development on H.B. No. 983

The purpose of this measure is to appropriate additional revolving funds in fiscal year 1998-1999, to allow the Agribusiness Development Corporation (ADC) to reimburse the papaya industry for securing patent licenses needed to commercialize the transgenic papaya, and to carry out ongoing ADC projects.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation.

Your Committee finds that development of the transgenic papaya has been of significant benefit in rebuilding Hawaii's papaya industry after its devastation by the ringspot virus disease. This measure will allow the ADC to reimburse the industry for these efforts to revitalize an important Hawaii crop.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 983 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 956 Economic Development on H.B. No. 1380

The purpose of this measure is to provide an interim subsidy to the irrigation system revolving fund to allow the irrigation system to meet its operating costs and to allow the affected parties to recover from the depressed economy.

Your Committee received testimony in support of this measure from the Department of Agriculture (DOA) and the Hawaii Farm Bureau Federation.

Your Committee finds that the DOA has met with strong community opposition to proposed rate increases for agricultural water. In working with the affected parties to come to a solution, the DOA is also working to reduce the costs of operation, including personnel reductions, reducing carryover balances, maximizing water delivery, and minimizing water loss in the systems.

Your Committee believes adequate and affordable irrigation water is crucial to the success of farming operations throughout the State. Your Committee has amended this measure to correct the name of the revolving fund as the irrigation system revolving fund.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1380, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1380, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 957 Economic Development on H.B. No. 1632

The purpose of this measure is to appropriate funds to develop new markets and expand existing markets for Hawaii's papaya industry.

Your Committee received testimony in support of this measure from the Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources.

Your Committee finds that before the devastation of the papaya industry by the ringspot virus, papaya production in 1993 was 64,000,000 pounds. After a decline of nearly fifty percent, production is now recovering rapidly with the new transgenic papaya, and should return to peak levels by 2002. Marketing to regain and develop new markets is critical to the rebirth of this Hawaii crop.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1632, H.D. 3, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 958 Transportation and Intergovernmental Affairs on H.B. No. 4

The purpose of this measure is to clarify that a police roadblock is not invalidated by a failure to comply with internal police procedures that exceed the minimum statutory roadblock requirements.

Testimony in support of this measure was received from the Department of Transportation, Governor's Highway Safety Council, Department of the Prosecuting Attorney of the City and County of Honolulu, and Police Department of the City and County of Honolulu.

Your Committee finds that the current law was not intended to be interpreted to invalidate roadblocks that did not comply with internal police procedures that exceed the minimum statutory roadblock requirements.

Your Committee finds that internal police procedures for roadblocks, which may relate to points as minor as the color of vest to be worn by officers at the roadblock, should not be treated as having the weight of law for the purpose of determining the legal validity of a roadblock. However, your Committee notes that rules adopted pursuant to Chapter 91, Hawaii Revised Statutes, after the public review and hearing process provided for by that chapter, should be followed after their adoption and may fairly be treated as requirements for a legally valid roadblock.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 4, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 4, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 959 Transportation and Intergovernmental Affairs on H.B. No. 45

The purpose of this measure is to make it a violation to operate a motor vehicle with an expired license within thirty days after the date of the expiration of the license.

Testimony in support of this measure was received from the Judiciary. The Department of the Prosecuting Attorney of the City and County of Honolulu submitted comments with a suggested amendment.

Your Committee finds that this measure will provide deterrence against and penalties for operating a motor vehicle with an expired license.

Your Committee has amended this measure by:

- (1) Making the effective date of this Act July 1, 1999, rather than upon approval; and
- (2) Clarifying that operating a motor vehicle with an expired license constitutes a violation which is subject to a fine of not more than \$1,000.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 45, H.D. 1, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 45, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 960 (Joint) Transportation and Intergovernmental Affairs and Labor and Environment on S.C.R. No. 38

The purpose of this measure is to request Hawaii's Congressional Delegation to require federal contracting officers to adhere to federal laws that are designed to improve employment conditions in Hawaii when unemployment rates are higher than the national average.

Testimony in support of this measure was received from the Hawaii Building and Construction Trades Council AFL-CIO, Hawaii Electricians Market Enhancement Program Fund, Honolulu Community Action Program, Inc., Masons Unions Local #1 and Local #630, Hawaii Operating Engineers Industry Stabilization Fund, Pacific Resource Partnership, Iron Workers Stabilization Fund, Plumbers and Fitters Local 675 United Association, and Painting Industry of Hawaii Labor Management Cooperation Fund.

Your Committees find that Hawaii's construction industry is experiencing serious economic downturns resulting in high unemployment rates. In 1986, the United States Congress instituted a policy to include in all federal defense appropriations acts a provision providing that when the unemployment rate in Hawaii exceeds the national rate of unemployment, contractors of federal defense construction projects in Hawaii are required to employ Hawaii residents who are able to perform the contract. Your Committees find that Hawaii's Congressional Delegation must take the necessary action to ensure that the policy is followed because it creates employment opportunities for Hawaii's construction industry.

Your Committees have amended this measure by making technical, nonsubstantive changes for purposes of style.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 38, 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. 38, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 6 (Buen, Bunda, Chumbley, Fukunaga, Ige, D., Ihara).

SCRep. 961 (Joint) Transportation and Intergovernmental Affairs and Labor and Environment on S.R. No. 16

The purpose of this measure is to request Hawaii's Congressional Delegation to require federal contracting officers to adhere to federal laws that are designed to improve employment conditions in Hawaii when unemployment rates are higher than the national average.

Testimony in support of this measure was received from the Hawaii Building and Construction Trades Council AFL-CIO, Hawaii Electricians Market Enhancement Program Fund, Honolulu Community Action Program, Inc., Masons Unions Local #1 and Local #630, Hawaii Operating Engineers Industry Stabilization Fund, Pacific Resource Partnership, Iron Workers Stabilization Fund, Plumbers and Fitters Local 675 United Association, and Painting Industry of Hawaii Labor Management Cooperation Fund.

Your Committees find that Hawaii's construction industry is experiencing serious economic downturns resulting in high unemployment rates. In 1986, the United States Congress instituted a policy to include in all federal defense appropriations acts a provision providing that when the unemployment rate in Hawaii exceeds the national rate of unemployment, contractors of federal defense construction projects in Hawaii are required to employ Hawaii residents who are able to perform the contract. Your Committees find that Hawaii's Congressional Delegation must take the necessary action to ensure that the policy is followed because it creates employment opportunities for Hawaii's construction industry.

Your Committees have amended this measure by making technical, nonsubstantive changes for purposes of style.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 16, 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. 16, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 6 (Buen, Bunda, Chumbley, Fukunaga, Ige, D., Ihara).

SCRep. 962 (Majority) Transportation and Intergovernmental Affairs on S.C.R. No. 39

The purpose of this measure is to request Hawaii's Congressional Delegation to urge the amendment of federal acquisition regulations to incorporate language encouraging the use of project labor agreements in federal construction contracts.

Testimony in support of this measure was received from Hawaii Building and Construction Trades Council AFL-CIO, Hawaii Electricians Market Enhancement Program Fund, Masons Union, Plumbers and Fitters Local 675 United Association, and Hawaii Operating Engineers Industry Stabilization Fund.

Testimony in opposition to this measure was received from Associated Builders and Contractors, Inc., Jas. W. Glover, Ltd., Contractors Association of Kauai, Willcocks Construction Corporation, Henry's Equipment Rental & Sales, Inc., and twenty-five individuals.

Your Committee finds that President Clinton issued a presidential memorandum in 1997 which permitted federal agencies to use project labor agreements on a case-by-case basis when conditions for their use are deemed appropriate. Project labor agreements may now be used as an additional labor-management tool for federal contracting agencies when those agreements serve the federal procurement goal of economical, efficient, and timely high quality performance. The use of project labor agreements helps to guarantee, among other things, efficiency, the establishment of fair and consistent labor standards and work rules, and stable labor-management relations. Your Committee finds that the use of project labor agreements for federal construction projects in Hawaii will help stabilize Hawaii's construction industry which is experiencing serious economic downturns and high unemployment rates.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 39, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 39, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Buen, Bunda, Ige, D.).

SCRep. 963 (Majority) Transportation and Intergovernmental Affairs on S.R. No. 17

The purpose of this measure is to request Hawaii's Congressional Delegation to urge the amendment of federal acquisition regulations to incorporate language encouraging the use of project labor agreements in federal construction contracts.

Testimony in support of this measure was received from Hawaii Building and Construction Trades Council AFL-CIO, Hawaii Electricians Market Enhancement Program Fund, Masons Union, Plumbers and Fitters Local 675 United Association, and Hawaii Operating Engineers Industry Stabilization Fund.

Testimony in opposition to this measure was received from Associated Builders and Contractors, Inc., Jas. W. Glover, Ltd., Contractors Association of Kauai, Willcocks Construction Corporation, Henry's Equipment Rental & Sales, Inc., and twenty-five individuals.

Your Committee finds that President Clinton issued a presidential memorandum in 1997 which permitted federal agencies to use project labor agreements on a case-by-case basis when conditions for their use are deemed appropriate. Project labor agreements may now be used as an additional labor-management tool for federal contracting agencies when those agreements serve the federal procurement goal of economical, efficient, and timely high quality performance. The use of project labor agreements helps to guarantee, among other things, efficiency, the establishment of fair and consistent labor standards and work rules, and stable labor-management relations. Your Committee finds that the use of project labor agreements for federal construction projects in Hawaii will help stabilize Hawaii's construction industry which is experiencing serious economic downturns and high unemployment rates.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 17, 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. 17, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Buen, Bunda, Ige, D.).

SCRep. 964 Commerce and Consumer Protection on H.B. No. 1035

The purpose of this measure is to ensure that the Employees' Retirement System's (ERS) investment program objectives are met by:

- (1) Requiring the ERS Board of Trustees to appoint a chief investment officer and an assistant administrator not subject to civil service law; and
- (2) Requiring the Attorney General to serve as legal advisor to the Board of Trustees.

The Employees' Retirement System commented on this measure.

Your Committee finds that the responsibilities of the Employees' Retirement System, which provides for retirement benefits of all public employees of the four counties and the State, continue to expand as financial investments become more complex. Further, as retirants live longer, healthier lives, they remain part of the retirement system for a longer period.

Your Committee has amended the measure by allowing the Board of Trustees of the Employees' Retirement System to retain outside counsel if necessary. Your Committee would like to see administrative flexibility continue if the Board requires legal advice or services that the Department of the Attorney General might be unable to provide due to time or budget constraints.

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. 1035, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1035, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 965 Commerce and Consumer Protection on H.B. No. 1036

The purpose of this measure is to provide the Employees' Retirement System (ERS) with greater investment flexibility.

Specifically, the measure enables the ERS to invest in real estate via Limited Liability Companies (LLCs) and similar entities to help limit the ERS's liability from personal injury or property damage lawsuits. The measure also amends a section reference to the Internal Revenue Code to more accurately reflect the types of real property investments the ERS is authorized to invest in.

Your Committee received comments from the ERS on the measure.

Your Committee finds that LLCs are a relatively new form of legal entity that have the advantage of being a pass-through entity for income tax purposes by eliminating taxation at the federal and state levels. LLCs also benefit from the corporate-type advantages of centralized management and limited liability for the owners.

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. 1036, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 966 Commerce and Consumer Protection on H.B. No. 1042

The purpose of this measure is to permit the board of trustees of the public employees health fund ("Board") to contract for more than one type of benefit plan for medical, drug, vision, and dental benefits.

The Hawaii Public Employees Health Fund and the Hawaii Health Systems Corporation presented testimony in support of the measure. The Hawaii State Teachers Association, although not present, submitted written testimony in support of the measure.

Your Committee finds that current law authorizes the Board to contract for only one statewide plan for each of its medical, drug, dental, and vision benefit plans. This measure will provide the Board the flexibility to contract for more than one benefit plan per benefit category thereby fostering more competition to provide the state quality benefit plans with the best value.

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. 1042, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 967 Commerce and Consumer Protection on H.B. No. 1044

The purpose of this measure is to offer medical benefits to part-time, temporary, and seasonal or casual public employees at no cost to the employer.

Testimony in support of the measure was received from the Departments of Budget and Finance and Education. The Public Employees' Health Fund provided comments on the measure.

Your Committee finds that providing such benefits to part-time employees would increase medical coverage for citizens of the State at no cost to the public employer and concurrently provide these employees with the opportunity to obtain coverage at a lower premium rate.

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. 1044, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 968 (Joint) Commerce and Consumer Protection and Labor and Environment on H.B. No. 1043

The purpose of this measure is to change the Public Employees Health Fund Administrator's civil service position to exempt hire status.

This measure also allows the board to set the Administrator's salary within the range for deputy directors and requires that the Administrator be a member of the employee retirement system and eligible for employee benefit programs.

Testimony in support of this measure was received from the Board of Trustees of the Hawaii Public Employees Health Fund (Board).

Your Committees find that this measure gives the Board the flexibility to hire a benefit plan professional with the experience necessary to administer the Hawaii Public Employees Health Fund. The Health Fund currently carries an excess of \$300,000,000 in insurance premiums and employer contributions to Union Plans, an excess of \$20,000,000 in Special Reserve Funds, and \$1,200,000 combined General Funds for operations.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 1, 2000, at which time the board may set the salary of the Administrator, and at which time the Administrator is to be included in the State employee retirement system and other benefit programs; and
- (2) Reformatting the new language regarding the Administrators salary and benefits as a new paragraph (3), to clarify that this is an additional power of the board.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1043, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1043, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Chumbley, Fukunaga, Hanabusa, Ihara, Matsuura).

SCRep. 969 Commerce and Consumer Protection on H.B. No. 1079

The purpose of this measure is to establish a standard procedure under which corporations, partnerships, limited liability partnerships, and limited liability companies may convert to any other form of business entity authorized under State law.

The Department of Commerce and Consumer Affairs presented testimony in support of the measure. The Business Law Section of the Hawaii State Bar Association, though not present at the hearing, submitted written testimony in support of the measure.

Your Committee finds that, currently, a business entity wishing to convert into another form of a business entity is required to dissolve the business and form a new entity. This is often a time consuming and costly process.

This measure simplifies and expedites the conversion process by establishing a standard procedure common to all forms of business entities. By simplifying the conversion process, the State will provide greater flexibility for growing businesses operating in Hawaii and encourage new business development in the State.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1079, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1079, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 970 Commerce and Consumer Protection on H.B. No. 1080

The purpose of this measure is to establish procedures under which a corporation, partnership, limited liability partnership, or limited liability company may obtain administrative relief against an entity that has registered or is using a name that is substantially identical or confusingly similar to the name of the corporation, partnership, limited liability partnership, or limited liability company.

The Department of Commerce and Consumer Affairs (DCCA) presented testimony in support of the measure. The Hawaii Bar Association's Business Law Section, though not present at the hearing, submitted written testimony in support of the measure.

This measure provides businesses the opportunity to resolve business name disputes through DCCA's administrative hearing process. Specifically, the bill allows a business to file a petition with the Director of DCCA for an order of abatement for infringement of the business' name and allows an appeal from the Director's order to Circuit Court. Your Committee finds that this process would be more expeditious and less costly for businesses than litigation.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 1142, S.D. 2. which are substantively similar, except for technical differences.

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. 1080, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1080, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 971 Commerce and Consumer Protection on H.B. No. 1083

The purpose of this measure is to allow the Department of Commerce and Consumer Affairs (DCCA) to become fiscally self-sufficient by combining most of DCCA's special and revolving funds into the DCCA Compliance Resolution Fund, to be managed by DCCA and not subject to central service and departmental administrative expense reimbursement deductions or other reversions to the general fund.

The Department of Commerce and Consumer Affairs presented testimony in support of this measure.

Your Committee finds that over the past four years, general fund support for DCCA's various programs has declined significantly, and as a result, DCCA has been moving steadily toward self-sufficiency. This measure will allow DCCA greater flexibility in the management of its funds and further the department's goal of being supported wholly by the revenue it collects.

Your Committee has amended this measure by deleting the contents in their entirety and inserting the contents of S.B. No. 1145, S.D. 2. As amended, the measure:

- (1) Adds insurance special funds as excluded funds in Section 26-9(o), Hawaii Revised Statutes (HRS);
- (2) Amends Section 92-24, HRS, to delete the special fund reference and add the compliance resolution fund established pursuant to section 26-9(o);
- (3) Amends Section 482-2(b), HRS, to delete the special fund reference and add the compliance resolution fund established under section 26-9;
- (4) Amends Act 216, Session Laws of Hawaii 1997, to retain the amendments made to section 36-27 and 36-30 under this measure when Act 216 is repealed; and
- (5) Makes technical amendments.

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. 1083, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1083, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 972 Water, Land, and Hawaiian Affairs on H.B. No. 582

The purpose of this measure is to provide governmental agencies with civil liability immunity when injuries occur on public trails and accesses.

Testimony in support of the measure was received from the Board of Land and Natural Resources, the Kauai Na Ala Hele Council, the Consumer Lawyers of Hawaii, the Hawaii Rifle Association, the Peoples Advocacy for Trails Hawaii, and two concerned citizens. Testimony in opposition to the measure was received from the City and County of Honolulu's Department of the Corporation Counsel.

Your Committee finds that providing government with protection from liability in cases where injuries occur on unimproved trails will facilitate the opening of more trails for public use.

Your Committee has amended the measure by:

- (1) Limiting the immunity for government-owned lands to trails as established under section 198D-6, Hawaii Revised Statutes; and
- (2) Stating that the immunity is not extended to lands used by any person for a commercial purpose.

In stating that the immunity provided under the amended measure is not extended to lands used by any person for a commercial purpose, it is not your Committee's intent to exclude public trails from the immunity provided therein when a permit is granted by a governmental agency to conduct guided tours. To this end, the issuance of such a permit does not constitute a "commercial purpose".

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 582, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 582, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Tanaka, Anderson).

SCRep. 973 Water, Land, and Hawaiian Affairs on H.B. No. 706

The purpose of this measure is to assist homestead lessees to obtain mortgages to improve their leaseholds by allowing for the suspension of the succession provision in homestead leases for the duration of a mortgage on an existing lease.

The Department of Land and Natural Resources testified in support of the measure. The Office of Hawaiian Affairs opposed the measure.

Your Committee finds that existing homestead lessees are unable to secure financing to improve their leasehold property because of the descendant provision contained in section 171-99(e), Hawaii Revised Statutes. This has resulted in homestead lessees having to live in substandard conditions, unable to secure loans to renovate or replace their dwellings.

Your Committee believes that the measure, as received by your Committee, would accomplish the objective of providing homesteaders with the financial leverage to improve their real property. However, your Committee believes the more appropriate solution to this problem is to allow homesteaders to purchase their homestead for a nominal fee.

In light of this belief, your Committee has amended the measure by deleting its substance and inserting therefor, provisions that:

- (1) Allow a qualified lessee to purchase homestead land for \$1 instead of at fair market value;
- (2) Eliminate cash freehold agreements with respect to homestead leases; and
- (3) Amend sections 171-100 and 532-2, Hawaii Revised Statutes, to correct internal statutory references.

Your Committee finds that lessees are required to reside on the land, pay taxes as if the land was held in fee simple, and meet the lease conditions regarding clearing and cultivation. Because the leasehold cannot be used as collateral, lessees have had difficulty financing home construction and repairs. The amended measure enables the lessees to purchase their lease, thus removing a barrier to improving their property and lifestyle.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 706, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 706, 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 (Kanno, Tanaka, Anderson).

SCRep. 974 Water, Land, and Hawaiian Affairs on H.B. No. 718

The purpose of this measure is to enhance the Hawaii Community Development Authority's (HCDA) capabilities to implement its redevelopment objectives, including development of the Kakaako Makai Area, by:

- (1) Consolidating HCDA's three separate bonding capabilities -- district-wide improvement bonds, reserved housing loan bonds, and public facilities revenue bonds -- into one new comprehensive bonding capability;
- (2) Authorizing the issuance of \$250,000,000 in revenue bonds for the purposes set forth under HCDA's powers; and

- (3) Authorizing the issuance of \$10 million in revenue bonds to assist the Food Distribution Center in its relocation from the Kakaako Community Development District.

HCDA testified in support of the intent of this measure. The Department of Budget and Finance provided comments on the measure.

Your Committee has amended this measure by deleting its substance and substituting therefor, provisions that:

- (1) Change the boundaries of the Kakaako Community Development District to exclude Pier 1 and Pier 2 at Fort Armstrong; and
- (2) Authorize the appropriation of funds from the Harbor Special Fund for the planning, design, and construction of a cruise ship passenger terminal at Pier 2, Honolulu Harbor.

Your Committee finds that Piers 1 and 2 at Fort Armstrong include vital and unique cargo facilities that cannot be relocated and would be prohibitively expensive to duplicate. Piers 1 and 2 must be protected and preserved as a maritime facility. By excluding Piers 1 and 2, the amended measure returns them to the jurisdiction of the Department of Transportation which would be more effective for protection and preservation of the maritime function of Piers 1 and 2.

Your Committee further finds that cruise ship services to the Hawaiian Islands are undergoing rapid expansion and the capacity of the newly constructed ships is continuing to grow. It should be anticipated that within the next five years, Honolulu Harbor will regularly see three or more passenger vessels per day and as many as thirty-five to forty times per year.

Additionally, foreign flag operators will continue to increase their port calls in the Hawaiian Islands, and Honolulu in particular, over the next three to four years. Presently, their total contribution to the State's economy is in excess of \$50,000,000 per year, and by the year 2004, this figure could possibly double or triple.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 718, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 718, 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 (Kanno, Tanaka, Anderson).

SCRep. 975 Water, Land, and Hawaiian Affairs on H.B. No. 1653

The purpose of this measure is to appropriate funds to the Department of Land and Natural Resources to implement capital improvement projects in the Ala Wai canal watershed.

The Department of Health and the Ala Wai Canal Watershed Improvement Project testified in support of the measure. The Department of Land and Natural Resources submitted testimony in opposition due to funding concerns.

Your Committee finds that improved management of the Ala Wai Canal watershed will improve the water quality in the canal and reduce the need for maintenance.

Your Committee has amended the measure by deleting the amount appropriated for the project.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1653, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1653, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 976 Water, Land, and Hawaiian Affairs on H.B. No. 1703

The purpose of this measure is to extend the sunset date of the Act authorizing the Department of Land and Natural Resources to negotiate long-term leases with revocable permittees farming in the Waimanalo area.

The Board of Land and Natural Resources commented on the measure.

Your Committee finds that most Waimanalo farmers have successfully negotiated long-term leases, but that several still desire leases and are at various stages of the process.

Your Committee believes that extending the sunset date of Act 257, Session Laws of Hawaii 1996, to July 1, 2001, will provide the remaining permittees with the opportunity to negotiate a long-term lease suitable to their needs.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1703 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 (Kanno, Anderson).

SCRep. 977 Water, Land, and Hawaiian Affairs on H.B. No. 1409

The purpose of this measure is to enable the Land Use Commission to assess fees to recoup some of its costs.

Specifically, the measure enables the Land Use Commission to assess fees for:

- (1) Court reporter expenses; and
- (2) Other hearing expenses.

Testimony in support of the measure was received from the Land Use Commission.

Your Committee finds that the Land Use Commission has not increased its fees in more than ten years and this measure will allow the Commission to recover more of its expenses.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1409, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 978 Water, Land, and Hawaiian Affairs on S.C.R. No. 58

The purpose of this measure is to urge the State Foundation on Culture and Arts and the Office of Hawaiian Affairs to work expeditiously with Halau Haloa, The National Academy of Hawaiian Performing Arts, to complete the planning for the eighth Pacific Festival of Arts in order to provide the best representation possible of Hawaii's indigenous cultural traditions at the festival.

Testimony in support of the measure was received from Halau Haloa, Ka Lahui, the 'Ilio'ulaokalani Coalition, and a number of concerned citizens. The State Foundation on Culture and the Arts submitted comments on the measure.

Your Committee finds that the Pacific Festival of Arts occurs every four years to encourage the indigenous people of the Pacific nations to showcase their arts. The next Pacific Festival of Arts is to be held in the year 2000 in Noumea, New Caledonia.

Your Committee also finds that the Governor has asked Halau Haloa to work with the State Foundation on Culture and the Arts concerning the official delegation to the eighth Pacific Festival of Arts. Since this gubernatorial request, Halau Haloa has met with the State Foundation on Culture and the Arts, as well as the Office of Hawaiian Affairs to apprise these agencies of the planning and preparation. Apparently, despite these meetings, Halau Haloa has struggled for the past three years to carry out the planning for the eighth Pacific Festival of Arts, without assistance from the State Foundation on Culture and the Arts and the Office of Hawaiian Affairs due to financial and personnel shortages in both agencies.

Your Committee believes that the measure will provide the support necessary to move this initiative forward.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 58, and recommends that it be referred to the Committee on Education and Technology.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Anderson).

SCRep. 979 Commerce and Consumer Protection on H.B. No. 743

The purpose of this measure is to require that services provided by advanced practice registered nurses be reimbursable under health care plans, and as workers' compensation and personal injury protection benefits.

The Department of Health, the Hawaii Nurses' Association, Hawaii Nurse-Midwives, the Hawaii Medical Service Association, Kaiser Permanente, and an individual presented testimony in support of this measure. The Hawaii Government Employees Association and four individuals, though not present at the hearing, submitted written testimony in support of the measure. State Farm Insurance Companies and the Hawaii Insurers Council, presented testimony in opposition to the measure.

Your Committee finds that numerous studies, including a 1989 study conducted by the United States Office of Technology Assessment, have documented the provision of safe, quality, and cost-effective primary care services by advanced practice registered nurses (APRNs).

Your Committee further finds that sixteen states include APRNs as providers under health plans. In Hawaii, APRNs are recognized as providers under the federal Medicare and Medicaid programs, and some categories of APRNs are recognized as providers under the State's QUEST program. Passage of this measure would ensure that consumers wishing to utilize the services of APRNs would be able to have the cost of these services covered under their health care plans, or as workers' compensation or personal injury protection benefits.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 215. As amended, this measure:

- (1) Adds a new section to chapter 431:10A, Hawaii Revised Statutes (HRS), instead of amending section 431:10A-116, HRS, to include services provided by APRNs as reimbursable services under health insurance plans;
- (2) Requires that mutual benefit societies provide "coverage and equitable reimbursement for services of advanced practice registered nurses as recognized in section 457-8.5", rather than "reasonable reimbursement for health plan covered services provided by advanced practice registered nurses";
- (3) Includes APRNs under the workers' compensation law by amending the definition of "health care provider", rather than the definitions of "medical care", "medical services", or "medical supplies" under section 386-1, HRS;
- (4) Amends section 386-27, HRS, to include APRNs as qualified health care providers; and
- (5) Amends chapter 432D, HRS, to include services provided by APRNs as covered services under health maintenance organization health care plans.

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. 743, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 743, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 980 (Majority) Commerce and Consumer Protection on H.B. No. 756

The purpose of this measure is to establish the universal service fund as a special fund administered by the Public Utilities Commission to implement the policies and goals of universal telecommunications service. The measure also exempts the universal service fund from assessments for administrative fees and surcharges.

The Public Utilities Commission (PUC), the Consumer Advocate, GTE Hawaiian Tel, and AT&T presented testimony in support of the measure. GST Telecom Hawaii and TelHawaii, Inc., though not present at the hearing, submitted written testimony in support of the measure.

Your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 143, S.D. 1. As amended this measure:

- (1) Prohibits the PUC from authorizing the construction of any forty-six kilovolt or greater high voltage electric transmission system in a residentially-zoned area, or within three hundred feet of any public or private school grounds or licensed child care facility, unless the system is placed underground and insulated against electro-magnetic field emissions; and
- (2) Provides that the requirements established in the measure apply to applications to construct a high voltage electric transmission system approved by the PUC prior to the measure's effective date, unless construction has been completed and approved by the PUC.

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. 756, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 756, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 981 (Majority) Commerce and Consumer Protection on H.B. No. 850

The purpose of this measure is to extend the amnesty period for uninsured motorists and to repeal the requirement that a person convicted of driving without insurance within five years of any other prior conviction maintain proof of financial responsibility in order to avoid an automatic administrative revocation of the person's license.

The Insurance Commissioner and an individual presented testimony in support of the measure. The Consumer Lawyers of Hawaii, though not present at the hearing, submitted written testimony in support of the measure. State Farm Insurance Companies presented testimony in opposition to the measure. The Honolulu Police Department, though not present at the hearing, submitted testimony in opposition to the measure.

Your Committee finds that the law that grants uninsured motorists amnesty from penalties and surcharges is achieving its goal of reducing the number of uninsured motorists in this State. The Insurance Division has been informed by judges presiding over traffic violation cases that amnesty provides an incentive for uninsured motorists to obtain motor vehicle insurance coverage. Extending the amnesty period will allow even more individuals to come into compliance with the law as insurance premium rates decrease and become more affordable.

Your Committee has amended this measure by extending the proposed amnesty period from December 31, 1999, to June 30, 2000.

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. 850, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 850, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 982 Commerce and Consumer Protection on H.B. No. 1070

The purpose of this measure is to require a triennial, rather than an annual examination of captive insurance companies by the Insurance Commissioner.

The Insurance Commissioner presented testimony in support of the measure. The Hawaii Captive Insurance Council, though not present at the hearing, submitted written testimony in support of the measure.

Your Committee finds that an annual examination of captive insurance companies is unnecessary due to the financial strength of captives in this State. This measure, which requires a triennial examination, but authorizes more frequent examinations if necessary, would make the examination requirements for captives consistent with the requirements for other insurers in the State and with the requirements of other captive domiciles.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1070, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 983 Commerce and Consumer Protection on H.B. No. 1081

The purpose of this measure is to allow the shareholder of a corporation to designate a proxy through the execution of a written document, including a written document containing a facsimile of the shareholder's signature, or by electronically transmitting an authorization to the proxy holder.

The Department of Commerce and Consumer Affairs presented testimony in support of this measure. The Business Law Section of the Hawaii State Bar Association, though not present at the hearing, submitted written testimony in support of the measure.

Your Committee finds that this measure provides an alternative, flexible, and more convenient means of designating a proxy and, thereby, facilitates and promotes shareholder participation in corporate decisionmaking.

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. 1081, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 984 (Joint) Commerce and Consumer Protection and Health and Human Services on H.B. No. 1664

The purpose of this measure is to strengthen the Hawaii Patient Bill of Rights and Responsibilities Act by implementing the recommendations of the Patient Rights and Responsibilities Task Force (Task Force).

The Insurance Commissioner, the Task Force's Access to Services Subcommittee, Kaiser Permanente, the Legal Aid Society of Hawaii, and the Hawaii Medical Service Association presented testimony in support of the measure. The Department of Health, the Hawaii Federation of Physicians and Dentists, the American Association of Retired Persons State Legislative Committee, and an individual, though not present at the hearing, submitted written testimony in support of the measure. State Farm Insurance Companies and an individual presented comments on the measure.

Act 178, Session Laws of Hawaii 1998, established the Hawaii Patient Bill of Rights and Responsibilities Act (Act) that established certain rights and protections for enrollees in managed care plans. Additionally, Act 178 required the Commissioner to convene a task force comprised of members from the public and private sectors to review laws relating to patient rights and responsibilities, determine whether further action was required to protect patients under the Act, and report its findings and recommendations to the 1999 Legislature.

This measure implements the Task Force's recommendations. Some of the key provisions in this measure:

- (1) Establish a health insurance revolving fund and authorize appropriations out of the fund to pay for medical experts and to fund educational activities;
- (2) Require the accreditation of managed care plans;
- (3) Specify the type of information that must be included in a managed care plan's notice of final determination;
- (4) Clarify review hearing rights, procedures, and standards in the case of an appeal to the Commissioner from a managed care plan's adverse decision, including specification of the information that a managed care plan must provide in its notice of final determination;
- (5) Strengthen the enrollee information requirements for managed care plans; and
- (6) Establish detailed requirements for a health plan's provision of emergency services.

Your Committees find that the recommendations proposed by the Task Force will further strengthen patients' rights in the area of health care.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1664, H.D. 3, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Bunda, Hanabusa, Ihara, Anderson).

SCRep. 985

Commerce and Consumer Protection on H.B. No. 104

The purpose of this bill is to amend the composition of the Employer-Union Trust Concept Committee and to extend the scope of its mandated purpose.

Specifically, the measure clarifies that equal numbers of representatives from public employers and public employee organizations sit on the Committee and that a retired beneficiary of the Public Employees' Health Fund also be a member. The measure also:

- (1) Extends the Committee's term until June 30, 2001;
- (2) Requires the Committee to submit annual progress reports on November 21, 1999, May 15, 2000, and November 21, 2000, to the Legislature;
- (3) Requires the Committee to submit annual action plans to the Legislature on November 1, 1999, and November 1, 2000; and
- (4) Requires the Committee to submit a finalized proposal and implementing legislation no later than twenty days prior to the convening of the 2001 regular session.

The Director of Finance, Hawaii Government Employees Association, Hawaii State Teachers Association (HSTA), and HSTA-Retired testified in support of this measure. The Hawaii Public Employees Health Fund commented on the measure.

Your Committee finds that more time is needed in order to formulate a comprehensive plan to reform the public sector health benefits program paradigm as we know it. However, your Committee is committed to ensuring that such a reform occurs in a reasonable amount of time so as to benefit current public sector employees.

Your Committee has amended the measure to specify that the equal membership representing public employers and employee organizations be set at five each, that is, one representing the state government and four representing the four county governments, and five members representing employee organizations, and to clarify the submittal of the final proposal.

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. 104, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 104, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 986 Commerce and Consumer Protection on H.B. No. 1048

The purpose of this measure is to reduce the health insurance contributions of public employers by requiring State and county retired employees and their spouses to enroll in the federal Medicare Part B medical insurance plan, if eligible.

The Hawaii Public Employees Health Fund Board of Trustees submitted testimony in support of the measure.

Your Committee finds that according to the Public Employees Health Fund, approximately 540 retired employees, including spouses, may be eligible for, but are not enrolled in the federal Medicare plan. This non-enrollment results in higher monthly non-Medicare health insurance premiums for not only the members of the Public Employees Health Fund, but raises the costs for the Public Employees Health Fund as well.

Your Committee notes that the measure enables the Board of Trustees of the Public Employees Health Fund to exempt members from enrolling in the Medicare Part B plan on a case by case basis.

Your Committee has amended the measure by making a technical amendment to correctly reflect existing statutory language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1048, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1048, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 987 Economic Development on H.B. No. 333

The purpose of this measure is to make an appropriation for research and development of agricultural products.

Your Committee received testimony 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, the Big Island Farm Bureau, the Hawaii Macadamia Nut Association, Hawaii Tropical Fruit Growers, the Pineapple Growers Association of Hawaii, the Hawaii Florists' and Shippers' Association, Hawaii Agriculture Research Center, the Big Island Banana Growers Association, the Big Island Dendrobium Grower's Association, the Oahu Banana Growers Association, and Kea'au Banana Plantation.

Your Committee finds that diversified agriculture is Hawaii's major growth industry at the current time, and promoting this industry is in the best interests of the State and its future development. This measure will provide funds for both research and marketing of a variety of agricultural products.

Your Committee is supportive of this measure and believes it contributes to the continuing success of diversified agriculture. Your Committee has amended the measure to add funding for the Hawaii Agriculture Research Center, and to add funding for the second year of the biennium for all of the listed projects.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 333, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 333, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 988 Economic Development on H.B. No. 562

The purpose of this measure is to add three new terms that may be used on the label of raw or processed macadamia nuts that contain only Hawaii grown nuts, to prohibit the use of these terms on a label for any macadamia nut products not grown in Hawaii, and to delete a redundant subsection.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Hawaii Macadamia Nut Association, Mauna Loa Macadamia Nut Corporation, Hamakua Macadamia Nut Company, MacFarms of Hawaii, and the ILWU Local 142.

Your Committee finds that it is vital for Hawaii's high quality agricultural commodities to be able to distinguish their products from those produced in other areas. This measure would give the macadamia nut industry additional flexibility in labeling and protecting Hawaii grown macadamia nut products.

Your Committee has amended this measure to require that the label for all macadamia nut products grown elsewhere include the country or state of origin.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 562, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 989 Economic Development on H.B. No. 797

The purpose of this measure is to allow for hunting of game birds by residents of foreign countries under certain circumstances.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Hawaii Rifle Association, the Hawaii Hunting Advisory Council, the Hawaii Hunting Association, and two individuals.

Your Committee finds that a commercial hunting industry on private property can provide environmental and economic benefits to local communities, and that this measure is a first step in increasing hunting opportunities for nonresidents. Your Committee notes that DLNR also has expressed a willingness to work with the newly formed Hawaii Hunter Advisory Council, the commercial hunting industry, and private landowners to examine the issue of game mammal hunting on private lands, with recommendations to come before a future legislative session.

Your Committee has amended this measure to make technical amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 797, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 797, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 990 Economic Development on H.B. No. 982

The purpose of this measure is to remove references to the management of aquaculture programs from the statutory purview of the Department of Land and Natural Resources.

Your Committee received testimony in support of this measure from the Department of Agriculture (DOA), the Department of Land and Natural Resources (DOA), and BOATS/Hawaii Inc.

Your Committee finds that Act 176, Session Laws of Hawaii 1998, made the DOA lead agency for the aquaculture development program and transferred the Aquaculture Advisory Council. This measure deletes those remaining references to aquaculture programs under DLNR.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 982 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 991 Economic Development on H.B. No. 1012

The purpose of this measure is to reestablish the clean Hawaii fund in Chapter 201, Hawaii Revised Statutes (HRS), to continue the recycling and remanufacturing activities now under the clean Hawaii center, which will sunset on June 30, 1999.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the University of Hawaii Environmental Center, and the Sierra Club, Hawai'i Chapter.

Your Committee finds that continuation of the clean Hawaii fund is necessary in order to expend the balance of obligated and encumbered federal and state special funds that remain, to complete current programs and agreements, and to receive any future funds in support of recycling business development activities.

Your Committee further finds that in the five years of operations of the clean Hawaii center, only twelve percent of its funding has come from state general or restricted funds, and eighty-eight percent from other sources, including the Department of Health's Environmental Management special fund, the Environmental Protection Agency, and matching private sector funding. Under this measure, the department will continue to serve as a clearinghouse for funds from all sources, in support of Hawaii's small recycling industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1012, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 992 Economic Development on H.B. No. 1173

The purpose of this measure is to authorize the Board of Land and Natural Resources to delegate enforcement authority of boating and ocean recreation programs to officers and employees of the division of boating recreation, in addition to the division of conservation and resources enforcement officers (DOCARE).

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and BOATS/Hawaii Inc. The HGEA-AFSCME, Local 152, AFL-CIO submitted comments.

Your Committee finds that delegation of limited enforcement authority to harbor agents and other selected employees will permit enforcement of minor infractions at the time they occur. Presently, boating personnel must wait for DOCARE officers to respond to enforcement requests.

Your Committee has amended this measure by replacing the term "officers and employees" with "harbor agents and recreational harbor managers" to address a concern that the original designation was overly broad.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1173, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1173, H.D. 1, S.D. 1, and be referred to the Committee on Water, Land, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 993 Economic Development on H.B. No. 1177

The purpose of this measure is to allow private marinas and yacht clubs to take into custody and dispose of vessels abandoned on their premises in the same manner afforded to vessel repair facilities.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that the companion to this measure, S.B. No. 1087 was heard and approved by this committee, with amendments. Your Committee notes that H.B. No. 1177, H.D. 2, incorporates the preferred amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1177, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 994 Economic Development on H.B. No. 1178

The purpose of this measure is to authorize the Department of Land and Natural Resources to sell or take action to cause the sale of any perishable natural resource that has been seized as part of a fishing violation.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR), the University's Environmental Center, BOATS/Hawaii Inc., and one individual.

Your Committee finds that this measure would save the State both time and the expense of storage of perishable catches of aquatic life, with the proceeds to be placed into an account for holding. Your Committee is supportive of the intent of this measure to give DLNR additional flexibility in enforcement and management of aquatic resources.

Your Committee has amended this measure by deleting its contents in their entirety and replacing them with the contents of a companion measure, S.B. No. 1088, S.D. 1, heard earlier by this Committee. As amended, this measure deletes the language regarding forfeiture to the State of any seized item other than a natural resource, in Section 199-7(b), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1178, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1178, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 995 Economic Development on H.B. No. 1179

The purpose of this measure is to remove unnecessary or obsolete language and to clarify or correct statutory language regarding the commercial marine license and the associated reporting requirement.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR) and BOATS/Hawaii, Inc.

Your Committee finds that DLNR will begin this year to revise the commercial marine license and the reports, and this measure will give the department greater flexibility to make changes in administrative rules.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1179 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 996 Economic Development on H.B. No. 1181

The purpose of this measure is to consolidate various penalty sections, establish minimum fines, and establish separate and graduated penalties for Chapters 187A, 188, 189, and 190, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the University of Hawaii Environmental Center, BOATS/Hawaii Inc., and the Hawaii Audubon Society.

Your Committee finds that under this measure, the same graduated penalties would apply to violations of all sections, including those for freshwater fishing, recreational and commercial ocean fishing, and State managed fishing areas. All would be punishable as petty misdemeanors, with the exception of the use of explosives, electrocution, or poisons in fishing, and these would be punishable as a felony. Your Committee is supportive of the department's efforts to deter violations, particularly for repeat offenders.

Your Committee has amended this measure by making a technical amendment to properly reflect existing statutory language.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1181, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1181, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 997 Economic Development on H.B. No. 1186

The purpose of this measure is to update and clarify the penalty provisions relating to wildlife management.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR), the Hawaii Hunting Advisory Council, the Hawaii Hunting Association, and the Hawaii Rifle Association.

Your Committee finds that this section of statutes was last revised in 1996, when a housekeeping measure inadvertently removed the provision that a violation of DLNR hunting rules was a violation of the statute and subject to penalty. This change has been noted by several district courts, and DLNR is inhibited in proceeding with cases of alleged violations of the rules. Your Committee believes that this reinstatement of the penalty provisions, as well as the increases of the minimum fines in this measure, will assist the department in its efforts to protect and maintain Hawaii's natural resources.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1186 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 998 Labor and Environment on H.B. No. 50

The purpose of this measure is to change the eligibility requirements for temporary disability insurance benefits.

Specifically, this measure changes the period of employment to qualify for temporary disability insurance benefits from "four completed quarters" to "fifty-two weeks" immediately preceding the first day of disability.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations and the Department of Education.

Your Committee finds that this measure provides for a qualifying period of eligibility which more accurately reflects a claimant's employment and wage history, resulting in more equitable benefits to the claimant.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 50 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, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 999 Labor and Environment on H.B. No. 842

The purpose of this measure is to exempt small empty imported glass containers from the advanced disposal fee.

The glass containers must be designed to hold not more than two and one-half fluid ounces of a product meant for human consumption. The measure also corrects a typographical error in the amount of the fee.

Testimony in support of this measure was received from the Hawaii Food Industry Association, Hawaiian Fruit Specialties, Ltd., and an individual. The Department of Health testified in support of the measure with reservations. Sierra Club, Hawaii Chapter testified in opposition to the measure.

Your Committee finds that the exemption provided for in this measure provides some relief for small businesses in Hawaii. The exemption is for empty glass containers which will be used by food processors in the State. According to the testimony of the Hawaii Food Industry Association the estimated cost to the fund will be less than \$10,000 annually.

Your Committee has amended this measure by changing the effective date to October 1, 1999 in order to allow for improved communication and recordkeeping.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 842, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 842, 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, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1000 Labor and Environment on H.B. No. 938

The purpose of this measure is to appropriate funds to the Department of Health (DOH) to implement a statewide litter control campaign.

Testimony in support of this measure was received from the Department of Health, the Department of Transportation, the Mayor of Maui County, two Maui County Council members, Maui Economic Opportunity, Inc., Community Work Day Program, and three concerned citizens.

Your Committee finds that the Community Work Day Program, a nonprofit agency dedicated to environmental preservation, beautification, and education, has a proven track record of coordinating volunteers to control litter. A statewide litter control program coordinated by Community Workday Program would leverage \$6 of private funds for every \$1 of public funds invested in the program and provide a cost-effective, community-based litter control program across the State.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 938, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1001 Labor and Environment on H.B. No. 1160

The purpose of this measure is to allow the Employment Security Appeals Referee Office to hold hearings in counties besides the county in which the appeal was filed.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations. The Department also requested an amendment be made to the measure to clarify that hearings by its rules may be conducted by telephone or other suitable method.

Your Committee finds that current law requires that unemployment appeals hearings be held in the county in which the appeal was filed. This measure would facilitate the timely disposition of unemployment appeals by allowing hearings to be conducted by telephone and authorizing the department to take depositions.

Your Committee has amended this measure by clarifying that a fair hearing can be conducted either in person, by telephone, or by other suitable communication device or technology.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1160, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1160, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1002 Labor and Environment on H.B. No. 1162

The purpose of this measure is to increase the penalty for violating a safety order with respect to the operation of boilers and elevators from \$1,000 to \$10,000.

This measure also corrects drafting errors to the Boiler and Elevator Safety Law.

Testimony in support of this measure with amendments was received from the Department of Labor and Industrial Relations. The Department requested that the language contained in S.B. No. 1150, S.D. 2, be substituted for the language in this measure.

Your Committee finds that the current penalty ceiling of \$1,000 is inadequate to deter violations of safety rules that directly impact public safety.

Your Committee has amended this measure by replacing it's contents with the language contained in S.B. No. 1150, S.D. 2, which:

- (1) Adds a new section that provides for the continuation of the exemption of the Boiler and Elevator Safety Revolving Fund from central services cost-sharing (section 36-27, Hawaii Revised Statutes) when that section is repealed and reenacted; and
- (2) Makes technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1162, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1162, 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, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1003 Labor and Environment on H.B. No. 1165

The purpose of this measure is to extend the life of the Occupational Safety and Health Training and Assistance Fund (Fund) to July 1, 2003.

The measure also provides for funding certification programs through the Fund.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations.

Your Committee finds that the continuation of this special fund is vital to both the health and safety of Hawaii's workers by providing safety and health training for small businesses and workers.

Your Committee also finds that this measure would enable the funding of two certification programs, the Certified Safety and Health Professional and the Certificate of Blasters and Pyrotechnics Specialists, through the Fund. Without this measure these certification programs, which are mandated by law, would be unfunded beginning July 1, 1999.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1165, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1004 Labor and Environment on H.B. No. 1350

The purpose of this measure is to require state and county procurement agencies to purchase recycled lubricating and industrial oil.

Testimony supporting this measure was received from the Department of Health, the Department of Business, Economic Development, and Tourism, Na Leo Pohai, the Hawaii Automotive Repair and Gasoline Dealers Association, Cool as New Hawaii Inc., Pacific Island Petroleum, Inc., Hon/Hawaii, and HH Environmental Services.

Your Committee finds that the use of recycled oil products enhances the State's commitment to using environmentally responsible products, technologies, and management practices. These practices set a positive example for business and industry as well as create a demand for a new industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1350, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Government Operations and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1005 Labor and Environment on H.B. No. 1548

The purpose of this measure is to direct the Department of Health to adopt rules that encourage the reuse of water.

This measure also defines "recycled water" and "reclaimed water" in chapter 342, Hawaii Revised Statutes, relating to water pollution.

Testimony in support of this measure was received from the Department of Health (DOH), and the Department of Environmental Services and Board of Water Supply of the City and County of Honolulu. Testimony in support of the measure with amendments was received from the Land Use Research Foundation and the Coral Creek Golf Course.

Your Committee finds that the promotion of the use of recycled water will assist the State in conserving its limited water resources. Your Committee also finds, however, that it is unclear if the rules to be adopted by DOH will mandate the use of recycled water even when not economically feasible.

Your Committee also finds that defining reclaimed and recycled water as being treated at a treatment works is too limiting.

Your Committee has amended this measure by:

- (1) Clarifying that DOH give priority to adopt rules encouraging the voluntary reuse of water where economically feasible; and
- (2) Changing the definition of reclaimed and recycled water to mean treated wastewater that by design is intended or used for a beneficial purpose.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1548, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1548, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1006 Labor and Environment on S.C.R. No. 65

The purpose of this measure is to request that the Department of Health study the feasibility of recycling roofing materials into economically viable products.

Testimony supporting this measure was received from the Hawaii Roofing Contractors Association. The Department of Health testified in support of the intent of this measure.

Your Committee finds that it is imperative to develop practical alternatives to landfilling of recoverable wastes. This measure requests that the Department of Health study the potential of a specific construction waste material, namely roofing materials, as a recoverable waste.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.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, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1007 Labor and Environment on S.R. No. 29

The purpose of this measure is to request that the Department of Health study the feasibility of recycling roofing materials into economically viable products.

Testimony supporting this measure was received from the Hawaii Roofing Contractors Association. The Department of Health testified in support of the intent of this measure.

Your Committee finds that it is imperative to develop practical alternatives to landfilling of recoverable wastes. This measure requests that the Department of Health study the potential of a specific construction waste material, namely roofing materials, as a recoverable waste.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 29, 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, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1008 Labor and Environment on S.C.R. No. 80

The purpose of this measure is to request that the Department of Health convene a meeting to study the feasibility of establishing an environmental hotline to address citizen concerns.

Testimony in support of this measure was received from the Department of Health, the University of Hawaii Environmental Center, Na Leo Pohai, the Ahupua'a Action Alliance, the Ilioulaokalani Coalition, Healing Arts Resources Kauai, and three individuals. Testimony in opposition to the measure was received from Rescue Hawaii.

Your Committee finds that, increasingly, environmental management emphasizes community action and involvement. Instituting a hotline and website reporting method would be a flagship example of the State's efforts to improve community participation in environmental protection.

Your Committee also finds that a telephone hotline and a website are essential elements in an effective Aina 911 system.

Your Committee has amended this measure by:

- (1) Clarifying in the first "Be it Resolved" section that a telephone hotline and a website are elements in the Aina 911 system;
- (2) Amending the title to include "website"
- (3) Providing flexibility as to who should participate in the meeting by stating that the meeting shall include, rather than consist of, those listed in the measure; and
- (4) Correcting the name of the Ilioulaokalani Coalition.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.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.C.R. No. 80, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1009 Labor and Environment on S.R. No. 35

The purpose of this measure is to request that the Department of Health convene a meeting to study the feasibility of establishing an environmental hotline to address citizen concerns.

Testimony in support of this measure was received from the Department of Health, the University of Hawaii Environmental Center, Na Leo Pohai, the Ahupua'a Action Alliance, the Ilioulaokalani Coalition, Healing Arts Resources Kauai, and three individuals. Testimony in opposition to the measure was received from Rescue Hawaii.

Your Committee finds that, increasingly, environmental management emphasizes community action and involvement. Instituting a hotline and website reporting method would be a flagship example of the State's efforts to improve community participation in environmental protection.

Your Committee also finds that a telephone hotline and a website are essential elements in an effective Aina 911 system.

Your Committee has amended this measure by:

- (1) Clarifying in the first "Be it Resolved" section that a telephone hotline and a website are elements in the Aina 911 system;
- (2) Amending the title to include "website"
- (3) Providing flexibility as to who should participate in the meeting by stating that the meeting shall include, rather than consist of, those listed in the measure; and
- (4) Correcting the name of the Ilioulaokalani Coalition.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.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.R. No. 35, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1010 Health and Human Services on H.B. No. 172

The purpose of this measure is to require that hospice homes be considered as a residential use of property for purposes of county zoning, and to authorize the Department of Health (DOH) to license hospice service agencies.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Executive Office on Aging, Hospice Hawaii, Healthcare Association, and Hawaii Nurses' Association.

This measure is intended to increase the supply of hospice homes in Hawaii and to allow the DOH to license hospice service agencies that operate hospice homes or are otherwise engaged in providing hospice services at the homes of clients. This measure is a recommendation, in part, of the Governor's Blue Ribbon Panel on Living and Dying, that hospice care be made more available and offered more expediently. The Panel also recommended effective pain management programs, which your Committee intends to be included in this measure in the definition of "hospice service" as a program of palliative and supportive care for terminally ill persons.

Your Committee believes that the "living process" in the transition to death should be made as available and as comfortable as possible. This can be accomplished with more hospice service agencies and hospice homes to provide palliative and supportive care for terminally ill persons and their families or caregivers.

Your Committee has amended this measure by inserting provisions of S.B. No. 851, S.D. 2, that:

- (1) Revise section 1 of the measure to reflect legislative intent and the measure's purpose, as amended;
- (2) Insert "section 46-4" in place of "zoning" in the new section in chapter 46, Hawaii Revised Statutes (HRS), that allows hospice homes to have no more than five unrelated persons;
- (3) Delete section 3, relating to licensing of hospice services;
- (4) Insert two new HRS sections to require hospice coverage by health insurers and mutual benefit societies; and
- (5) Revise section 432D-23, HRS, relating to health maintenance organization coverage, to insert a cross reference hospice coverage.

Your Committee has retained section 3 of the H.D. 1 version which authorizes the DOH to license hospice agencies.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 172, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 172, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1011 Health and Human Services on H.B. No. 176

The purpose of this measure is to require cigarette or tobacco licensees to affix a stamp certifying payment of applicable excise taxes on packages of cigarettes prior to being sold to the general public.

Your Committee received testimony in support of this measure from the Department of Taxation (DOT), Department of Health, Hawaii Medical Association, and American Lung Association. Informational testimony was provided by the Tax Foundation of Hawaii and Hawaii Food Industry Association.

Your Committee finds that this measure will provide for greater assurance that state cigarette taxes are paid thereby reducing the sales of untaxed cigarettes and keeping the price of the product at market levels. As a result, there will be greater assurance that untaxed cigarettes, which are less expensive, will not find their way into the hands of minors. Therefore, minors will be discouraged from experimenting with smoking cigarettes and the likelihood of them becoming adult smokers will be reduced.

Your Committee has amended this measure on the recommendation of the DOT by:

- (1) Making an appropriation to the DOT for start-up costs of the cigarette stamp tax program;
- (2) Inserting a stamp fee of .2 per cent of the denominated value of the stamp (which is equal to \$1.00 per stamp); and
- (3) Providing for treatment of unstamped cigarettes.

Your Committee has also deleted as unnecessary section 245-H(b), relating to allowing licensees to include in the price of stamped cigarettes, a distributor's fee to cover costs relating to the stamp fee in an amount as determined by the DOT by rules. Your Committee believes that whether or not the stamp fee is passed on to the buyer should be in the discretion of the seller and that costs relating to the stamp fee are too nebulous to be determined by administrative rule.

Your Committee has made technical, nonsubstantive amendments for purposes of clarity and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 176, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 176, 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, none.

SCRep. 1012 Health and Human Services on H.B. No. 196

The purpose of this measure is to require the Department of Health (DOH) to conduct a health needs assessment to determine the type and level of medical care necessary for the Lahaina and West-Maui community.

Your Committee received testimony in support of this measure from the Department of Health, State Health Planning and Development Agency (SHPDA), Hawaii Health Systems Corporation, and Hawaii Medical Association (HMA).

The legislature finds that emergency medical facilities in Lahaina, Maui, are insufficient for the needs of the community. There are only two primary care clinics in Lahaina which are unequipped to handle serious emergencies such as heart attacks. The nearest emergency facility is at Maui Memorial Hospital, which is at least a forty-five minute drive during non-peak traffic hours.

Based on the testimony of SHPDA and HMA, two recent studies have been done along the same lines as provided in this measure. Your Committee has reviewed both studies and finds that more study is not necessary. Based on a SHPDA study, "Tri-Isle Health Care Needs Assessment", your Committee finds that Lahaina needs a twenty-four hour emergency care center to reduce the need to use an ambulance unit for non-life threatening transports. Based on a state commissioned study by the R.M. Towill Corporation, "West Maui Acute Care Facility Feasibility Study", your Committee further finds that an additional ambulance unit is needed in Lahaina.

Your Committee believes that the two appropriations made by this amended measure are not mutually exclusive. A second ambulance and a free-standing emergency room compliment each other. The population of Lahaina and West Maui is growing steadily, with a concomitant demand for medical emergency services in that area, independent of services and facilities in Wailuku.

Your Committee has amended the measure by replacing its contents with provisions that:

- (1) Add language to section 1 from the two studies;
- (2) Appropriate funds to DOH for an additional ambulance unit for Lahaina; and
- (3) Appropriate funds to DOH for a free-standing emergency room in Lahaina or near Lahaina.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 196, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 196, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1013 Health and Human Services on H.B. No. 260

The purpose of this measure, as received, is to establish an early childhood education and care facilities revolving loan fund, make appropriations relating to early childhood education and care, and allow the Department of Human Services (DHS) to develop early childhood education and care subsidy reimbursement rates on a sliding scale.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Health, Department of Education, Good Beginnings Alliance, Childcare Business Coalition, and one private citizen.

Your Committee is committed to preventing child abuse before it occurs and to improving the quality of life for children and families who may be at-risk. Your Committee finds that many important services for child abuse and child development are provided by private nonprofit entities. If they did not provide the services, the State would have to do so.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language from S.B. No. 175, S.D. 3, from part XII to the end of the measure, which:

- (1) Establishes a child care facilities grant fund; and
- (2) Makes unspecified appropriations for:
 - (A) Child subsidies to each county;
 - (B) Accreditation-mentor project for early childhood programs;
 - (C) Good Beginnings Alliance;
 - (D) Expansion of families for REAL to specified schools;
 - (E) Keiki/family interactive mobile units;
 - (F) Child care for parenting teens; and
 - (G) Financial assistance to individuals to attain a child development associate credential.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 260, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 260, 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, none.

SCRep. 1014 Health and Human Services on H.B. No. 294

The purpose of this measure is to prohibit the distribution of samples of or coupons for cigarettes or tobacco products on any public street, sidewalk, park, or within one thousand feet of any elementary, intermediate, or high school.

Your Committee received testimony in support of this measure from the Department of Health, Department of Education, Police Department of the City and County of Honolulu, Hawaii Medical Association, American Lung Association, Hawaii Nurses' Association, American Heart Association, and Coalition for a Tobacco Free Hawaii.

Your Committee believes that this measure will be an effective mechanism to reduce tobacco use by youth. Cigarette smoking is Hawaii's and the nation's number one preventable cause of morbidity and mortality. In Hawaii, those casualties represent sixteen per cent or over 1,200 lives lost each year and \$238 million in economic losses every year. Over ninety per cent of smokers begin smoking during childhood and adolescence. More aggressive measures are needed to counteract the social forces that continue to induce Hawaii's young people to use tobacco products.

Your Committee has amended this measure by replacing its contents with language from S.B. No. 166, S.D. 1, that provides for the same prohibitions but removes all references to the distribution of coupons redeemable for cigarettes or tobacco products.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 294, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 294, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1015 Health and Human Services on H.B. No. 328

The purpose of this measure is to clarify which physicians are included in the definition of "certified substance abuse staff" for purposes of mental health and alcohol and drug abuse treatment insurance benefits.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Insurance Commissioner, Hawaii Psychiatric Medical Association, Hawaii Substance Abuse Coalition, and Hawaii Medical Association.

The current definition limits certification to physicians who hold a current American Society of Addiction Medicine certificate. This measure expands the certification to those physicians who are board certified in psychiatry with an additional qualification in addiction psychiatry conferred by the American Board of Psychiatry and Neurology.

Your Committee finds that expanding the certification is in keeping with current professional practices and qualifications in psychiatry as they relate to addiction treatment. This measure is intended to increase the number of qualified practitioners in addiction treatment while maintaining professional quality.

Your Committee has made a technical amendment on the recommendation of the DOH by changing "additional qualification" to "added qualifications".

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 328, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 328, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1016 Health and Human Services on H.B. No. 544

The purpose of this measure is to establish a safety net health plan program for the distribution of QUEST funds.

Your Committee received testimony in support of this measure from the Hawaii State Primary Care Association, Hawaii Nurses' Association, Waianae Coast Comprehensive Health Center, Health Care for the Homeless Project, Aloha Care, and two private individuals. Testimony in opposition was received from the Queen's Health Management and Kaiser Permanente. Informational testimony was provided by the Department of Human Services.

Your Committee finds that Medicaid is the most important insurer of low-income persons in Hawaii and the most important revenue source for community health centers that contract with the DHS for providing QUEST services. However, your Committee further finds that the current transition of the compensation system from fee-for-service to managed care is threatening the financial viability of community health centers, also referred to as safety net providers for QUEST patients. As a possible solution, safety net providers have organized themselves into their own managed care plans, known as "safety net health plans".

This measure is intended to provide a statutory framework for safety net health plans to ensure their survival by providing adequate compensation in accordance with risk factor adjustments and accounting for other services provided, health status of enrollees, and socio-demographic characteristics of enrollees.

Your Committee is passing this measure to continue the dialogue among interested stakeholders.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 544, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1017 Health and Human Services on H.B. No. 549

The purpose of this measure is to appropriate funds to the Department of Health (DOH) to establish a long-term care (LTC) volunteer ombudsman program.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Healthcare Association of Hawaii, Hawaii Long Term Care Association, Policy Advisory Board for Elder Affairs, and two private citizens.

The LTC ombudsman program is a federally mandated program which is funded through the Older Americans Act of 1965. The program is charged with the responsibility of serving as an advocate for residents living in licensed nursing facilities and adult residential care homes, especially those who may be unable or afraid to speak for themselves. The purpose of the program is to ensure that quality outreach services are provided to this population. The program funding includes a volunteer coordinator, clerical staff, ground and air travel, training, and miscellaneous volunteer reimbursements.

Your Committee has amended this measure by deleting its contents and inserting the provisions from S.B. No. 128, S.D. 1, that:

- (1) Clarify in section 1 that the ombudsman program is charged with the responsibility of serving as an advocate for 6,780 residents living in 46 licensed nursing facilities and 542 adult residential care homes;
- (2) Change the appropriation from \$1 to \$90,721;
- (3) Delete "clerical staff" and insert "clerk steno" in the appropriation; and
- (4) Make technical, nonsubstantive amendments for purposes of clarity and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 549, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 549, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1018 Health and Human Services on H.B. No. 895

The purpose of this measure is to allow the Department of Health (DOH) to provide emergency aeromedical services as part of its required emergency medical services.

Your Committee received testimony in support of this measure from the DOH, the Mayor of Maui County, Chair of the County Council of Maui, Hawaii Medical Association, Healthcare Association, Hawaii Health Systems Corporation, Air Ambulance Hawaii, and three private individuals.

This measure also:

- (1) Defines "emergency aeromedical services";
- (2) Requires the DOH to support the interagency dispatch policy and procedures for aeromedical transports;
- (3) Requires the DOH to establish and maintain an emergency aeromedical medical services information system to serve the emergency health needs of the State;
- (4) Specifies the elements to be included in the emergency aeromedical medical services information system; and
- (5) Requires the DOH to establish an emergency aeromedical services quality improvement advisory committee and specifies membership of that committee.

This measure is intended predominantly to serve the neighbor island communities which need emergency aeromedical services. Your Committee believes that the target populations should not be placed at risk of unnecessary death or disability due to system delays or unavailable aeromedical services. Your Committee finds that the State must provide for an emergency aeromedical system that assures the timely transport of seriously ill and injured persons to designated medical facilities.

Your Committee has amended this measure on the recommendation of the DOH to insert "Medical oversight by physicians" as an element of the emergency aeromedical medical services information system. Your Committee has also made technical, nonsubstantive amendments for purposes of clarity and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 895, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 895, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1019 Health and Human Services on H.B. No. 1120

The purpose of this administration measure is to eliminate Medicaid reimbursement for the provision of personal care services under Section 346-64, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Human Services.

Your Committee finds that Chapter 346D, Hawaii Revised Statutes, entitled "Long Term Care," authorizes the Department of Human Services to administer the Medicaid home and community-based waiver programs. Your Committee further finds that Section 346-64, Hawaii Revised Statutes, is a duplicative authorizing statute, and therefore is unnecessary.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1120 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 (Fukunaga, Levin).

SCRep. 1020 Health and Human Services on H.B. No. 1124

The purpose of this administration measure is to conform existing state law to the federal Rehabilitation Act Amendments of 1998.

Your Committee received testimony in support of this measure from the Department of Human Services, Commission on Persons with Disabilities, and Workforce Development Council.

This measure will change the name of the State Advisory Council on Rehabilitation to State Rehabilitation Council; increase the number of members on the council from nineteen to twenty-one; and require one representative of the state educational agency responsible for the public education of students with disabilities, one representative of the state workforce development council, and the administrator of the vocational rehabilitation division of the department of human services on the State Rehabilitation Council.

This measure will additionally require the council to advise the vocational rehabilitation division of the department on the extent, scope, and effectiveness of services provided, and performance of state agencies that affect or potentially affect the ability of individuals with disabilities in achieving employment outcomes; require the council to develop state goals and priorities, advise the vocational rehabilitation division of the department of human services regarding authorized activities, and assist in the preparation of the state plan and amendments to the plan, applications, reports, and evaluations.

The council will additionally have to conduct a review and analysis of the performance of the vocational rehabilitation division of the department, vocational rehabilitation services provided by state agencies, and employment outcomes achieved by eligible individuals receiving services.

Your Committee finds that this measure will conform state law with the federal Rehabilitation Act Amendments of 1998, which reflects the intent to increase the involvement of the State Advisory Council on Rehabilitation in improving services and to assure closer relationships with other government programs that are required to provide services to persons with disabilities.

Your Committee has made technical, nonsubstantive amendments for clarity and to conform to preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1124, S.D. 1, and be referred to the Committee on Labor and Environment.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1021 Health and Human Services on H.B. No. 1146

The purpose of this measure is to make permanent the statutory enactments of Act 216, Session Laws of Hawaii 1997.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Hawaii State Commission on the Status of Women, Injury Prevention Advisory Committee, Violence Prevention Consortium, Sex Abuse Treatment Center, and Keiki Injury Prevention Coalition. Testimony in opposition was received from the Office of Hawaiian Affairs (OHA).

This is an administration measure that provides continued funding for the improvement of the vital statistics system and prevention of domestic violence and sexual assault.

Your Committee has amended this measure by:

- (1) Increasing the fee amount to be deposited into the vital statistics improvement special fund from \$1 to \$3 and making a corresponding increase from \$4 to \$6 for each copy issued;

- (2) Requiring, on request in writing from OHA or the Department of Hawaiian Home Lands (DHHL) that copies of certificates be provided free of charge as to Native Hawaiians if the copies are provided directly by the DOH to OHA or DHHL in connection with a claim or an entitlement;
- (3) Repealing the Act on June 30, 2003; and
- (4) Renumbering sections accordingly.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1146, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1022 Health and Human Services on H.B. No. 1274

The purpose of this measure is to make appropriations for the development of a traumatic brain injury statewide strategic plan and the office of the project coordinator for that plan development.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Department of Education (DOE), Traumatic Brain Injury Advisory Board, Hawaii Neuropsychology Community Research Bureau (Bureau), Brain Injury Association of Hawaii, Commission on Persons with Disabilities, and five private citizens.

This measure is intended to facilitate the work of the traumatic brain injury advisory board, created by Act 333, Session Laws of Hawaii 1997 (section 321-28, Hawaii Revised Statutes), to advise the DOH in the development and implementation of a comprehensive plan to address the needs of persons affected by disorders and disabilities involving the brain and developing services for persons with traumatic brain injury (TBI).

Your Committee finds that TBIs are unlike other illness or injury. There is very little known about recovery, and there are very few treatment programs. Those programs that do exist are incredibly expensive and located thousands of miles away on the mainland.

According to the Bureau, the Hawaii Health Information Corporation recorded an average of approximately 1,200 TBI hospital discharges annually, of which approximately fifty-six are children age 0-14. These figures do not include the mild and moderate TBI infants who do not receive immediately appropriate medical care and are therefore not included in these figures and are not treated appropriately. These figures do not reflect the secondary disabilities and impairments due to TBI. Although the prevalence of TBI is high, fewer than five per cent of TBI patients are hospitalized. The median age of TBI survivors is 18 years old, and approximately 29 per cent of them have a brain injury impairment by age 18. TBI survivors increase the risk for a second injury by three times, and for a third injury by eight times.

Further, according to the Bureau, the DOE's 1997 statistics for special education students identified and served 58 TBI disabled students, plus 2 Felix class TBI students. This number is probably a gross underestimation and reflects a lack of understanding about TBI impairments. Mild head injuries are often mistakenly attributed to other causes, resulting in treating the symptoms and not documenting a TBI.

Your Committee further finds that the costs of TBI are enormous and encompass every area of life. TBI significantly diminishes the quality of life for the survivor, family members, caregivers, and other community support persons. According to the Childrens' Safety Network, an average of two per cent of TBI children are discharged annually from hospitals, with functional limitations that were expected to last at least two years. The documented costs of TBI to children do not include costs related to lost time from work, court expenses, rehabilitation, and the like. The National Brain Injury Association reports that the lifetime costs of a severe TBI can exceed \$7 million. The cost of TBI is estimated at more than \$25 billion annually in the United States.

Your Committee has amended this measure by:

- (1) Deleting section 4 and inserting its language relating to expenses into section 3;
- (2) Clarifying section 3 to include the establishment of a position of project coordinator; and
- (3) Making technical, nonsubstantive amendments for clarity and to renumber sections to accommodate the amendments.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1274, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1274, 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, none.

SCRep. 1023

Health and Human Services on H.B. No. 1367

The purpose of this measure is to make appropriations to ensure the availability of a continuum of services to prevent child abuse.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Department of Health (DOH), Child & Family Service, Prevent Child Abuse Hawaii, Keiki Injury Prevention Coalition, Healthy Start, Parents and Children Together, P.A.R.E.N.T.S., Inc., Molokai Family Support Center, Family Support Services of West Hawaii, and four private citizens.

This measure appropriates funds for each of the following programs, services, or personnel for each of the next two fiscal bienniums, as follows:

- (1) To the DOH for positions for implementation of child death review teams, \$1;
- (2) To the Attorney General for positions for deputy attorney generals for the family law division to handle child abuse cases, \$1;
- (3) For the medical/health case management system, \$1 each:
 - (A) To the DHS for physician positions for consultation and forensic review of cases to prevent child abuse;
 - (B) To the DOH for public health nursing positions;
- (4) To the DOH for hospital-based risk screening for families identified as "at risk", \$1;
- (5) To the DHS for substance abuse treatment services for pregnant and parenting women and their families, \$2 for personnel, and \$7 for specified services;
- (6) To the DHS for staffing and services for facilities to deliver diversion services and child protective services for targeted families, \$1;
- (7) To the DHS for training of foster parents, as follows:
 - (A) \$1 for training; and
 - (B) \$1 to increase foster board payments for children with special needs; and
- (8) To the DOH to increase the capacity of the phone-in and short-term home visitation services, \$1.

Your Committee has amended this measure by deleting its contents and inserting S.B. No. 175, S.D. 2, that makes appropriations of unspecified sums for each of the following programs, services, or personnel for each of the next two fiscal years:

- (1) To the DOH for implementation of child death review teams;
- (2) To the Attorney General for positions for deputy attorney generals for the family law division to handle child abuse cases;
- (3) For the medical/health case management system:
 - (A) To the DHS for physician positions for consultation and forensic review of cases to prevent child abuse;
 - (B) To the DOH for public health nursing positions;
- (4) To the DOH for the Hawaii Children's Trust Fund;
- (5) To the DOH for the Healthy Start program;
- (6) To the DOH for substance abuse treatment services for pregnant and parenting women and their families;
- (7) To the DHS for staffing and services for the neighborhood places program (Blueprint for Change);
- (8) To the DHS for training of foster parents, as follows:
 - (A) \$1 for training; and
 - (B) \$1 to increase foster board payments for children with special needs; and
- (9) To the DOH for psychosocial support services to increase the capacity of parent line and home reach services.

As amended, this measure:

- (1) Deletes funding for hospital-based risk screening and for child protection services diversion services; and
- (2) Adds funding for Hawaii Children's Trust Fund, Healthy Start, and Blueprint for Change.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1367, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1367, 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, none.

SCRep. 1024 Ways and Means on H.B. No. 1203

The purpose of this bill is to allow collection agencies to recover their collection fees directly from delinquent taxpayers when under contract with the Department of Taxation.

This measure amends the administrative provisions of the tax law and the collection agencies law to specifically allow collection agencies to collect their fees while under contract with the Department of Taxation from the delinquent taxpayers they are collecting delinquent taxes from. Previously, collection agencies were not authorized to collect their fee from the taxpayers, but the taxpayers were obligated to pay the fee for collection under section 231-25.5(a)(1), Hawaii Revised Statutes. Authorizing the collection agencies to collect their fees from the delinquent taxpayer makes the process more efficient for the collection agency and the Department of Taxation.

Your Committee heard testimony in support of this measure from the Department of Taxation. Informational comments were submitted by the Tax Foundation of Hawaii.

Your Committee has amended this bill by making a technical nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1203, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1203, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, M., Taniguchi).

SCRep. 1025 Transportation and Intergovernmental Affairs on H.B. No. 8

The purpose of this measure to prohibit the use of a person's social security number on driver's licenses issued or renewed after July 1, 2000.

Testimony in support of this measure was received from the Department of Transportation, Office of Information Practices, Department of Customer Services of the City and County of Honolulu, and American Civil Liberties Union of Hawaii. The Judiciary submitted comments on this measure.

Your Committee finds that because social security numbers are frequently used in the private sector to identify an individual's interest with financial, education, credit, and medical institutions, utilities, and marketing, retail, and other consumer-oriented institutions, an unscrupulous person may easily use a social security number to steal a person's identity or for other illegal purposes. Currently, a person's social security number may be obtained from a Hawaii driver's license. By prohibiting the use of social security numbers on driver's licenses, this measure will further secure the privacy of personal information.

Your Committee has amended this measure by making it effective on January 1, 2001, rather than on July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 8, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 8, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1026 Transportation and Intergovernmental Affairs on H.B. No. 15

The purpose of this measure is to make technical and clarifying amendments to the law governing the administrative revocation of a driver's license.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that this measure proposes a narrower scope for remanding a case to ensure that proceedings would not be delayed, while continuing to provide adequate legal review. In addition, it provides for consistency in the revocation period for a first time offender, by changing the three month period to ninety days.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 15 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1027 Transportation and Intergovernmental Affairs on H.B. No. 123

The purpose of this measure is to subject to forfeiture the motor vehicle operated by a person committing a third offense in five years of driving under the influence of intoxicating liquor or habitually driving under the influence of intoxicating liquor or drugs.

Testimony in support of this measure was received from the Department of Transportation (DOT), Department of the Prosecuting Attorney, Police Department of the City and County of Honolulu, and the Impaired Driving Task Force of the Governor's Highway Safety Council.

Your Committee finds that repeated drunk drivers pose a serious risk to not only themselves but to others. Despite previous convictions and increasing penalties, some drivers persist in operating a motor vehicle while under the influence of intoxicating liquor or drugs. By allowing for the forfeiture of the motor vehicle, these offenders are subject to a penalty that will communicate to them that the behavior will not be tolerated.

The DOT suggested amendments to meet the repeat offender requirements of TEA-21 and ensure that the federal highway funds allocated to the State are not penalized for non-compliance.

Your Committee has amended this measure by adopting the amendments recommended by the DOT which:

- (1) Increase the community service the offender must serve to at least thirty days and imprisonment to not less than five days for the offense of driving under the influence within five years of a prior conviction. In addition, the offender must undergo an assessment of the individual's degree of abuse of alcohol and treatment as appropriate;
- (2) In the case of the offense of driving under the influence committed within five years of two prior convictions, require that the offender serve no less than sixty days of community service and undergo an assessment of the individual's degree of abuse of alcohol and treatment as appropriate; and
- (3) Apply the motor vehicle forfeiture provision to offenses occurring within five years of one or two prior convictions.

Your Committee also has amended the measure to make forfeiture a mandatory, rather than discretionary, penalty.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 123, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 123, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1028 Transportation and Intergovernmental Affairs on H.B. No. 161

The purpose of this measure is to allow state and county governments to seek reimbursement for the search for and rescue of persons if the need for the search and rescue was caused by that person:

- (1) Violating a federal or state law, or county ordinance; or
- (2) Committing an act or omission showing wanton and reckless misconduct in disregard of the person's safety.

Testimony in support of this measure was received from the Department of Defense.

Your Committee finds that the acts of irresponsible people can cause the State and counties to unnecessarily expend substantial sums and risk the lives of search and rescue personnel. This measure will hold those irresponsible individuals liable for the search and rescue expenses incurred when they choose to ignore the warnings, notices, and directions of state and county officials and, as a result, require search and rescue services.

Your Committee has amended this measure by:

- (1) Deleting the language that made it a rebuttable presumption that a person being sought or rescued exhibited wanton and reckless misconduct in disregard for the person's safety if that person disregarded any properly posted or announced official warnings or notices;
- (2) Making users of national parks, lava fields, and areas of active volcanic activity subject to reimbursing state and county governmental agencies for search and rescue expenses; and
- (3) Making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 161, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 161, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Buen, Ige, D., Iwase).

SCRep. 1029 Transportation and Intergovernmental Affairs on H.B. No. 167

The purpose of this measure is to strengthen the motor vehicle driver's license laws to improve driver education and safety for minors.

Specifically, this measure:

- (1) Establishes a statewide driver education program and a behind-the-wheel driver training program whereby certified completion of the program shall substitute certain driver's license examination requirements;
- (2) Requires applicants for a driver's instruction permit to complete a driver education course;
- (3) Requires the courts to revoke the license of any driver under age eighteen, who is convicted of, or found to have committed a traffic infraction, other than parking, standing, and equipment offenses, and offenses by pedestrians; and
- (4) Requires that the notice of traffic infraction include a description of the mandatory revocation provisions.

Testimony in support of this measure was received from the Department of Customer Services of the City and County of Honolulu. The Department of Transportation, Governor's Highway Safety Council, and the Police Department of the City and County of Honolulu submitted testimony in support of the intent of this measure with suggested amendments. The Department of Education and State Farm Insurance Companies opposed this measure in its current form.

Your Committee finds that new drivers, especially teenagers, need more and better education programs and training prior to obtaining a driver's license. In Hawaii and nationwide, crash injuries are the number one cause of injury and death among persons between the ages of sixteen and nineteen years. Teenage drivers in Hawaii are more than twice as likely to be in a fatal crash as adult drivers.

Your Committee has amended this measure by replacing its contents with the provisions of the Senate version, Senate Bill No. 1169, S.D. 1, which includes language that:

- (1) Establishes a driving curfew between the hours of 11 p.m. and 4 a.m. for all minors under the age of eighteen, unless accompanied by a licensed driver over age twenty-one, or when driving is necessary for school or work activities, or the minor is an emancipated minor;
- (2) Subjects persons holding an instruction permit to the provisions of this measure when it becomes effective and requires them to take the behind-the-wheel training program before obtaining a license;
- (3) Subjects persons under eighteen and holding a driver's license to the provisions of this measure, including the nighttime curfew, when it becomes effective; and
- (3) Makes this measure effective on January 1, 2001.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 167, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 167, H.D. 3, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1030 Transportation and Intergovernmental Affairs on H.B. No. 286

The purpose of this measure is to establish maximum speed limits within school zones and construction areas and penalties for exceeding those limits.

Testimony in support of this measure was received from the Department of Transportation (DOT), Department of Education, Police Department of the City and County of Honolulu, Hawaii State Teachers Association, Jas. W. Glover, Ltd., and General Contractors Association of Hawaii.

Your Committee finds that current law subjects persons who violate the maximum speed limits to a fine of not more than \$200, and for subsequent convictions, \$300 and \$500. This measure essentially doubles the amounts that a person may be fined if the person violates the maximum speed limits established within school zones and construction areas. Your Committee finds that this measure will deter drivers from speeding in these areas and increase highway safety for children, parents, students, on-site construction workers, and other pedestrians and motorists.

Your Committee has amended this measure by clarifying that the determination of maximum speed limits for school zones and construction areas shall be made by the DOT and the counties within their respective jurisdictions.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 286, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 286, 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, 3 (Ige, D., Inouye, Iwase).

SCRep. 1031 Transportation and Intergovernmental Affairs on H.B. No. 645

The purpose of this measure is to require the comptroller, at the request of a deceased Filipino veteran's survivor or an interested party, to make payment directly to a mortuary or crematory for:

- (1) Providing funeral and burial services for a deceased World War II Filipino veteran; and
- (2) Transporting the remains of a deceased World War II Filipino veteran to the Philippines.

Testimony in support of this measure was received from the Office of Veterans Services, Advisory Board on Veterans Services, and three members of the Hawaii Chapter of the World War II Fil-Am-Veterans. The Department of Accounting and General Services submitted comments on this measure with suggested amendments.

Your Committee finds that the Veterans Burial Grant Program (VBGP) provides a grant, not to exceed \$2,000, to reimburse funeral and burial expenses or the cost of transporting the remains of a World War II (WWII) Filipino veteran to the Philippines. However, these costs and expenses must be paid by the families and friends of the deceased veterans prior to receiving reimbursement through the VBGP. Many friends and families simply cannot afford to advance those costs. This measure provides those families and friends with an alternative means of obtaining the needed funds for a proper burial.

Your Committee has amended this measure pursuant to the recommendations of the Department of Accounting and General Services by providing that:

- (1) The Office of Veterans Services, rather than the comptroller, shall receive, review, and approve requests for payments; and
- (2) The payments for burial and transportation costs are to be authorized by the Office of Veterans Services upon the submission of an invoice reflecting that the services will be satisfactorily performed on behalf of the deceased World War II Filipino veteran.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 645, 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, 3 (Ige, D., Inouye, Iwase).

SCRep. 1032 (Majority) Transportation and Intergovernmental Affairs on H.B. No. 719

The purpose of this measure is to increase the allowable county surcharge on motor vehicle registrations from \$1 to \$2. The amounts collected are used for beautification of highways and to defray the costs of disposing abandoned motor vehicles.

Testimony in support of this measure was received from the Department of Health. Testimony in opposition to this measure was received from Catrala-Hawaii.

Your Committee finds that increasing the motor vehicle certificate of registration fee for this purpose will provide the counties with the necessary resources to maintain highway beautification and defray the costs associated with abandoned motor vehicle disposal. However, testimony received from Catrala-Hawaii indicated that motor vehicle rental and leasing businesses would be adversely affected by the surcharge increases.

Your Committee has amended this measure by replacing the contents with language from the Senate version, Senate Bill No. 686, S.D. 1. The new language provides that the allowable county surcharge for registering a U-drive motor vehicle shall remain at \$1 and shall be increased to \$3 for registering all other motor vehicles.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 719, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 719, 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, 1 (Slom). Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1033 Transportation and Intergovernmental Affairs on H.B. No. 1210

The purpose of this measure is to allow the Department of Transportation to form reciprocal driver's license agreements with foreign jurisdictions to exempt drivers of foreign jurisdictions from the Hawaii road test requirements.

Testimony in support of this measure was received from the Department of Transportation.

Your Committee finds that this measure will expedite the granting of driving privileges to drivers licensed in a foreign jurisdiction.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1210, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1034 Transportation and Intergovernmental Affairs on H.B. No. 1298

The purpose of this measure is to appropriate funds to provide financial assistance for the burials of Filipino soldiers.

Your Committee received testimony in support of this measure from the Office of Veterans Services, the Advisory Board on Veterans Services, WW II Fil-Am Veterans Hawaii Chapter, and one individual.

Your Committee finds that during World War II, over 200,000 Filipino soldiers were mobilized under the U.S. Armed Forces in the Far East under General MacArthur. Although these soldiers courageously risked their lives to protect American values, only Filipino veterans who served in the U.S. armed forces or joined the Philippine Scouts before October 6, 1945, are entitled to be buried in a national or state veterans cemetery.

Your Committee believes this measure will ensure that the families of these valiant men who served honorably in active duty will be able to provide a proper burial for these veterans.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1298 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, 3 (Ige, D., Inouye, Iwase).

SCRep. 1035 Transportation and Intergovernmental Affairs on H.B. No. 1401

The purpose of this measure is to require towing companies to:

- (1) Affix their name and telephone number on the doors of their tow vehicles; and
- (2) Carry insurance to cover any damage or loss incurred by the owner of the towed vehicle due to towing.

Testimony in support of this measure was received from the Hawaii State Towing Association. The Office of Consumer Protection submitted testimony supporting the insurance provision in this measure.

Your Committee finds that theft of motor vehicles by unidentified tow trucks is a problem in this State. This measure will require tow trucks to identify themselves. In addition, the insurance coverage required by this measure will protect an owner from damages caused by towing companies while the motor vehicle is being towed.

Your Committee has amended this measure by replacing the contents with the Senate companion of this measure, S.B. No. 973, S.D. 1. The new language provides that:

- (1) Towing companies must insure their tow vehicles as required under the motor vehicle insurance law and the insurance must cover all damages that may occur to a towed vehicle while being towed and stored;
- (2) A tow company may not collect charges for a tow if it failed to comply with the insurance requirements;
- (3) If a tow company does not comply with the insurance and signage requirements, any person, including the registered owner, lienholder, or insurer of the vehicle, may sue the company for any resulting damages and, if that person prevails, the sum of not less than \$1,000 or threefold damages plus reasonable attorneys fees and costs shall be awarded; and
- (4) The current provision allowing maximum towing fees and credit card and automatic teller machine (ATM) accommodations for payment of towing fees be made permanent by repealing the drop-dead provision.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1401, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1401, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1036 Transportation and Intergovernmental Affairs on H.B. No. 1528

The purpose of this measure is to require a law enforcement officer to issue a citation to a driver who is operating a vehicle without a valid driver's license in the driver's immediate possession. The driver is also subject to a fine of not more than \$1,000 and imprisonment for not more than thirty days or one year if the driver has prior convictions.

Testimony in support of this measure was received from the Police Department of the City and County of Honolulu and Common Cause Hawaii.

Your Committee finds that police officers have encountered problems in obtaining true and correct identification information from drivers who do not have a valid driver's license in their immediate possession. The penalties provided in this measure will encourage drivers to carry their driver's licenses at all times.

Your Committee has amended this measure by making the issuance of a citation discretionary rather than mandatory. The Police Department believes that this amendment will give law enforcement officers the flexibility to issue a citation or arrest drivers who do not have a valid driver's license in their immediate possession.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1528, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1528, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1037 (Majority) Transportation and Intergovernmental Affairs on H.B. No. 1593

The purpose of this measure is to designate the heads of the respective county water supply agencies as the chief procurement officers.

Testimony in support of this measure was received from the Department of Water of the County of Kauai, Department of Water Supply of the County of Maui, Contractors Association of Kaua'i, and Hawaii Building and Construction Trades Council AFL-CIO. The State Procurement Office submitted testimony expressing preference for House Bill No. 985, H.D. 1.

Your Committee finds that the chief procurement officer designations in this measure are appropriate.

Hawaii's construction industry represents a sizable component of Hawaii's economy but has experienced economic declines in recent years. The lack of business and employment opportunities, the high cost of doing business in Hawaii, and increased competition from foreign companies have contributed to the declines. Due to the importance of the construction industry to Hawaii's economy, every effort must be made to revitalize and stabilize the industry.

This measure and H.B. Nos. 139, H.D. 1, and 140, are being passed out of this Committee with Senate drafts that include various provisions from the following Senate measures: S.B. No. 1438, S.D. 1, S.B. No. 675, S.D. 1, S.B. No. 976, S.D. 1, S.B. No. 1556, S.D. 2, and S.B. No. 1439. These Senate measures represent a coherent approach to revitalizing Hawaii's construction industry by ensuring faithful execution of the laws intended to aid the industry, requiring out-of-state contractors to abide by Hawaii licensing requirements, encouraging further research and promotion of the industry, providing a general excise tax exemption for state contractors who work on federal military construction projects, and establishing criteria for the use of agreements that ensure the efficiency, stability, and quality of construction projects.

There are existing laws intended to revitalize Hawaii's construction industry, however, these laws are not being fully and faithfully executed.

Federal law requires the contractor on a military construction or services project to employ Hawaii residents when Hawaii's unemployment rate exceeds the national average. Hawaii's unemployment rate has exceeded the national average since 1994, but the law has not been strictly enforced supposedly due to the lack of a definition of "state resident."

State law provides a bid preference in favor of bidders who filed state tax returns for two successive years prior to submitting the bid. However, your Committee finds that local bidders are still losing contracts to out-of-state bidders and that those bidders who are awarded contracts pursuant to the preference may not be employing state residents.

S.B. No. 1438, S.D. 1, addressed these concerns. Therefore, your Committee has amended this measure by inserting provisions from S.B. No. 1438, S.D. 1, which:

- (1) Create definitions for "state contractor", "state subcontractor", and "state resident" to provide federal and state contracting officers with clear and absolute definitions;
- (2) Provide that the bid preference shall be given to state contractors as defined by this measure, rather than bidders who filed state tax returns for two successive years prior to submitting the bid;
- (3) Increase the bid preference in favor of state contractors from seven to fifteen percent on state public works projects for \$30,000,000 or less;
- (4) Set out the requirements needed to be satisfied by a state contractor in order to receive the bid preference; and
- (5) Require the review of the bid preference law by June 30, 2005.

In addition, your Committee finds that Hawaii's construction industry can be further stabilized by allowing state agencies to use project labor agreements. Project labor agreements contain, among other things, guarantees against strikes, lockouts, and other work disruptions, assurances of conformity to all applicable laws, regulations, and executive orders, procedures to resolve labor disputes, and other labor-management matters to ensure the efficiency, quality, and stability of the project.

S.B. No. 1439 provides for project labor agreements. Therefore, your Committee has amended this measure by inserting provisions from S.B. No. 1439 with amendments which:

- (1) Authorize the use of project labor agreements for state public works contracts over \$10,000,000;
- (2) Establish criteria for project labor agreements;
- (3) Authorize a procurement officer to require a bidder to become a party to a project labor agreement as a condition to being awarded the contract; and
- (4) Require a review of the provisions authorizing the use of project labor agreements by June 30, 2005.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1593, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1593, H.D. 1, S.D. 1, and be referred to the Committee on Government Operations and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1038

Transportation and Intergovernmental Affairs on H.B. No. 1622

The purpose of this measure is to permit a brewer of beer to hold interest in a wholesale dealer's or a manufacturer's license limited to manufacturing or wholesaling the beer brewed.

Testimony in support of this measure was received from the Anheuser Busch Companies and the Anheuser Busch Sales of Hawaii, Inc.

Your Committee finds that current law prohibits a manufacturer liquor licensee from holding any interest in any other liquor licensee. The intent of this law, which is consistent with federal law, is to prohibit trade practices which tend to produce monopolistic control of retail liquor outlets, such as arrangements for exclusive outlets, creation of tied houses, commercial bribery, and sales on consignment or with privilege of return.

Your Committee believes that a brewer of beer should not be prohibited from doing business as a wholesale dealer in the State of Hawaii, or vice-versa, as these interests do not create the same potential for monopolistic practices when those licensees have interests in retail licenses.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1622, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1039 Government Operations and Housing on H.B. No. 1026

The purpose of this measure is to allow insurance companies to offset their insurance premium taxes with the low-income housing tax credit provided by Section 235-110.8, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Taxation, the Housing and Community Development Corporation of Hawaii, and Affordable Housing and Homeless Alliance. The Tax Foundation of Hawaii provided comments.

Currently, resident taxpayers, banks, and financial institutions may take the low-income housing tax credit by deducting from their net income tax liability, a credit equal to thirty percent of the applicable percentage of the qualified basis of each low-income building located in Hawaii.

Your Committee finds that this measure would encourage the inflow of capital into Hawaii by providing insurance companies the same incentives enjoyed by individuals and financial institutions to invest in low-income housing projects.

Your Committee finds that allowing insurance companies to utilize the tax credit will increase demand for such credits, which will result in investors paying a higher price for the credits. The higher price paid for the credits would result in the Housing and Community Development Corporation of Hawaii having to award less tax credits to low-income rental projects and would therefore "stretch" the credits further and provide an increased amount of low-income rental units. In addition, the total amount of the credit claim will not increase since it is fixed by federal law.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1026, 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, 7. Noes, none. Excused, 2 (Sakamoto, Tanaka).

SCRep. 1040 Judiciary on H.B. No. 157

The purpose of this bill is to reduce prison overcrowding by establishing an integrated community sanctions program which will be composed of:

- (1) Drug treatment diversion programs;
- (2) Community reintegration programs;
- (3) Residential work-furlough programs;
- (4) The "Halfway In, Halfway Back" program for inmates who are within the last six months of their incarceration;
- (5) The early parole program; and
- (6) Post-release sex offender and substance abuse treatment services.

Your Committee finds that cost-effective alternative sanctions are the best methods for dealing with the ever expanding non-violent offender population. A prison system that cannot provide a range of punishments, services, and programming aimed at non-violent offenders runs the risk of becoming a revolving door for people who are often poor, highly dysfunctional, illiterate, and substance abusers.

Testimony in support of this measure was submitted by the Hawaii Paroling Authority, the Department of the Prosecuting Attorney of the City and County of Honolulu, the American Civil Liberties Union of Hawaii, Community Alliance on Prisons, Government Efficiency Teams, Inc., T.J. Mahoney and Associates including nineteen current residents of T.J. Mahoney, the I Am Free Foundation, Hawaii Engineering Services, and three private citizens.

The Judiciary, the Department of Public Safety, and the Department of Health submitted testimony in support of the intent of this measure but voiced some concerns.

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

- (1) Clarifying that the sums appropriated for the various programs shall be expended by the respective governing entities to which the programs will be assigned;
- (2) Clarifying that the six month transitional program, "Halfway In, Halfway Back" be available only to non-violent inmates who pose no threat to public safety; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 157, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 157, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 1041 Judiciary on H.B. No. 440

The purpose of this bill is to allow the administrator of the Narcotics Enforcement Division of the Department of Public Safety to share information from the electronic prescription accountability system with practitioners who dispense controlled substances, and to appropriate funds from the Controlled Substance Registration Revolving Fund to carry out the purposes of the bill.

Your Committee finds that abuse of prescription medications containing controlled substances is an increasing problem in Hawaii. Your Committee further finds that allowing the Narcotics Enforcement Division to share prescription information with practitioners, while providing adequate safeguards for patient privacy, will assist in better evaluation and assessment of patients who are visiting multiple practitioners to obtain controlled substances.

Testimony in support of this measure was submitted by the Department of Public Safety, the Hawaii Medical Association, and Longs Drug Stores. Testimony expressing concerns about this measure was submitted by the Office of the Public Defender.

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

- (1) Amending the description of who may receive information to include only controlled substance registrants who are dentists, physicians, doctors of osteopathy, and podiatrists;
- (2) Limiting the permitted disclosure to information about the registrant's own patient;
- (3) Requiring that information be transmitted by certified mail or similar means;
- (4) Authorizing the expenditure of \$50,862 from the controlled substance registration revolving fund, to carry out the purposes of the bill; and
- (5) Making a technical, non-substantive change for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 440, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 440, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 1042 Judiciary on H.B. No. 531

The purpose of this bill, as received by your Committee, is to ensure that both male and female incarcerated substance abusers are given fair and equitable access to drug rehabilitation services by appropriating funds for the expansion of the Waiawa Correctional Facility's (WCF) KASHBOX drug rehabilitation program to the Women's Community Correctional Center (WCCC).

Your Committee finds that there is a high correlation between substance abuse and crime in Hawaii -- eighty to eighty-five percent of all male criminal offenders currently in Hawaii's correctional system need substance abuse treatment. The percentage of female

inmates needing substance abuse treatment is even higher at ninety-five percent. Your Committee further finds that the KASHBOX drug rehabilitation program has been highly successful in helping incarcerated males. On the other hand, your Committee finds that the Ho'omana program, presently operating at WCCC, is only able to serve a small portion of Hawaii's incarcerated female population because of severe underfunding. Your Committee recognizes that the situation for incarcerated women is equally critical as for incarcerated males.

Testimony in support of this measure was submitted by the Department of Public Safety, the Department of Health, the Office of Hawaiian Affairs, Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney of the City and County of Honolulu, the American Civil Liberties Union of Hawaii, Government Efficiency Teams, Inc., the Sex Abuse Treatment Center, a professor of Women's Studies at the University of Hawaii at Manoa, and two private citizens.

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

- (1) Clarifying that the KASHBOX drug rehabilitation program is accessible to males incarcerated at Waiawa Correctional Facility, while the Ho'omana substance abuse treatment program is accessible to the females incarcerated at the Women's Community Correctional Center;
- (2) Requiring the Department of Public Safety to conduct a gender equity assessment of its current programs to assure that women have the same access to substance abuse treatment as their male counterparts; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 531, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 531, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 1043 Judiciary on H.B. No. 1006

The purpose of this bill is to create a centralized criminal defendant database and develop a sentencing simulation model.

Your Committee finds that criminal justice data is currently maintained separately by various agencies, including the Department of the Attorney General, the Department of Public Safety, and the Judiciary. Each agency maintains data from different components of the criminal justice system. Your Committee believes that the integration of data from these agencies will permit a more accurate and detailed picture of the dynamics of the criminal justice system. Your Committee notes that this need for collaboration and sharing of information was recognized by the state Law Enforcement Coalition, which voted to make this measure its top priority in their legislative package. In addition, your Committee recognizes that there is a strong need to develop a computer modeling technique to predict the impact various sentencing proposals would have on future prison populations, so that the Legislature may make informed decisions when establishing new sentencing policies.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Public Safety, the Judiciary, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and the American Civil Liberties Union of Hawaii.

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

- (1) Increasing the appropriation amount from \$1 to \$122,000 for fiscal year 1999-2000; and
- (2) Increasing the appropriation amount from \$1 to \$85,000 for fiscal year 2000-2001.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1006, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1006, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 1044 Judiciary on H.B. No. 1008

The purpose of this bill is to neutralize any advantage that non-settling tobacco manufacturers may gain by requiring non-settling manufacturers to establish a reserve fund to pay judgments or settlements on future claims brought against them.

Your Committee finds that cigarette smoking presents serious financial burdens to the State, which may have an obligation to provide medical assistance to citizens with smoking-related diseases. Your Committee further finds that such burdens should be borne by the tobacco product manufacturers rather than by the State. Requiring tobacco product manufacturers to either participate in the

settlement with the State or ensure that they have sufficient funds available to pay future claims by Hawaii smokers will help to place the financial burden of cigarette smoking on tobacco product manufacturers instead of the State.

Testimony in support of this measure was submitted by the Attorney General, who informed your Committee that this measure is based upon model legislation agreed to by the Attorney General as part of a master settlement agreement between tobacco manufacturers and a group of states including Hawaii. Your Committee was also informed by the Attorney General that the tobacco manufacturers may seek to avoid making payments to any state that has not passed the precise form of this measure as agreed upon in the master settlement agreement.

Thus, the Attorney General is requesting amendments to this measure that are inconsistent with the statutory conventions and style of the Hawaii Revised Statutes, in order to conform it to the exact form agreed upon in the master settlement agreement. While your Committee will agree to these amendments, rather than risk losing any part of the settlement proceeds, your Committee also agrees that the passage of this measure should not be construed nor interpreted as an abdication of legislative authority to develop and dictate policy, both as to substance and to form. Your Committee further believes that preempting, through a settlement agreement, the authority of the Legislature should not be recommended nor agreed to in the future.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1008, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 1045 Judiciary on H.B. No. 989

The purpose of this bill is to appropriate funds from the general revenues of the State of Hawaii to pay claims for legislative relief, judgments, settlements, and miscellaneous claims against the State.

Your Committee finds that this bill in its present form contains claims totaling more than \$4,000,000. The Department of the Attorney General informed this Committee that there are an additional five claims, totaling \$143,846.63, that have been settled since the introduction of this measure. Your Committee notes that there are, in addition, eight claims that, although described in the Attorney General's testimony as being part of the bill, are not included in this bill as received by your Committee.

The Department of the Attorney General informs your Committee that it diligently advises its client agencies on how to mitigate actions which could result in future claims of the same type contained in this bill. However, your Committee is not convinced that the Department of the Attorney General and its client agencies have succeeded in modifying policies and procedures to avoid repetition of similar claims. Your Committee believes that responsible mechanisms must be developed and implemented to decrease the State's exposure to liability for future claims.

Testimony in support of this measure was submitted by the Department of the Attorney General.

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

- (1) Including five additional claims that have been recently resolved;
- (2) Including eight additional claims which the Attorney General testified were included in the bill but which were not included in the bill as received by your Committee;
- (3) Adding a provision setting a six year limitation period for claims for legislative relief;
- (4) Requiring the Attorney General to consult with the Governor prior to any settlement that is subject to legislative approval;
- (5) Requiring the Attorney General to develop a policy of advising its client agencies as to how to prevent future claims based upon factors which contributed to the State's negligence;
- (6) Requiring all client agencies to develop new policies or modify existing practices to ensure prevention of similar acts to those giving rise to the settlement or judgment;
- (7) Providing that any client agency that fails to implement such policies or procedures shall use its department allocation to fund a future settlement; and
- (8) Changing the effective date to July 1, 1999.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 989, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 989, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 1046 Labor and Environment on H.B. No. 142

The purpose of this measure is to create a task force to conduct a comprehensive review of the State's civil service laws.

Testimony in support of this measure was received from the Hawaii Government Employees Association and the Building Industry Association. The Department of Human Resources Development and the Judiciary testified in support of the measure with amendments.

Your Committee finds that if government is to transform the outdated civil service system in order to meet the needs of a modern, flexible economy, the current system must be replaced with new laws.

Your Committee has amended this measure by deleting its contents and replacing it with language from S.B. 1046, S.D. 3, which requires the Director of Human Resources Development to:

- (1) Bring together major stakeholders in civil service reform to identify and work collaboratively to develop a broad based set of recommendations for reforms to chapters 76, 77, 78, 79, 80, 81, and 82, Hawaii Revised Statutes;
- (2) Submit monthly reports to the Legislature;
- (3) In collaboration with the stakeholders, submit draft model legislation to a joint House and Senate Labor Committee meeting on November 15, 1999; and
- (4) Submit revised legislation developed in collaboration with the major stakeholders to the Legislature by January 15, 2000.

In addition, the amended measure requires that the Legislature adopt civil service reform legislation effective June 29, 2000, and that, effective June 30, 2000, chapters 76, 77, 78, 79, 80, 81, and 82, Hawaii Revised Statutes, are repealed.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 142, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 142, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Ihara, Slom).

SCRep. 1047 Labor and Environment on H.B. No. 159

The purpose of this measure is to amend the Whistleblowers' Protection Act to expand the areas of protected conduct and the types of reportable violations.

This measure also strengthens the remedies available to whistleblowers and increases the penalties for violators.

Testimony in support of this measure was received from Common Cause Hawaii, the American Civil Liberties Union of Hawaii, the ILWU Local 142, and the Hawaii State Teachers Association. Testimony supporting the measure with amendments was received from the Hawaii Nurses Association, the Hawaii Chapter American Psychiatric Nurses Association, and two individuals. Testimony in opposition to the measure was received from the Chamber of Commerce of Hawaii and the Society for Human Resource Management.

Your Committee finds that whistleblowers serve a vital and positive function in government and society. Current law protecting whistleblowers, however, does not adequately protect the whistleblower from retaliation by the employer. This measure is necessary to improve and strengthen existing whistleblower protection in Hawaii.

Your Committee also finds that, within the health care industry, managed care, cost-containment initiatives, down-sizing, and de-skilling practices are affecting the ability of nurses to provide safe, quality nursing care as required by state law, standards of clinical practice, and the Code for Nurses. Your Committee also finds that nurses oftentimes face retaliation and intimidation if they are critical of their employers health care practices. Your Committee strongly believes that nurses and other health care practitioners must be afforded the same whistleblower protections as other employees within the State.

Your Committee has amended this measure by:

- (1) Adding a definition of "improper quality of patient care" and included these practices under the Whistleblowers' Protection Act; and
- (2) Increasing the time period for filing a claim to two years.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 159, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 159, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Chumbley, Ihara).

SCRep. 1048 Labor and Environment on H.B. No. 1595

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$60,000,000, to assist Plasma Environmental Technologies for establishment of one or more waste processing facilities.

Your Committee received testimony in support of this measure from Plasma Environmental Technology, Kauai Electric and Citizen Energy Services, and one individual.

Your Committee finds that the plasma arc system is an advanced technology for the thermal decomposition of a variety of wastes, including household, medical, and toxic wastes, tires, and white goods such as appliances, in an environmentally sound manner that creates value-added products, such as fuels, glass bricks, and tiles.

Your Committee further finds that Kauai Electric has an agreement with Plasma Environment Technology to purchase the electricity generated once the system is in operation, and that agreements have also been reached with Garden Isle Waste and Honolulu Disposal.

Your Committee is supportive of efforts to develop innovative waste diversion methods, and reduce Hawaii's dependence on expensive landfills, while providing greater protection for the environment.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1595, 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, 2 (Chumbley, Ihara).

SCRep. 1049 (Joint) Labor and Environment and Government Operations and Housing on H.B. No. 1166

The purpose of this measure is to exempt the Employment and Training Fund (ETF) Program from the state procurement code.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations and the Department of Accounting and General Services.

Your Committees find that the ETF Program has successfully trained over 25,000 clients since its inception in 1992. In order to continue to provide this kind of service to Hawaii's business community, it is necessary to exempt the fund from the State's procurement code.

Your Committees also find that the fund contracts for services, rather than provides grants and subsidies under chapter 42F, as stated in the present draft of the measure.

Your Committees have amended this measure by:

- (1) Replacing the phrase "grants and subsidies" with "contracts" and eliminating other references to grants and subsidies; and
- (2) Exempting the contracts made for training programs from chapters 103D and 103F.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1166, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1166, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 8 (Chun Oakland, Fukunaga, Hanabusa, Ihara, Kanno, Levin, Tanaka, Anderson).

SCRep. 1050 Education and Technology on H.B. No. 89

The purpose of this measure is to appropriate funds to the State Foundation on Culture and the Arts to fund the Okinawan Centennial Celebration Commission and its activities.

Testimony in support of this measure was received from the Okinawan Centennial Celebration Commission and the Hawaii United Okinawa Association.

Your Committee finds that the Hawaii United Okinawa Association is seeking matching funds from the State to support the Okinawan Centennial Celebration in the year 2000. Expected benefits to the State include increasing tourism during the celebration, recognizing the many contributions that Okinawan immigrants have made to the State, and showcasing Okinawa's unique culture which is part of the multi-cultural tapestry of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 89, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 1051 Education and Technology on H.B. No. 185

The purpose of this measure is to improve educational outcomes by appropriating funds to establish maximum class sizes for the public elementary schools.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association, the Hawaii State Parent, Teacher, and Student Association, the E.B. de Silva Elementary School, the E.B. de Silva Elementary School SCBM Council, Ha'aheo School, and a concerned teacher. The Department of Education submitted testimony in support of the intent of this measure.

Your Committee finds that currently, the Legislature appropriates teacher positions to the Department of Education based upon statewide student-teacher ratios. This measure is a departure from the use of statewide student-teacher ratios in that the maximum number of students per teacher position is stipulated. This maximum limit is sometimes impractical, as one student over the maximum limit would necessitate another teacher position.

Your Committee has amended this measure to conform it to the current Department of Education teacher appropriation process by appropriation process by deleting the maximum student limit for teachers, and instead requiring a student-teacher ratio of 20:1 for students in kindergarten to third grade, and a ratio of 26:1 for students in fourth to sixth grade. Your Committee believes that this amendment will improve educational outcomes, as well as give the Department of Education some flexibility in assignment of teacher positions to schools.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 185, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 185, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 1052 Education and Technology on H.B. No. 248

The purpose of this measure is to clarify that the University of Hawaii may seek legal counsel from the Attorney General upon mutual agreement.

Testimony in support of this measure was submitted by the University of Hawaii and the Department of the Attorney General.

Your Committee finds that while Act 115, Session Laws of Hawaii 1998, granted the University of Hawaii the authority to procure legal services independent from the Department of the Attorney General, it was not the intent of the Legislature to accordingly preclude the University of Hawaii from receiving any legal services from the Department of the Attorney General.

Your Committee adopted the recommendations of the University of Hawaii by amending section 2 of this measure to allow the Board of Regents to request and secure legislative appropriations to fund any settlements of claims or judgments against the university. Your Committee notes that while the University of Hawaii does indeed have great autonomy, it is not a private organization, and must be allowed the continued option of requesting legislative appropriations to fund the settlement of claims or judgments against the university.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 248, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 248, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 1053 Education and Technology on H.B. No. 254

The purpose of this measure is to allow up to four officers and employees of the University of Hawaii to serve as officers or employees of the Research Corporation of the University of Hawaii.

Testimony in support of this measure was submitted by the University of Hawaii and the Research Corporation of the University of Hawaii.

Your Committee finds that this measure will allow the Research Corporation of the University of Hawaii Board of Directors greater flexibility in filling critical positions within the corporation by allowing it to consider individuals within the University of Hawaii. In addition, this measure will further solidify the close working relationship between the Research Corporation of the University of Hawaii and the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 254, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 1054 Education and Technology on H.B. No. 310

The purpose of this measure is to include athletics as an integral part of the educational process by requiring funding for coaches' salaries, athletic health care trainers, athletic equipment and supplies, and the transportation of athletic teams to be considered standard workload increase items when planning and budgeting for new schools.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that athletic programs are necessary for a well-rounded school curriculum, and thus believes in requiring proper funding as part of the funding for new schools.

Undeniably, coaches have a positive impact upon students--giving them motivation, inspiration, direction, and positive alternatives to delinquency and drugs. However, your Committee is aware that the Department of Education has some reservations regarding the setting of coaches' salaries. Your Committee believes that the issue of coaches' salaries requires an in-depth study, with all the implications being determined before salaries can be set.

Your Committee has amended this measure to delete its contents in their entirety, and replace them with the contents of S.B. No. 1586, S.D. 1, its companion Senate measure. As amended, this measure would require the budgeting for athletics when budgeting for new schools, and require the Department of Education to study the implications of setting coaches' salaries and report its findings to the Legislature before the 2000 regular session.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 310, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 310, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 1055 Education and Technology on H.B. No. 314

The purpose of this measure is to repeal the deadline for the transfer of the management of the State Aquarium from the University of Hawaii to a non-profit corporation by allowing the State Aquarium's current management with the Research Corporation of the University of Hawaii and the University of Hawaii Foundation to continue indefinitely.

Testimony in support of this measure was submitted by the State Aquarium.

Your Committee finds that the University of Hawaii's plans to relocate the State Aquarium to Kakaako will necessitate a delay in the scheduled transfer of management. Thus, because it is unlikely that the Kakaako negotiations will be resolved by June 30, 1999, the sunset date for the transfer of management must be changed.

Your Committee has amended this measure by deleting its contents in its entirety and replacing it with the contents of S.B. No. 1185, S.D. 2. In so doing, your Committee has provided for an extension of the recommended date of management transfer to June 30, 2004, as opposed to deleting the sunset date altogether.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 314, 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 (Matsunaga, Tam).

SCRep. 1056 Education and Technology on H.B. No. 316

The purpose of this measure is to promote arts education in public secondary schools by directing the State Foundation on Culture and the Arts, in consultation with the Department of Education, to:

- (1) Review, revise, and complete by June 1, 2000, the Hawaii Content and Performance Standards in the arts for grades K-12; and
- (2) Develop by December 1, 2000, a statewide strategic plan for arts education that incorporates and integrates the content and performance standards.

Testimony in support of this measure was submitted by the Board of Education, the Department of Education, the State Foundation on Culture and the Arts, the University of Hawaii College of Arts and Humanities, Palolo School, the Hawaii Association of Independent Schools, the Hawaii State Parent, Teacher, and Student Association, the Hawaii Alliance for Arts Education, Calabash Hawaii, Hawaii Opera Theatre, the East-West Center, the Contemporary Museum, Oahu Corale Society, Hawaii Craftsmen, Hawaii Orff-Schulwerk Association, Pacific Islanders Communications, Kona Community Chorus, Honolulu Theatre for Youth, the Hawaii Consortium for the Arts, the University of Hawaii at Manoa Department of Theatre and Dance, the University of Hawaii at Manoa College of Education, the Maui Arts and Cultural Center, Leeward Community College, the Honolulu Academy of Arts, the Hawaii State Dance Council, the Hawaii Community Foundation, and many concerned individuals.

Your Committee finds that studying the arts can help students acquire and develop vocational, professional, and personal skills that will encourage them to become productive members of their communities. Arts education programs not only stimulate students' creativity, but also provide them with another perspective on viewing the world around them.

While the study of arts is undoubtedly essential in a well-rounded education, your Committee believes that in these difficult financial times, the State must consider other methods of funding besides appropriations from the general fund. Your Committee encourages future consideration of funding this project through the Works of Art Special Fund, or other funding options.

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

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 316, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 316, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 1057 Education and Technology on H.B. No. 634

The purpose of this measure is to establish a temporary commission to celebrate the centennial of Puerto Ricans in Hawaii.

In addition, this measure establishes a trust fund as the fiscal mechanism to receive and expend funds and makes an appropriation for the centennial celebration.

Your Committee heard the companion measure to this measure, S.B. No. 577, and received testimony in support from the Puerto Rican Heritage Society of Hawaii.

Your Committee finds that it is important to acknowledge and support the many cultures that make up Hawaii and to educate all Hawaii's citizens about these varied cultures and the contributions they have made to the islands.

Your Committee has amended this measure by deleting its contents and inserting language from S.B. No. 577, S.D. 1, which:

- (1) Deletes the section entitled "Cooperation" as this language is included under "Powers and Duties" of the Commission; and
- (2) Deletes the dollar amount of the appropriation.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 634, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 634, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 1058 Education and Technology on H.B. No. 855

The purpose of this measure is to appropriate funds for permanent teacher positions to recognize that special needs children are being placed in regular classrooms and that they should be counted in determining the student-teacher ratio.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, the Hawaii State Parent, Teacher, and Student Association, and many concerned teachers and school administrators.

Your Committee finds that the education of all Hawaii's students, both regular students, and those with special needs, is a high priority. Improperly staffed classrooms lead to difficult conditions and lower teacher and student morale.

Your Committee has amended this measure to delete the appropriation amount, for the purpose of further discussion in the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 855, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 855, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 1059 Education and Technology on H.B. No. 988

The purpose of this measure is to provide emergency funding for the testing, modification, and support of the State's computer systems for Year 2000 compliance.

Testimony in support of this measure was submitted by the Department of Accounting and General Services.

Your Committee finds that while the State is managing its Year 2000 compliance efforts effectively, this measure will enable the Department of Accounting and General Services to fix any unanticipated application modifications, equipment, software, and other services required in the remediation of the Year 2000 problem in a timely manner. The testimony of the Department of Accounting and General Services stated that current estimates require an emergency appropriation of \$1,004,745.

Your Committee has amended this measure by deleting the appropriation amount to allow further discussion in the Committee on Ways and Means. Your Committee has also amended this measure to change the lapse date of the appropriation from the June 30, 1999 to June 30, 2000.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 988, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 988, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 1060 Education and Technology on H.B. No. 1168

The purpose of this measure is to continue the fee for enhanced services program by extending the repeal date of Act 327, Session Laws of Hawaii (SLH) 1993, from July 1, 1999, to July 1, 2002.

Your Committee received testimony in support of this measure from the Hawaii State Public Library.

Your Committee finds that Act 327, SLH 1993, was enacted to provide the library system with an alternative, additional source of revenue, enabling libraries to provide enhanced services to the public. As a result of declining general operating fund support, the fees collected are currently being used for much-needed purchases of library materials. Your Committee notes that a 1998 Auditor's report found the enhanced services program has been successful, and that library patrons support this effort to provide quality service.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1168, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 1061 Education and Technology on H.B. No. 1170

The purpose of this measure is to make the library system more efficient by authorizing the Board of Education to charge fees for the recovery of the costs of lost books and the collection of overdue fines and fees, seminars and workshops, and the use of various research and reference materials requiring special equipment.

This measure also creates an exemption for contracts with the library system from the statute that prohibits collection agencies from collecting collection fees or commissions from debtors.

Testimony in support of this measure was submitted by the Hawaii Public Library System and the Department of Commerce and Consumer Affairs. Verbal testimony in opposition to this measure was given by Information Services.

Your Committee finds that in these hard economic times, it is important that all State agencies be especially mindful of their expenditures. This measure provides for an additional fee to be charged to delinquent patrons, and for other special services provided by the library system. These fees will help restore the loss of moneys owed to the libraries from administrative expenses.

Your Committee has amended this measure to delete its contents in their entirety, and replace them with the contents of S.B. No. 1156, S.D. 2, its Senate companion. As amended, this measure retains much of the original House language, but additionally requires the Board of Education to prescribe procedures relating to the notification of persons with delinquent accounts of the additional fees to be charged by a collection agency. Amendments to sections 312-3.6 and 443B-9, Hawaii Revised Statutes, were also deleted.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1170, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1170, 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 (Matsunaga, Tam).

SCRep. 1062 Water, Land, and Hawaiian Affairs on H.B. No. 700

The purpose of this measure is to appropriate funds for the biennial budget of the Office of Hawaiian Affairs.

Testimony in opposition to the measure was received from the Office of Hawaiian Affairs and the Hawaiian Political Action Council of Hawaii.

The measure as received by your Committee provides \$7,090,740 for FY 1999-2000 and \$7,029,161 for FY 2000-2001 for the Office of Hawaiian Affairs.

Your Committee has amended the measure by deleting the amendments made by the House Committee on Finance and reinserting the Office of Hawaiian Affairs' original budget request.

Your Committee finds that the funds appropriated by this measure will provide the Office of Hawaiian Affairs with the necessary funding to maintain its program operations.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 700, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 700, 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 (Chun, Kanno, Tanaka).

SCRep. 1063 Water, Land, and Hawaiian Affairs on H.B. No. 806

The purpose of this measure is to approve the exchange of public lands in North Kona for private lands along the Kona coast to develop a new motor speedway industry.

The Hawaii International Motor Speedway testified in support of the measure. The Department of Business, Economic Development, and Tourism and the Department of Land and Natural Resources had no objections to the measure. Six area residents opposed passage of the measure.

Your Committee finds that Hawaii International Motor Speedway owns land in South Kohala and is willing to exchange the title to these lands for public lands in North Kona.

Your Committee also finds that the proposed land exchange will allow for the development of a raceway on otherwise unusable land near the airport in North Kona, helping the island of Hawaii capitalize on the rapidly growing motorsports industry.

Your Committee has amended the measure to state that the authority granted to the Department of Land and Natural Resources to negotiate and enter into a land exchange agreement with Hawaii International Motor Speedway shall expire on June 30, 2000.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 806, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 806, 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 (Chun, Kanno, Tanaka).

SCRep. 1064**Water, Land, and Hawaiian Affairs on S.C.R. No. 84**

The purpose of this measure is to request the Auditor, with the assistance of the Legislative Reference Bureau, to conduct an analysis of the effectiveness of legislation authorizing direct long-term residential leases at Maunalaha, Oahu; Milolii-Hoopuloa, Hawaii; and Kikala-Keokea, Hawaii.

The Auditor is also requested to include alternative recommendations to address problems in each of the communities.

Testimony in support of the measure was received from the Department of Land and Natural Resources and the Housing and Community Development Corporation of Hawaii.

Your Committee finds that under various acts of law enacted by past legislatures, the residents of Maunalaha Valley, Oahu, Milolii-Hoopuloa, Hawaii, and Kikala-Keokea, Hawaii were granted the long-term use of the land for various reasons and circumstances.

Your Committee also finds that at various times after the issuance of these long-term lease agreements, residents from each of the respective communities have requested assistance from the Legislature, generally in the form of infrastructure development, to improve the living conditions in these communities. Various other efforts were made in requests for statutory assistance that would allow self-help housing to improve the living conditions for residents in these communities. Unfortunately, substandard infrastructure development or descendent provisions in some of the leases prevents many of the residents in these communities from acquiring conventional mortgage loans.

To remedy these problems, various alternatives have been proposed regarding a permanent resolution for residents in these communities, ranging from legislative funding for infrastructure improvements to a "gratis" conveyance of the land in fee to the lessees, or in the case of Maunalaha residents, to be held in perpetuity and managed by the Maunalaha Valley Community Association in a community land trust for the residents and descendants of Maunalaha. Another alternative has been to convey these leases and fee simple interest in the lands to the Office of Hawaiian Affairs, and allow them to decide on long-term management of the areas.

Your Committee has amended the measure by adding provisions that request the Auditor to:

- (1) Carefully weigh the unique needs and circumstances of each individual community;
- (2) Outline issues and problems that may arise if control of the leases and lands are conveyed to the Office of Hawaiian Affairs and to recommend solutions; and
- (3) Ensure that any recommended solution be equitable and sensitive to the needs of each individual community.

Your Committee believes that the recommendations that stem from this measure may result in a permanent and equitable resolution to the problems currently experienced by these communities.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 84, 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. 84, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 1065**Water, Land, and Hawaiian Affairs on S.R. No. 38**

The purpose of this measure is to request the Auditor, with the assistance of the Legislative Reference Bureau, to conduct an analysis of the effectiveness of legislation authorizing direct long-term residential leases at Maunalaha, Oahu; Milolii-Hoopuloa, Hawaii; and Kikala-Keokea, Hawaii.

The Auditor is also requested to include alternative recommendations to address problems in each of the communities.

Testimony in support of the measure was received from the Department of Land and Natural Resources and the Housing and Community Development Corporation of Hawaii.

Your Committee finds that under various acts of law enacted by past legislatures, the residents of Maunalaha Valley, Oahu, Milolii-Hoopuloa, Hawaii, and Kikala-Keokea, Hawaii were granted the long-term use of the land for various reasons and circumstances.

Your Committee also finds that at various times after the issuance of these long-term lease agreements, residents from each of the respective communities have requested assistance from the Legislature, generally in the form of infrastructure development, to improve the living conditions in these communities. Various other efforts were made in requests for statutory assistance that would allow self-help housing to improve the living conditions for residents in these communities. Unfortunately, substandard infrastructure

development or descendent provisions in some of the leases prevents many of the residents in these communities from acquiring conventional mortgage loans.

To remedy these problems, various alternatives have been proposed regarding a permanent resolution for residents in these communities, ranging from legislative funding for infrastructure improvements to a "gratis" conveyance of the land in fee to the lessees, or in the case of Maunaloa residents, to be held in perpetuity and managed by the Maunaloa Valley Community Association in a community land trust for the residents and descendants of Maunaloa. Another alternative has been to convey these leases and fee simple interest in the lands to the Office of Hawaiian Affairs, and allow them to decide on long-term management of the areas.

Your Committee has amended the measure by adding provisions that request the Auditor to:

- (1) Carefully weigh the unique needs and circumstances of each individual community;
- (2) Outline issues and problems that may arise if control of the leases and lands are conveyed to the Office of Hawaiian Affairs and to recommend solutions; and
- (3) Ensure that any recommended solution be equitable and sensitive to the needs of each individual community.

Your Committee believes that the recommendations that stem from this measure may result in a permanent and equitable resolution to the problems currently experienced by these communities.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 38, 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. 38, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 1066 (Joint/Majority) Water, Land, and Hawaiian Affairs and Economic Development on H.B. No. 1183

The purpose of this measure is to provide for the restoration of public beach lands.

Specifically, the measure:

- (1) Authorizes the Department of Land and Natural Resources to do all things necessary, useful, and convenient to restore beach land; and
- (2) Creates a Beach Restoration Special Fund (Fund).

The Department of Business, Economic Development, and Tourism, the Board of Land and Natural Resources, the City and County of Honolulu's Department of Planning and Permitting, the Kamehameha Schools/Bernice Pauahi Bishop Estate, the Lanikai Association, and two concerned citizens testified in support of the measure. The Office of Hawaiian Affairs provided qualified support.

Your Committees find that loss of sandy beaches is a major environmental, social, and economic problem. Nearly twenty-five percent or approximately seventeen miles of sandy beaches on Oahu have been lost or severely narrowed over the past seventy years, and similar losses have occurred on Maui, and to a lesser extent, Kauai and Hawaii. Given the current trends of rising global sea levels and increased coastal development, coastal erosion is expected to continue to be an environmental, societal, cultural, and economic concern in the foreseeable future.

To reverse this trend, the Department of Land and Natural Resources and the University of Hawaii Department of Geology and Geophysics developed the Coastal Erosion Master Plan (COEMAP) in 1997 which made technical and policy recommendations for shore and beach management and protection. Subsequently, the Department of Land and Natural Resources established the Coastal Lands Program to implement the COEMAP recommendations.

The Coastal Lands Program, in order to fully carry out its mission, requires statutory authorization and funding. Private landowners affected by beach restoration action may receive substantial benefit from the improvements and the Department of Land and Natural Resources should actively seek contributions from such landowners to help fund the beach restoration projects.

Your Committees also find that as a management response to coastal erosion, the State should investigate the applicability of beach and dune restoration through the use of sand nourishment. Honokowai beach park on west Maui, Kaaawa beach park on windward Oahu, and the Sacred Falls shoreline on windward Oahu were identified as the three best candidates for Hawaii's first demonstration beach restoration project.

In light of these findings your Committees have amended the measure by:

- (1) Designating sections 1 - 5 as Part I;

- (2) Deleting the phrase "state-owned coastal lands" and inserting therefor, the phrase "public lands within the state coastal zone management area" throughout the measure;
- (3) Adding a Part II to the measure which appropriates \$750,000 to conduct a beach restoration engineering design and analysis of the Honokowai Beach Park, the Kaaawa Beach Park, and the Sacred Falls shoreline;
- (4) Changing the effective date from July 1, 2010, to July 1, 1999; and
- (5) Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1183, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1183, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Slom). Excused, 3 (Chun, Kanno, Taniguchi).

SCRep. 1067 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on H.B. No. 1296

The purpose of this measure is to provide to the Department of Land and Natural Resources (DLNR) flexibility in implementing the Kaneohe Bay master plan recommendations.

Your Committees received testimony in support of the measure from the Department of Land and Natural Resources, Boats Hawaii, Inc., the Kaneohe Bay Commercial Operators Association, Mid Pacific of Hawaii, Inc., and a private citizen. The Office of Hawaiian Affairs testified in opposition to the measure.

The measure specifies that in managing the commercial operation of ocean use activities in Kaneohe Bay:

- (1) The rules adopted by DLNR shall be:
 - (A) Based on, rather than in accordance with, the recommendations in the master plan; and
 - (B) In a manner that assures public safety, public health, resource protection, public access for recreation, efficient permit administration, and other matters of public welfare;
- (2) The Council shall submit recommendations to amend the master plan, rather than an amended master plan, to the Legislature by December, 1999; and
- (3) The permits issued by DLNR shall be consistent with the specifications described in the master plan until DLNR adopts applicable rules; provided that DLNR shall not adopt any rules until after December 31, 1999;

Your Committees find that currently, the permits issued by DLNR for the commercial operation of ocean use activities must comply with amendments made by the Kaneohe Bay Regional Council (Council) to the master plan. The intent of the measure is to clarify that the Council has no authority to amend the master plan.

Your Committees have amended the measure by:

- (1) Limiting the number of permits the DLNR may issue for commercial operation of ocean use activities to the amount specified in the Kaneohe Bay Master Plan as it existed on June 21, 1993;
- (2) Requiring that all rules relating to the Kaneohe Bay Master Plan shall be done in accordance with sections 4.9 and 4.10 of the Kaneohe Bay Master Plan as adopted by the Office of State Planning on March 19, 1992, and with Chapter 91, Hawaii Revised Statutes;
- (3) Stating that any rule adopted by the DLNR that is in conflict with the Kaneohe Bay Master Plan must be for reasons of public health or safety, or resource protection or preservation;
- (4) Stating that if any provision of section 200-39, Hawaii Revised Statutes, is in conflict with Chapter 91, Hawaii Revised Statutes, Chapter 91 shall prevail; and
- (5) Requiring the Council to review the master plan and submit any amendments to DLNR, rather than the Legislature by December, 1999.

Your Committees are concerned over the potential for the Chapter 91, Hawaii Revised Statutes, rulemaking process to be circumvented when establishing rules for the use of Kaneohe Bay. By clearly specifying that Chapter 91, Hawaii Revised Statutes, does apply, your Committees believe that the necessary public input will be provided to ensure decisions that are sensitive to the needs of all users of Kaneohe Bay.

Your Committees believe that the amendments will preserve the long-term integrity and beauty of Kaneohe Bay while addressing the needs of the commercial operators who utilize Kaneohe Bay as their place of business.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1296, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1296, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Chun, Kanno, Taniguchi).

SCRep. 1068 (Joint) Economic Development and Transportation and Intergovernmental Affairs on H.B. No. 368

The purpose of this measure is to provide the Board of Agriculture with the same authority over water it purveys as the county water agencies exercise over the water they purvey.

Your Committees received testimony in support of this measure from the Department of Agriculture, the Department of Land and Natural Resources Commission on Water Resource Management, and the Hawaii Farm Bureau Federation.

Your Committees find that the Commission on Water Resource Management has a duty to obtain the maximum beneficial use of Hawaii waters for a broad range of purposes. This measure will assist the Commission by clarifying the role of the Board of Agriculture.

Your Committees have amended this measure to:

- (1) Amend the purpose section to reflect the changes in statute;
- (2) Add the word "supply" to "county water agencies" to clarify that the statute applies to county water supply agencies and not to other county water agencies, such as wastewater agencies, that do not supply water to consumers;
- (3) Extend the same authority to the Agribusiness Development Corporation, under Chapter 163D, Hawaii Revised Statutes; and
- (4) Make technical, nonsubstantive amendments for clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 368, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 368, S.D. 1, and be referred to the Committee on Water, Land, and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1069 (Joint) Economic Development and Education and Technology on H.B. No. 677

The purpose of this measure is to appropriate funds to the University of Hawaii to study the feasibility of constructing and operating an ocean floating, all natural clean energy power station in Hawaii.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the University of Hawai'i, and Makai Ocean Engineering.

Your Committees find that in 1997, the Legislature provided \$50,000 to the Hawaii Natural Energy Institute to sponsor an International Ocean Alliance Summit on the development of a sustainable resource floating platform. This meeting drew over one hundred conferees from industry, government, and academia throughout the world, and the University will be submitting a final report on the summit later this summer.

Your Committees understand that the appropriation for a follow-up feasibility study in this measure will be matched by industry, the federal government, and key partner countries, such as Japan.

Your Committees have amended this measure to change the appropriation amount from \$1 to \$100,000.

As affirmed by the records of votes of the members of your Committees on Economic Development and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 677, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 677, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Inouye, Matsunaga, Taniguchi).

SCRep. 1070 Economic Development on H.B. No. 1020

The purpose of this measure is to amend Act 311, Session Laws of Hawaii (SLH) 1996, Act 104, SLH 1998, and Act 118, SLH 1998, to provide appropriate effective dates for the implementation of the business loan guarantee program and an extension of the effective date for the neighbor island preferential business loan interest rate.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that this measure will continue critical business loan programs that would have been terminated on July 30, 2000. Your Committee has amended this measure to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1020, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1020, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1071 (Majority) Labor and Environment on H.B. No. 266

The purpose of this measure is to prohibit discrimination in the workplace against employees who are breastfeeding or expressing breast milk.

This measure also requires the Hawaii State Commission on the Status of Women to accumulate, compile, and publish data concerning incidences of discrimination involving breastfeeding or expressing breast milk in the workplace.

Testimony in support of this measure was received from the Department of Health, the Hawaii Medical Association, the American Academy of Pediatrics, the Community Clinic of Maui, Kokua Kalihi Valley, Healthy Mothers Healthy Babies, Mothers Care, Kapiolani Medical Center, and three individuals. Testimony in support of the measure with amendments was received from the Hawaii State Commission on the Status of Women, the Hawaii State Civil Rights Commission, and Parents and Children Together.

Your Committee finds that the advantages of breastfeeding include nutritional, immunological, and psychological benefits to both the infant and mother. In Hawaii, a high percentage of women attempt to breastfeed their infants in the hospital. This rate quickly declines by the six-week postpartum check, coinciding with many women returning to the workplace.

Your Committee finds that this situation may be remedied by providing protection against discrimination of breastfeeding mothers both in the workplace and in places of public accommodations. There is also a need to provide guidance to employers as to the proper accommodations necessary to foster a mother's ability to continue feeding her infant breast milk after returning to work.

Your Committee also finds that the Hawaii Civil Rights Commission is the appropriate agency to report on the instances of discrimination involving breastfeeding or expressing milk.

Your Committee has amended this measure by:

- (1) Amending the definition of "because of sex" in Chapter 378, Hawaii Revised Statutes, relating to employment practices, to include "breastfeeding or expressing milk";
- (2) Rewriting the new material found in Section 2 of the measure to require an employer to provide up to one hour unpaid leave during the work day for breastfeeding or expressing milk and placing it in Chapter 378, Hawaii Revised Statutes, relating to employment practices;
- (3) Deleting the requirement that the Hawaii Commission on the Status of Women compile data and report on instances of discrimination because of breastfeeding;
- (4) Deleting the specific provisions barring employers or labor organizations from discriminating against breastfeeding women; and
- (5) Amending the Discrimination in Public Accommodations Law to clearly state that it is a discriminatory practice "to restrict or limit the right of a woman to breastfeed a child in a place of public accommodations".

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 266, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 266, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Slom). Excused, 2 (Chumbley, Ihara).

SCRep. 1072 Labor and Environment on H.B. No. 1038

The purpose of this measure is to provide funding authorizations and appropriations for collective bargaining cost items for Units 1, 2, 3, 4, 6, 8, 9, 10, and 13 and their excluded counterparts.

This measure also appropriates funds for salary increases for excluded employees of legislative service agencies.

Testimony in support of this measure was received from the State Auditor, the Ombudsman, the United Public Workers, and the Hawaii Government Employees Association. The Department of Budget and Finance, the Office of Collective Bargaining, and Hawaii Health Systems Corporation testified in support of the measure with amendments.

Your Committee finds that the 1998 Legislature did not make appropriations to fund retroactive and continuing cost items in collective bargaining agreements for Units 1, 2, 3, 4, 6, 8, 9, 10, and 13.

Your Committee has amended this measure by deleting its contents and replacing it with the language of S.B. No. 1284, S.D. 2., which appropriates funds for collective bargaining cost items that were not funded by past legislatures. In addition S.B. No. 1284, S.D. 2, provides an appropriation to fund salary increases for the employees of the Hawaii Health Systems Corporation which were not included in the Health Systems general fund request.

Your Committee has also retained the language from H.B. No. 1038, H.D. 1, that appropriates funds for employees of legislative service agencies.

The amounts of all appropriations in the amended measure are \$2 for discussion purposes.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1038, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1038, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Ihara, Slom).

SCRep. 1073 Economic Development on H.B. No. 136

The purpose of this measure is to provide a tax credit for improvements made a hotel and resort properties.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, Department of Taxation, Unity House, Inc., AIA Hawaii State Council, Dwyer Imanaka Schraff Kudo Meyer & Fujimoto, Land Use Research Foundation of Hawaii, Sheraton Princess Kaiulani, Hilton Hawaiian Village, The Myers Corporation, Waikiki Improvement Association, Hawaii Hotel Association, and Hawaii Resort Developers Conference. The Tax Foundation of Hawaii and Pacific Entertainment Center submitted comments on this measure.

Your Committee finds that tax credits for expenditures on construction will stimulate not only the construction industry, but also Hawaii's overall economy. Owners and developers will be encouraged to create new construction projects and rebuild or renovate existing buildings. This measure focuses on hotel and resort properties and would encourage improvement of Hawaii's aging visitor industry facilities. However, your Committee finds that greater economic benefits can be obtained by broadening the scope of the tax credits to allow tax credits for construction costs on all commercial facilities, including hotels.

Therefore, your Committee has amended this measure by replacing the contents with the provisions of S.B. No. 944, S.D. 1, with an amendment, that allows an income tax credit of thirty percent of the construction costs on any commercial facility completed after December 31, 1999, and before January 1, 2007.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 136, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 136, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1074 Economic Development on H.B. No. 1361

The purpose of this measure is to provide protection to consumers against the risk of loss from advance charter tour purchases from travel agencies who operate charter tours.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Boyd Gaming Corporation.

Your Committee finds that this measure will protect consumers from situations like that of Jimmy's Travel, which closed its doors, leaving more than one thousand customers without prepaid charter tour services. Your Committee further finds that in addition to new financial requirements, this measure would authorize the department to issue a citation to a travel agency which does not comply with any of the provisions, order the travel agency to cease operations, and fine the agency.

Your Committee believes this measure will provide much-needed protection for Hawaii's charter tour customers, while it is not unduly burdensome for reputable travel agencies. Your Committee has amended the measure to make technical amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1361, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1361, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1075 Ways and Means on H.B. No. 1061

The purpose of this bill is to specify that funds appropriated for grants and subsidies are to be used only for the public purpose for which the funds were appropriated and shall lapse if the recipient is unable or unwilling to provide the specified services.

In particular, this bill specifies that contracts to disburse grants or subsidies are to specify that the expending agency may withhold or recover the remaining balance of the grant or subsidy if the recipient can no longer or is unwilling to continue to provide the services for which the grant or subsidy was appropriated.

With respect to capital improvement projects or the acquisition of personal property, equipment, or vehicles, the bill further provides that the recipient must satisfy the specified public purpose at least until the improvements, property, equipment, or vehicles have been fully depreciated. If the recipient can no longer or is unwilling to satisfy the public purpose for which funds were appropriated, the contract must specify that the State shall recover the pro rata share of the grant or subsidy of the depreciated value of the improvements, property, equipment, or vehicles.

Your Committee received testimony in favor of this measure from the Director of Finance.

Your Committee agrees with the intent of this bill, and finds that this bill will assist in the recovery of grants and subsidies where the recipient is no longer able to provide the service for which the grant or subsidy was appropriated.

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

- (1) Adding language to require the expending agency to:
 - (A) Negotiate contract provisions to ensure that the recipient of funds complies with the public purpose for which the funds were appropriated; and
 - (B) Secure compliance with the contract and section 42F-104, Hawaii Revised Statutes;
- (2) Deleting language providing that the funds shall be lapsed if the recipient is unable or unwilling to provide the specified services;
- (3) Requiring, rather than allowing, the expending agency to withhold the remaining balance or recover the grant or subsidy if the recipient can no longer provide the services for which the grant or subsidy was appropriated, and deleting language regarding the recipient's unwillingness to continue to provide the services; and
- (4) Deleting language that applied this recovery language to operating and capital improvement project appropriations. The deletion of this language does not reflect an intent that the expending agency ignore recovery from the recipient. Rather, your Committee finds that these matters of recovery should be covered through the contracting process to allow flexibility to departments and agencies.

As affirmed by the record of votes of the members 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. 1061, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1061, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, M., Taniguchi).

SCRep. 1076 Transportation and Intergovernmental Affairs on H.B. No. 3

The purpose of this measure is to consolidate and provide consistency and uniformity in the laws relating to operating vehicles and marine vessels while under the influence of alcohol or drugs.

Testimony in support of the intent of this measure was received from the Governor's Highway Safety Council, Department of Transportation, Department of the Prosecuting Attorney of the City and County of Honolulu, and Mothers Against Drunk Driving. However, all testifiers preferred the Senate version of this measure, Senate Bill No. 1212, S.D. 2.

Your Committee finds that the laws relating to operating vehicles while under the influence of alcohol and drugs contain inconsistencies including disparate punishment provisions for similar offenses and provisions that confer the right to a jury trial for some offenses but not for others. While these inconsistencies need to be resolved, further uniformity in the law is required.

Your Committee has amended this measure by replacing the contents with the provisions of Senate Bill No. 1212, S.D. 2., which:

- (1) Create a new chapter which consolidates the implied consent provisions for driving with a measurable amount of alcohol (zero tolerance), driving under the influence of intoxicating liquor, driving under the influence of drugs, and impaired boating offenses.
- (2) Make driving with a measurable amount of alcohol, driving under the influence of drugs, and impaired boating offenses subject to the administrative revocation of driver's license provisions, instead of providing for suspension of license or privilege to operate a vehicle pursuant to a district court hearing;
- (3) Describe the offense of operating a vehicle under the influence of an intoxicant as occurring when a person, while under the influence of an intoxicant, intentionally, knowingly, or recklessly operates or assumes actual physical control of the operation of any vehicle. A person is under the influence of an intoxicant, alcohol or drugs, if the person's normal faculties or ability to care for the person and guard against casualty is impaired;
- (4) Provide consistent and uniform provisions, procedures, and penalties for cases involving operating a motor vehicle, moped, or vessel while under the influence of alcohol or drugs;
- (5) Create additional penalties for committing the offense of operating a vehicle while under the influence of alcohol or drugs within ten years of three prior convictions and within ten years of five prior convictions;
- (6) Authorize conservation and resources enforcement officers to enforce the laws relating to operating a vessel on or in the water of the State while using an intoxicant; and
- (7) Amend the current penalties for the offense of driving while under the influence of drugs to establish the following maximum number of days of imprisonment:
 - (A) Five days for an offense not preceded within a five-year period by a conviction;
 - (B) Fourteen days for an offense which occurs within five years of a prior conviction; and
 - (C) Thirty days for an offense which occurs within five years of two prior convictions.

These penalties will apply retroactively to all pending cases for which trial has not commenced. The intent is to establish that these cases are petty offenses to which the right to a jury trial does not attach.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1077 (Majority) Transportation and Intergovernmental Affairs on H.B. No. 139

The purpose of this measure is to define "local resident" in the State procurement code.

Testimony in support of this measure was received from the Hawaii Building and Construction Trades Council AFL-CIO and Alaka'i Mechanical Corporation. The Contractor Association of Kauai, Building Industry Association of Hawaii, Construction Industry Legislative Organization, Inc., and General Contractors Association of Hawaii submitted testimony supporting the intent of this measure with a suggested amendment. The Department of Taxation submitted comments on this measure.

Your Committee finds that federal law requires that when a state's unemployment average exceeds the national average, the appropriate military construction contracting agency must include a provision in the contract requiring the contractor to employ "residents" of the State. A clear and usable definition of a state resident is needed to assist federal contracting agencies in fully enforcing the law and to ensure contractors comply with the law.

Your Committee has amended this measure by replacing the definition of "local resident" with a definition of "state resident" which incorporates the definitions of "state resident", "state contractor", and "state subcontractor" as provided in S.B. No. 1438, S.D. 1, and the language of this measure to further define a state resident as:

- (1) An individual who resides in the State at least two hundred days of the year and filed a Hawaii resident tax return in the taxable year immediately preceding the date of the bid for a contract; and
- (2) A business entity that:
 - (A) Holds a current Hawaii business or contracting license;
 - (B) Submits a bid for goods, services, or construction in the name appearing on the contractor's business or contracting license;
 - (C) Has maintained a place of business within the State staffed by the bidder or an employee of the bidder for a period of six months immediately preceding the date of the bid; and
 - (D) Has the required minimum percentage of state residents as owners, principals, partners, and employees depending on the form of the business entity.

Hawaii's construction industry represents a sizable component of Hawaii's economy but has experienced economic declines in recent years. The lack of business and employment opportunities, the high cost of doing business in Hawaii, and increased competition from foreign companies have contributed to the declines. Due to the importance of the construction industry to Hawaii's economy, every effort must be made to revitalize and stabilize the industry.

This measure, H.B. No. 140, and H.B. No. 1593, H.D. 1, are being passed out of this Committee with Senate drafts that include various provisions from the following Senate measures: S.B. No. 1438, S.D. 1, S.B. No. 675, S.D. 1, S.B. No. 976, S.D. 1, S.B. No. 1556, S.D. 2, and S.B. No. 1439. These Senate measures represent a coherent approach to revitalizing Hawaii's construction industry by ensuring faithful execution of the laws intended to aid the industry, requiring out-of-state contractors to abide by Hawaii licensing requirements, encouraging further research and promotion of the industry, providing a general excise tax exemption for state contractors that work on federal military construction projects, and establishing criteria for the use of agreements that ensure the efficiency, stability, and quality of construction projects.

Your Committee has further amended this measure by including the provisions from S.B. No. 1556, S.D. 2, that:

- (1) Exempts from the general excise tax all of the gross proceeds arising from federal construction contracts and received by state contractors and subcontractors; and
- (2) Clarifies that the definition of contractors includes all contractors working in the State directly or indirectly for the federal government to the extent allowed under federal law. Therefore, those contractors, including out-of-state contractors, are subject to the licensing and other provisions of chapter 444, Hawaii Revised Statutes;

In addition, your Committee finds that Hawaii's construction industry can be further stabilized by allowing state agencies to use project labor agreements. Project labor agreements contain, among other things, guarantees against strikes, lockouts, and other work disruptions, assurances of conformity to all applicable laws, regulations, and executive orders, procedures to resolve labor disputes, and other labor-management matters to ensure the efficiency, quality, and stability of the project.

S.B. No. 1439 provides for project labor agreements. Therefore, your Committee has amended this measure by inserting provisions from S.B. No. 1439 with amendments which:

- (1) Authorize the use of project labor agreements for federal construction projects that the State is authorized to participate in;
- (2) Establish criteria for project labor agreements;
- (3) Authorize a procurement officer to require a bidder to become a party to a project labor agreement as a condition to being awarded the contract; and
- (4) Require the review of the provisions authorizing the use of project labor agreements by June 30, 2005.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 139, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 139, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 3 (Ige, D., Inouye, Iwase).

The purpose of this measure is to provide for the efficient and expeditious development and construction of public infrastructure projects by allowing any department of the State or any county to enter into agreements with private entities to develop, construct, and maintain public infrastructure systems and facilities.

Testimony in support of this measure was received from the Department of Transportation, Hawaii State Teachers Association, Jas. W. Glover, Ltd., Building Industry Association, Contractors Association of Kaua'i, Hawaii Building and Construction Trades Council AFL-CIO, and Hawaii Operating Engineers Industry Stabilization Fund. The Department of Budget and Finance and Matson Navigation Company submitted testimony in support of the intent of this measure but expressed concerns that state and county agencies may be able to enter into agreements without oversight and prior approval from higher authorities.

Testimony in opposition to this measure was received from the Board of Water Supply of the City and County of Honolulu.

Your Committee finds that allowing the transfer of infrastructure system and facility improvement projects from state and local governments to the private sector will aid the government in delivering government services efficiently and at lower costs. Your Committee acknowledged the concerns of the Department of Budget and Finance and Matson Navigation Company and has amended this measure by providing that agreements may not be entered into by a public entity pursuant to this measure without prior legislative approval.

Hawaii's construction industry represents a sizable component of Hawaii's economy but has experienced economic declines in recent years. The lack of business and employment opportunities, the high cost of doing business in Hawaii, and increased competition from foreign companies have contributed to the declines. Due to the importance of the construction industry to Hawaii's economy, every effort must be made to revitalize and stabilize the industry.

This measure and H.B. No. 139, H.D. 1, and 1593, H.D. 1, are being passed out of this Committee with Senate drafts that include various provisions from the following Senate measures: S.B. No. 1438, S.D. 1, S.B. No. 675, S.D. 1, S.B. No. 976, S.D. 1, S.B. No. 1556, S.D. 2, and S.B. No. 1439. These Senate measures represent a coherent approach to revitalizing Hawaii's construction industry by ensuring faithful execution of the laws intended to aid the industry, requiring out-of-state contractors to abide by Hawaii licensing requirements, encouraging further research and promotion of the industry, providing a general excise tax exemption for state contractors that work on federal military construction projects, and establishing criteria for the use of agreements that ensure the efficiency, stability, and quality of construction projects.

It is in the State's best interest to better understand the economic decline of the construction industry in recent years and to develop programs and initiatives to revitalize and encourage the growth of the industry. Therefore, your Committee has amended this measure by inserting provisions from S.B. No. 976, S.D. 1, which establish a construction industry branch under the research and economic analysis division of the Department of Business, Economic Development, and Tourism that will work with private entities to research, analyze, and encourage the growth and development of Hawaii's construction industry.

In addition, your Committee finds that Hawaii's construction industry can be further stabilized by allowing State agencies to use project labor agreements. Project labor agreements contain, among other things, guarantees against strikes, lockouts, and other work disruptions, assurances of conformity to all applicable laws, regulations, and executive orders, procedures to resolve labor disputes, and other labor-management matters to ensure the efficiency, quality, and stability of the project.

S.B. No. 1439 provides for project labor agreements. Therefore, your Committee has amended this measure by inserting provisions from S.B. No. 1439, with amendments, as a new part which:

- (1) Authorizes the use of project labor agreements for federal construction projects that the State is authorized to participate in and state public works contracts over \$10,000,000;
- (2) Establishes criteria for project labor agreements;
- (3) Authorizes a procurement officer to require a bidder to become a party to a project labor agreement as a condition to being awarded the contract; and
- (4) Requires a review of the provisions authorizing the use of project labor agreements by June 30, 2005.

There are existing laws intended to revitalize Hawaii's construction industry, however, these laws are not being fully and faithfully executed.

Federal law requires the contractor on a military construction or services project to employ Hawaii residents when Hawaii's unemployment rate exceeds the national average. Hawaii's unemployment rate has exceeded the national average since 1994, but the law has not been strictly enforced supposedly due to the lack of a definition of "state resident."

State law provides a bid preference in favor of bidders who filed state tax returns for two successive years prior to submitting the bid. However, your Committee finds that local bidders are still losing contracts to out-of-state bidders and that those bidders who are awarded contracts pursuant to the preference may not be employing state residents.

S.B. No. 1438, S.D. 1, addressed these concerns. Therefore, your Committee has amended this measure by inserting provisions from S.B. No. 1438, S.D. 1, which:

- (1) Create definitions for "state contractor", "state subcontractor", and "state resident" to provide federal and state contracting officers with clear and absolute definitions;
- (2) Provide that the bid preference shall be given to state contractors as defined by this measure, rather than bidders who filed state tax returns for two successive years prior to submitting the bid;
- (3) Increase the bid preference in favor of state contractors from seven to fifteen percent on state public works projects for \$30,000,000 or less;
- (4) Set out the requirements needed to be satisfied by a state contractor in order to receive the bid preference; and
- (5) Require a review of the bid preference law by June 30, 2005.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 140, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1079 (Joint/Majority) Transportation and Intergovernmental Affairs and Economic Development on H.B. No. 753

The purpose of this measure is to allow counties to create special improvement districts for the purpose of providing and financing supplemental maintenance and security services and other improvements to promote business activity within the special improvement districts.

Testimony in support of this measure was received from the Department of Business, Economic Development and Tourism, Police Department of the City and County of Honolulu, Office of the Managing Director of the City and County of Honolulu, Department of the Prosecuting Attorney of the City and County of Honolulu, Land Use Research Foundation of Hawaii, Waikiki Improvement Association, MacNaughton Group, Hawaii Business Roundtable, Hawaii Activities and Tours Association, Unity House, Inc., Waikiki Neighborhood Board No. 9, Sheraton Princess Kaiulani Waikiki Hotel, Outrigger Enterprises, Inc., Louis Vuitton, and two individuals.

This measure allows a county to levy and assess a special assessment on property located within a special improvement district to finance the maintenance and operation of the district and to pay the debt service on any bonds issued to finance improvements within the district. The assessments may be used to provide supplementary maintenance, services, and improvements, but not to maintain basic services provided by the county, including police enforcement.

Your Committees find that special assessment district legislation similar to this measure has proven to be very successful in the economic revitalization of many mainland cities including Times Square in New York City and the downtown area of Portland, Oregon. One positive impact of a special improvement district is that additional security services can be procured to create a safer and more attractive environment that will encourage business activity. Your Committees further find that although Waikiki would greatly benefit from a special improvement district designation, other areas in Hawaii could also benefit as well.

Your Committees have amended this measure by clarifying the language regarding actions or proceedings to object to or question the validity of ordinances, actions, or proceedings relating to special improvement districts.

As affirmed by the record of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 753, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 753, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Ige, M.). Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1080 (Majority) Transportation and Intergovernmental Affairs on H.B. No. 1636

The purpose of this measure is to authorize the use of a photo technology system to enforce the violation of crossing of longitudinal traffic lane markings in conjunction with the photo red light and speed imaging detector demonstration project.

Testimony in support of this measure was received from the Department of Transportation, Police Department of the City and County of Honolulu, State Farm Insurance Companies, and two individuals. The Judiciary submitted comments on this measure.

Your Committee finds that current law requires police officers to physically pull-over violators and hand traffic citations to them. In many instances, police officers cannot enforce the violation because the roadway configuration prohibits a safe stop for both the motorist and the officers. In addition, stopping a motorist on the freeway is dangerous and causes traffic slow-downs. Your Committee finds that permitting the use of photo technologies in enforcing the violation of unlawfully crossing longitudinal traffic lane markings allows for effective, efficient, and safe enforcement of the law.

Your Committee has amended this measure by replacing its contents with language from the Senate version of this measure, Senate Bill No. 709, S.D. 1, which:

- (1) Provides for more specific procedures to allow for the citation or summons to be issued to a person who unlawfully crossed longitudinal traffic lane markings but is not the registered owner of the vehicle; and
- (2) Includes language that more clearly and accurately communicates the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1636, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1636, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1081 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on H.B. No. 179

The purpose of this measure is to establish a commission to identify and classify lands in Hawaii that are of agricultural importance.

Specifically, the measure creates a State of Hawaii Important Agricultural Lands Commission (Commission) to:

- (1) Identify important agricultural lands;
- (2) Address the intent of article XI, section 3, of the Hawaii State Constitution, to conserve and protect agricultural lands and promote diversified agriculture within the context of Hawaii's changing circumstances; and
- (3) Examine related land use issues.

The Department of Agriculture, the Department of Land and Natural Resources, the Land Use Commission, the Department of Business, Economic Development, and Tourism, the City and County of Honolulu's Department of Planning and Permitting, the Land Use Research Foundation, and the Hawaii Farm Bureau testified in support of the measure. Hawaii's Thousand Friends, Plan To Protect Kona, the Hawaii Leeward Planning Conference, a member of the Hawaii County Council, and four concerned citizens testified in opposition to the measure.

The Commission would be administratively attached to the Legislative Reference Bureau and comprised of thirteen voting members as follows:

- (1) Three members representing the following organizations, one from each organization, appointed by the governor:
 - (A) The Land Use Research Foundation;
 - (B) The Office of Hawaiian Affairs; and
 - (C) The Hawaii Farm Bureau Federation;
- (2) One member representing agricultural workers;
- (3) One member representing a conservation organization; and
- (4) Serving as ex-officio members:
 - (A) The Chairperson of the Board of Agriculture;
 - (B) The Chairperson of the Board of Land and Natural Resources;
 - (C) The Director of the Office of Planning in the Department of Business, Economic Development, and Tourism;
 - (D) The Director of the University of Hawaii's College of Tropical Agriculture and Human Resources; and
 - (E) The Planning Directors of each of the four counties.

The Chairperson of the Board of Agriculture would serve as the chair of the Commission.

Under the measure as received by your Committees, the Commission is charged with the responsibility to identify important agricultural lands based on one or more of the agricultural land rating systems described in the 1986 Land Evaluation Site Assessment (LESA) commission report and recommend incentives for landowners to keep their lands in agricultural production, which may include tax exemptions and agricultural easements.

The Commission must also categorize important agricultural lands into the three classes, prime agricultural lands, unique agricultural lands, and other important agricultural lands. Urban lands would be excluded from the review. The Commission must complete its deliberations, submit a report on its findings and recommendations to the 2000 Legislature, and cease to exist on June 30, 2000.

The measure also appropriates funds to fund the activities of the Commission and to pay for geographic information system improvements and any specialized spatial analysis necessary to meet the mapping and analytical needs of the Commission, including equipment and data acquisition, conversion, and interpretation.

Your Committees find that Article XI, Section 3, of the Hawaii State Constitution provides for standards, criteria, and procedures that are designed to conserve and protect agricultural lands and assure the long-term availability of agriculturally suitable lands. These lands are critical to the long-term viability of agriculture as a major export industry and as a means to increase Hawaii's self-sufficiency and diversification in agriculture.

In 1986, the LESA Commission submitted its final report to the legislature in accordance with Act 273, Session Laws of Hawaii 1983. The report presented the LESA Commission's findings, conclusions, and recommendations concerning:

- (1) The development of the initial inventory of the State's "important agricultural lands" (IAL);
- (2) A classification system to identify these lands; and
- (3) A process to review requests for a change in designation of specific parcels from IAL to urban or to other uses.

The report also provided an implementation framework and recommended amendments to existing state law to execute the proposed LESA system.

Since 1986, many bills have been introduced that attempted to implement the LESA system. For various reasons, none of these bills have succeeded in meeting all the needs and objectives of the affected parties.

Additionally, since the completion of the LESA Commission report in 1986, the profile of Hawaii's agricultural lands has changed dramatically. Such events include the dramatic industry shift from a plantation-type system with an emphasis on sugarcane production to the current focus on small scale and diversified agriculture and Hawaii's economic decline through the 1990s.

In the face of changing times and circumstances, your Committees find that there is a real need to reassess the system and criteria recommended by the 1986 LESA Commission. Your Committees further find that updating the 1986 LESA report will provide a mechanism by which to fulfill the intent and purpose of Article XI, Section 3, of the Hawaii State Constitution, which seeks to conserve and protect agricultural lands.

In reviewing the measure as received by your Committees, the measure did not seem to clearly articulate the direction the State's rapidly evolving agricultural industry is to take. Your Committees believe that in order to realize a goal for the State's agricultural industry, we must first decide what we would like to achieve.

Accordingly, your Committees have amended the measure by broadening the scope of the review to include an update of the 1986 LESA Commission report and the recommended agricultural production goals contained therein.

Your Committees believe that the information that will be provided by the requirements of the amended measure would be more useful in determining Hawaii's agricultural and economic future.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 179, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 179, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Kanno, Kawamoto, Tanaka, Taniguchi, Anderson).

SCRep. 1082

(Joint) Water, Land, and Hawaiian Affairs and Economic Development on H.B. No. 827

The purpose of this measure is authorize the Department of Land and Natural Resources (DLNR) to issue new leases to existing lessees in the Banyan Drive resort area in East Hawaii.

Testimony in support of the measure was submitted by an individual and the following organizations: Banyan Drive Association, International Longshore and Warehouse Union, Hawaii Naniloa Hotel, Hawaii Island Contractors' Association, Hawaii Island Board of Realtors, Inc., Hawaii Island Economic Development Board, Japanese Chamber of Commerce & Industry of Hawaii, Destination Hilo, Hawaii Island Portuguese Chamber of Commerce, and the Hawaii Island Chamber of Commerce. The Board of Land and Natural Resources and the Office of Hawaiian Affairs testified in opposition to the measure.

Your Committees find that preserving the economic well-being and viability of the Banyan Drive resort area is in the State's best interest. According to the 1998 report of the Special Hilo/East Hawaii Tourism Group, the Banyan Drive resort area is the only significant resort area in East Hawaii and the only resort area in the State where the land is owned entirely by the State. Businesses located in this area employ approximately five hundred people and visitors staying in the Banyan Drive resort area generate commercial activity in outlying areas.

Your Committees further find, however, that with the majority of the Banyan Drive leases expiring in 2015, the lessees have little incentive to reinvest their resources to maintain, improve, or add to their leasehold assets, thereby placing the future of this integrated resort area into jeopardy.

This measure would authorize the DLNR, notwithstanding the term limits for leases of public lands and the overall public policy of making public lands available to the highest qualified bidder at auction, to issue new leases to the existing Banyan drive resort lessees, subject to certain conditions. Your Committees find that allowing an exception to the law for the existing Banyan Drive area lessees furthers the State's interest in preserving its assets.

Your Committees have amended this measure by:

- (1) Requiring that new leases issued to the existing Banyan Drive resort lessees contain conditions deemed appropriate by the DLNR, rather than current standard terms and conditions;
- (2) Requiring that DLNR develop a process to determine market demand for the leases, which would include:
 - (A) An agreement upon the residual replacement value of tenant improvements made by the existing lessee, to be paid by a successful bidder on the lease to the existing lessee;
 - (B) The initiation of a request for proposal (RFP) process and putting the lease out to bid if the RFP process identifies other entities interested in obtaining the lease; and
 - (C) The issuance of a new lease to an existing lessee for a maximum fifty-five year term if the lessee is the successful bidder at auction or no other qualified bidder is found;
- (3) Providing that the terms of the new lease need not consider resort use in establishing fair market rent and may include property improvement requirements, rather than substantial property improvement requirements;
- (4) Providing that the costs for the issuance of a new lease include costs incurred in determining the residual replacement value of tenant improvements and in conducting the RFP process;
- (5) Deleting language that authorizes DLNR to promulgate rules to effectuate the purposes of this measure, including rules that establish terms for the completion of substantial improvements for each lease;
- (6) Providing that the provisions of the measure take effect on July 1, 1999, rather than July 1, 2010, and be repealed on July 1, 2004; and
- (7) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 827, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 827, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Kanno, Kawamoto, Tanaka, Taniguchi, Anderson).

SCRep. 1083

Commerce and Consumer Protection on H.B. No. 936

The purpose of this measure is to allow a payee or a holder of a check, draft, or order for the payment of money, in due course, to assess a maximum service charge of twenty dollars against the maker for a dishonored check.

The Retail Merchants of Hawaii presented testimony in support of the measure. Kauai Credit Adjusters, Ltd., Select Consulting Service, Hawaiian Collectors Association, Inc., and an individual, though not present at the hearing, submitted testimony in support of the measure.

The Department of Commerce and Consumer Affairs presented testimony in opposition to the measure.

Your Committee finds that merchants and other businesses should be able to assess a fair charge against a person who makes payment with a bad check in order to recover their administrative costs in attempting to collect on the check. This measure establishes a maximum \$20 service fee, thereby protecting consumers from being assessed exorbitant or unreasonable fees.

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. 936, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1084 (Joint) Commerce and Consumer Protection and Transportation and Intergovernmental Affairs on H.B. No. 1522

The purpose of this measure is to clarify that county property tax assessors are not subject to the requirements of chapter 466K, Hawaii Revised Statutes, (HRS), relating to the regulation of real estate appraisers.

The Department of Commerce and Consumer Affairs and the Department of the Corporation Counsel of the City and County of Honolulu presented testimony in support of the measure. An individual presented testimony in opposition to the measure. The Hawaii Chapter of the Appraisal Institute, though not present at the hearing, submitted written testimony in opposition to the measure.

Your Committees find that the express exemption of county tax assessors from chapter 466K, HRS, is consistent with the intent and purpose of the law and with the State Constitution.

Act 180, Session Laws of Hawaii 1998, which established the requirements that all real estate appraisals be performed by licensed or certified appraisers and that appraisals be performed in compliance with current uniform standards of professional appraisal practice, was enacted in response to problems arising in the private sector with residential lease-to-fee conversions and commercial lease renegotiations. As the Legislative Auditor noted in its 1998 report entitled "Analysis of a Proposal to Expand the Regulation of Real Estate Appraisers and Appraisals", "while landowners are not always pleased with their tax assessments, the impetus for expanded regulation does not appear to have been dissatisfaction about tax assessments".

Further, the State Constitution grants the counties exclusive authority over matters concerning real property taxation, and a law requiring State licensure of county tax assessors could be deemed unconstitutional.

Your Committees further find that the Department of Commerce and Consumer Affairs (DCCA) has raised concerns relating to the regulation of county tax assessors under chapter 466K, HRS. DCCA notes that county tax assessors may not possess the necessary qualifications for licensure, and if they are unable to carry out their duties due to lack of licensure, the operations of the counties' property tax divisions would be impeded. The establishment of a different regulatory scheme for government tax assessors would be inconsistent with the Department's goals of deregulating and streamlining government, and create a strain on its limited resources.

For all of the above reasons, your Committees find that this measure is necessary to clarify that county tax assessors are not regulated under chapter 466K, HRS.

Your Committees have amended this measure by postponing its effective date to January 1, 2005.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1522, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1522, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Ige, D., Ihara, Iwase, Matsuura).

SCRep. 1085 (Joint) Labor and Environment and Education and Technology on H.B. No. 522

The purpose of this measure is transfer the executive director and staff of the School-To-Work Opportunities (STW) Pilot Project from the Hawaii School-To-Work Opportunities Executive Council (Council) to the Department of Education (DOE).

This measure maintains the independence and authority of the Council.

Testimony in support of this measure with amendments was received from the Department of Labor and Industrial Relations. The DOE testified in support of the concept of this measure. The University of Hawaii and the Chamber of Commerce of Hawaii testified in support of this measure.

Your Committees find that there is a need to ensure the successful continuation of the STW concept beyond the life of the federally funded pilot project. It is imperative that STW projects take place within the institutional purview of the DOE. There must also be a system in place by which the STW project can draw on the resources of other government agencies and the private sector.

Your Committees find, however, that it would be imprudent to alter the present structure of the STW pilot project and the Council as this may jeopardize the project's federal funding. Federal funds are available for the project until August 1, 2000.

Your Committees strongly believe that the Council must develop a concrete action plan immediately in order to ensure that public funds are being spent judiciously. This action plan must address the methods used to create positive outcomes in educational curriculum that contribute to workforce development. Your Committees also expressed concern that any plan of work developed by the Council not be limited to only task groups.

Your Committees also strongly believe that there is an immediate need to provide intermediary services for educational institutions and employers seeking to institute work-based curricula and placement. These intermediary services include a referral service for educational institutions seeking potential employers for students. One of the most frequent complaints of employers who are interested in participating in STW and other workforce development efforts is that they are besieged with requests beyond their capacity to comply. The staff of the STW Opportunities Pilot Project are equipped to negotiate with both employers and educators regarding the appropriate work-based learning experiences for students. The staff also has access to educational institutions statewide and, therefore, can provide a fair and equitable access to potential employers by any of these institutions.

Your Committees have amended this measure by replacing its contents with the language of S.B. No. 1475, S.D. 1, which:

- (1) Transfers the administrative control of STW opportunities pilot project from the Council to the DOE and makes the Council an advisory body to the BOE and DOE;
- (2) Allows the Superintendent of Education to appoint the executive director of STW opportunities pilot project, and allows the DOE to employ other staff of the project; and
- (3) Makes the changes to the STW project and Council effective January 1, 2001.

In addition, your Committees have amended the measure by:

- (1) Including in the activities of the STW pilot project a plan of work that may be carried out by task groups;
- (2) Clarifying that staff support for the advisory council will be provided by the DOE and other state agencies where appropriate;
- (3) Requiring that the Council or DOE provide intermediary services for employers and educational institutions seeking to institute work-based learning curricula and placement; and
- (4) Appropriating funds to carry out the STW Opportunities Pilot Project.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 522, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 522, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Bunda, Chumbley, Ihara, Matsunaga).

SCRep. 1086

Judiciary on H.B. No. 1460

The purpose of this bill is to appropriate funds to expand the video arraignment and conferencing system between correctional facilities and the court system.

Your Committee finds that since 1993, video conferencing technology has allowed defendants housed at the Oahu Community Correctional Center to participate in video arraignments. This program has been expanded in subsequent years to include motion hearings and pre-sentence public defender/client interviews. Your Committee further finds that in 1997, the First Circuit Court arraigned 1,907 or approximately 96 percent of its custody defendants by video conferencing technology. This translates into at least a \$45,000 per year savings for the Department of Public Safety as a result of reduced transportation and overtime costs. In addition, your Committee notes that the Department of Public Safety has identified this bill as one that is needed in order to implement the Department's action plan, as reported to this Committee on March 10, 1999.

Your Committee believes that expanding this program to include Halawa Correctional Facility and the Hilo circuit court of the Third Circuit will produce similar savings and benefits. Additionally, your Committee notes that the general revenue appropriation of \$70,867 to the Judiciary is a state match which will be used to receive an additional \$212,602 from the federal Byrne grant program.

Testimony in support of this measure was submitted by the Judiciary, the Department of Public Safety, the Department of the Attorney General, 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 Public Defender.

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

- (1) Restoring the appropriation amount of \$70,867 which was originally requested by the Department of Public Safety; and
- (2) Deleting the provision that requires that any unexpected or unencumbered funds shall return to the general funds in accordance with section 40-66, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1460, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1460, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1087 Judiciary on H.B. No. 1471

The purpose of this bill, as received by your Committee, is to extend to June 30, 2001, the sunset date for Act 27, Special Session Laws of Hawaii 1995, establishing the Office of Elections and Elections Appointment Panel.

Your Committee finds that the independence of the Office of Elections serves a role in preserving the integrity of the elections system, as well as the perception of that integrity. Given the significance of this integrity and the perception thereof, adding a review and appraisal function to the appointments panel should help maintain or improve the performance of the operation of elections and of the Chief Election Officer. Your Committee further finds that making the panel more independent by changing the method by which the members are selected advances this same goal.

No testimony was submitted regarding this measure.

Upon further consideration, your Committee has amended this measure by deleting its contents and substituting therefor the contents of S.B. 1462, S.D. 1, which:

- (1) Establishes an elections review program and requires assessment of the performance of the Chief Election Officer;
- (2) Allows appointment of four members of the Elections Appointment and Review Panel by the leadership of the majority and minority parties of each house of the legislature;
- (3) Assigns the Office of Elections and the Elections Appointment and Review Panel to the Department of Accounting and General Services for administrative purposes; and
- (4) Makes an appropriation of \$5,000 to support the purposes of this Act.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1471, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1088 Health and Human Services on H.B. No. 273

The purpose of this measure is to create criminal offenses for child abuse in the first and second degrees.

This measure also clarifies:

- (1) The use of force as justifiable with due consideration for the condition of the minor; and
- (2) The criteria for extended terms of imprisonment by adding child abuse in the first and second degrees.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Police Department of the City and County of Honolulu, and three private citizens.

Your Committee finds that the penal code is lacking in offenses specific to child abuse and in punishment for those offenses. This measure closes those loopholes, serves as a deterrent to child abuse, and punishes those who commit the most serious abuses.

Your Committee notes that while this measure codifies penal code changes that protect the younger segment of our State's population, it does nothing to protect those teenagers who are victims of child abuse. Clearly, all of our State's children, from birth to age eighteen, deserve the protection granted by increased criminal penalties for child abuse.

Your Committee further notes, however, that criminal penalties applicable to the abuse of teenagers must be crafted carefully in order to adequately address the problem that they seek to solve. Therefore, your Committee strongly suggests that all due attention be given to examining an additional criminal penalty that protects teen-age children from child abuse and neglect.

Your Committee has amended this measure by deleting its contents and inserting S.B. No. 176, which makes the following amendments:

- (1) Changes the applicable age of minors from ten to twelve years;
- (2) Adds a conforming amendment to section 706-660.2, Hawaii Revised Statutes (HRS), relating to sentence of imprisonment for offenses against children, elders, and handicapped persons, by raising the applicable age of minors from eight to twelve years;
- (3) Adds recklessness as an element to the offense of endangering the welfare of a minor in the first degree; and
- (4) Clarifies the offense of endangering the welfare of a minor in the second degree by deleting section 709-904, HRS(1), relating to a person having the care and custody of a minor.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 273, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 273, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 1089 (Joint) Health and Human Services and Education and Technology on H.B. No. 287

The purpose of this measure is to make an appropriation for the peer education program of the Department of Health (DOH).

Your Committees received testimony in support of this measure from the Department of Health (DOH), Hawaii State Commission on the Status of Women, Hawaii State Teachers Association, Healthy Mothers Healthy Babies, Keiki Injury Prevention Coalition, Principals of Kahuku High and Intermediate School and Mililani High School, one private citizen, and sixty-three individuals who are connected with or have been connected with the peer education program including staff and students.

In 1988, the DOH established the peer education program to address serious teen health issues such as pregnancy, sexually transmitted diseases, substance abuse, violence, and suicide. The peer education program has been implemented in twenty-six schools statewide. Peer education helps teens who are at-risk or in crisis, thus diminishing the cost and services needed for future adult intervention efforts.

This measure allows the continuation of the program in those schools and the implementation of the program in ten additional schools.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 287, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chumbley, Matsunaga, Tam, Anderson).

SCRep. 1090 Health and Human Services on H.B. No. 622

The purpose of this measure is to require health insurers to cover mammograms for women forty years and older annually.

Your Committee received testimony in support of this measure from the Insurance Commissioner, Department of Health, Hawaii State Commission on the Status of Women, Kaiser Permanente, and Hawaii Nurses' Association.

Your Committee finds that recent medical research indicates that all women age forty and over should receive an annual mammogram to screen for breast cancer. This measure is intended to facilitate annual mammograms by requiring health insurance coverage for annual mammograms.

This measure also amends section 432:1-605, Hawaii Revised Statutes (HRS), to cover mutual benefit societies. Your Committee notes that health maintenance organizations (HMOs) also will be covered by reason of an existing cross-reference in section 432D-23, HRS, which requires HMOs to include the same coverages as required of health insurers under section 431:10A-116, HRS.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 622, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1091 Health and Human Services on H.B. No. 635

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee received testimony in support of this measure from the Hilo Residency Training Program, Inc.

Your Committee finds that the Hilo Residency Training Program, Inc., a not-for-profit Hawaii corporation, is engaged in the development of a health care facility and thereby serves the public. Your Committee further finds that special purpose revenue bonds not exceeding \$15,000,000, will assist the Hilo Residency Training Program, Inc., to retire its outstanding debt, purchase the lease of existing equipment, acquire and install additional equipment, and plan, design, construct, and operate new additions to existing health care facilities.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 635, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1092 Health and Human Services on H.B. No. 1117

The purpose of this measure is to bring Hawaii into compliance with the federal Adoption and Safe Families Act of 1997 which seeks to expedite permanency for children in foster care.

Specifically, this measure makes the following revisions to chapter 587, Hawaii Revised Statutes (HRS):

- (1) Provides a definition for "abandoned infant";
- (2) Clarifies the definition of "aggravated circumstances" to include abandonment or torture of the child;
- (3) Clarifies service of summons on an out-of-state party;
- (4) Reduces from eighteen to twelve consecutive months the time in which a court may set the case for a show cause hearing if the child's family home is determined not to be safe;
- (5) Requires the court to set the case for a show cause hearing if the court determines in a disposition hearing that aggravated circumstances exists;
- (6) Sets a thirty-day time limit in which the court is required to set the case for a show cause hearing if the court determines in a review hearing that aggravated circumstances are present;
- (7) Requires the Department of Human Services (DHS) to file a motion for a permanent plan hearing if the child has been residing outside of the family home for an aggregate of fifteen out of the most recent twenty-two months; and
- (8) Reduces from three to two years the time in which it is reasonably foreseeable that a safe family home can be provided to the child by the legal mother or father, or natural father for purposes of a permanent plan hearing.

Your Committee received testimony in support of this measure from the DHS.

This measure is part of an ongoing effort to protect children from child abuse, prevent child abuse, and provide follow-up attention and care to children who are under the court's jurisdiction as child abuse victims. The child protective services roundtable and the Attorney General were instrumental in bringing to light the issues addressed by this measure.

Your Committee has amended this measure on the recommendation of the DHS to delete the condition that the child be cared for by a relative and that the court finds this to be the most appropriate placement, as an exception to requiring the DHS to file a motion to set the case for a permanent plan hearing. Your Committee has also renumbered paragraphs accordingly.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1117, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1117, H.D. 3, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 1093 Health and Human Services on H.B. No. 1121

The purpose of this administration measure is to repeal the sunset date of Act 128, Session Laws of Hawaii 1997, relating to allowing felons convicted for controlled substance crimes to receive temporary assistance to needy families (TANF) benefits and to receive food stamps.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Health, and Hawaii Substance Coalition.

Act 128 was in response to federal welfare reform legislation, Public Law 104-193, that prohibited felons convicted of crimes that had the element of possession, use, or distribution of a controlled substance from participating in TANF and receiving food stamps, unless states opted out of the prohibition, as in Act 128. The repeal of the sunset provision of two years allows these convicted felons to continue to receive TANF assistance and food stamps.

Your Committee finds that there are strong policy considerations for this measure. Withholding TANF benefits and food stamps for needy families could push individuals who have served their time deeper into poverty and could overburden already limited local resources leading to: increased homelessness, hunger, family breakup, child abuse and neglect, deteriorating educational achievement for children, poor overall health and an increase in health-related expenditures, and increased costs for the criminal justice system from repeat offenders who return to crime because of persistent poverty and desperation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1121 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 (Anderson).

SCRep. 1094 (Joint) Economic Development and Water, Land, and Hawaiian Affairs on S.C.R. No. 68

The purpose of this measure is to encourage the Department of Agriculture to present its claim to the Governor for direct receipt of twenty percent of ceded land revenues for the development of farm ownership.

Your Committees received testimony in support of this measure from the Department of Agriculture and the Hawaii Farm Bureau Federation. The Office of Hawaiian Affairs testified in opposition.

Your Committees find that Section 5(f) of the Admission Act established the public land trust for five purposes, including the development of farm and home ownership. Currently, ceded lands revenues are not used directly for the development of farm and home ownership, and this measure would encourage further development of Hawaii's agricultural industry.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 68, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Kanno, Kawamoto, Tanaka, Taniguchi, Anderson).

SCRep. 1095 Health and Human Services on H.B. No. 1726

The purpose of this measure is to make an appropriation to the Department of Human Services (DHS) to raise the income eligibility level for the medically needy program to one hundred thirty-three per cent of the assistance allowance.

Your Committee received testimony in support of this measure from the DHS, Life Foundation, and a private citizen.

The Medicaid program allows a state to expand coverage to persons who are above the Medicaid income level but are still of low income and are deemed "medically needy." The DHS has the authority to establish the income eligibility level for the medically needy program at one hundred thirty-three per cent of the assistance allowance, subject to appropriation of state funds along with federal matching assistance. This measure will allow the DHS to implement such eligibility level and provide services to more financially and medically needy individuals.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1726, 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 (Fukunaga, Anderson).

SCRep. 1096 Commerce and Consumer Protection on H.B. No. 1073

The purpose of this measure is to prevent telemarketing fraud in this State by prohibiting certain telemarketing practices as unfair deceptive acts or abusive telemarketing acts, and requiring telephone solicitors to keep records of their telemarketing activities.

The Department of Commerce and Consumer Affairs, the Executive Office on Aging, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Policy Advisory Board for Elder Affairs, State Farm Insurance Companies, and Legislative Information Services of Hawaii presented testimony in support of the measure. GTE Hawaiian Tel, the Office of the Public Defender, and the Hawaii Financial Services Association presented comments on the measure.

Your Committee finds that telemarketing fraud is an insidious crime that often aggressively preys on the elderly. Telemarketers commonly employ abusive, misleading, or high pressure tactics in order to manipulate their victims into paying for worthless or non-existent goods or services. This measure, in conjunction with federal law, will aid in deterring further acts of telemarketing abuse.

Your Committee has amended this measure by replacing its contents with the contents of a similar measure, S.B. No. 947, S.D. 1, without the criminal penalty provisions and including additional amendments. As amended, this measure:

- (1) Includes a prize promotion or investment opportunity within the definition of "telemarketing";
- (2) Prohibits a seller or telephone solicitor making a telephone solicitation call from allowing the telephone to ring more than five times;
- (3) Establishes conditions under which the initiation of an outbound telephone solicitation to a person who has previously stated that the person does not wish to receive solicitation calls is not considered to be an abusive telemarketing act;
- (4) Prohibits telephone solicitations to a person's residence at times other than between 8:00 a.m. and 9:00 p.m., Hawaii time;
- (5) Requires telephone solicitors to maintain records of persons who do not wish to receive telephone solicitations;
- (6) Provides that certain persons or entities are exempt from all of the requirements of the new chapter, rather than from only the recordkeeping requirements;
- (7) Expands the definition of financial institutions exempt from the chapter to include nondepository financial services loan companies and affiliates or subsidiaries of financial institutions; and
- (8) Contains technical, nonsubstantive differences.

Although this measure does not amend the provision relating to the exemption for insurance companies licensed or authorized to conduct business in this State, it is your Committee's intent that the exemption for insurance companies applies also to the agents and employees of insurance companies.

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. 1073, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1073, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 1097 Commerce and Consumer Protection on H.B. No. 1267

The purpose of this measure is to make general amendments to the alternate power of sale foreclosure process in Part II, Chapter 667, Hawaii Revised Statutes, in order to fine-tune the alternate power of sale foreclosure process.

The Office of Consumer Protection and Hawaii Financial Services Association presented testimony in support of the measure. An individual presented comments and amendments on the measure, and the Legal Aid Society of Hawaii presented testimony in opposition to the measure.

Although not present at the hearing AARP, the Hawaii Credit Union League, the Hawaii Bankers Association, the Hawaii Council of Association of Apartment Owners, Security Title Corporation, Title Guaranty of Hawaii, Inc., the Community Associations Institute, Mortgage Bankers Association of Hawaii and six individuals submitted written testimony in support of the measure.

Your Committee finds that Act 122, 1998 Session Laws of Hawaii (Act), which established the alternate power of sale foreclosure process, reflected the great efforts of the community to reform and streamline non-judicial foreclosure procedures in the State. By all accounts, the Act has successfully clarified and streamlined the non-judicial foreclosure procedures while protecting individual

property owners rights to due process. At the same time, opportunities still remain to make needed improvements. Your Committee further finds that this measure would fine-tune the process established by the Act.

Your Committee has amended this measure to:

- (1) Set a deadline of January 1, 2001 for mortgagees to prepare the public information material required by proposed amendments to section 667-41;
- (2) Add an option for mortgagees to send a copy of chapter 667 part II, as amended, in lieu of the public information material, until January 1, 2001;
- (3) Clarify requirements for the public information material to be prepared by the mortgagees;
- (4) Reduce the time a delinquent borrower has to bring a loan current from sixty to thirty days;
- (5) Reduce the time when a foreclosure auction will be held after public notice is given, from sixty to forty-five days;
- (6) Repeal the 1874 non-judicial foreclosure law, as amended, effective January 1, 2001; and
- (7) Insert a savings clause so that this measure will not affect foreclosure proceedings instituted prior to its effective date.

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. 1267, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1267, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1098 Health and Human Services on H.B. No. 1153

The purpose of this administration measure is to allow any person under the age of twenty-one to purchase liquor as part of a controlled purchase of a law enforcement activity.

Your Committee received testimony in support of this measure from the Department of Health, Office of Youth Services, Police Department of the City and County of Honolulu, and two private citizens.

Your Committee finds that alcohol is the most socially accepted substance in our society and also one of the most abused. Your Committee further finds that education and enforcement are essential to preventing our youth from using liquor. Using underage individuals to participate in controlled purchases of liquor will enable the department to improve education and enforcement relating to the use of liquor by minors.

Your Committee has amended this measure to change the age from under twenty-one to between eighteen and twenty.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1153, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1153, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 1099 Economic Development on H.B. No. 37

The purpose of this measure is to establish the State of Hawaii film revolving fund within the Department of Business, Economic Development, and Tourism (DBEDT).

This measure also makes appropriations to the new fund and to assist Hawaii-based film companies in the production of documentary films.

Testimony in support of the measure was received from the Kauai County Office of Economic Development, the Hawaii State AFL-CIO, the Screen Actors Guild, First Daughter MediaWorks, ADR Model and Talent Agency, the Hawaii Stunt Association, and three individuals. Testimony in support of the concept of the measure was received from DBEDT. The Department of Budget and Finance testified in opposition to the measure.

Your Committee finds that film production is a viable economic development opportunity for the State and its citizens. It is necessary, however, for the State to provide incentives for production companies to film in the State.

Your Committee has amended this measure by:

- (1) Adding provisions to exempt from the GET and Use tax amounts received from construction of an entertainment industry production facility; and
- (2) Adding an appropriation for coproduction costs of locally produced programming that achieves international recognition, and can serve multiple tourism, marketing, and income-producing objectives.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 37, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 37, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1100 Economic Development on H.B. No. 830

The purpose of this measure is to enable businesses to raise growth capital through a simplified filing under the Small Corporate Offerings Registration (SCOR) program, which allows a company to raise up to \$1,000,000 by selling common stock directly to the public.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Department of Commerce and Consumer Affairs, and the Committee on Capital Formation.

Your Committee finds that there is a severe shortage of private equity capital in Hawaii to support the growth of emerging companies, and that Hawaii is one of only two states not utilizing the SCOR program. In addition to providing a source of new capital, SCOR documents will be allowed by the Small Business Administration to establish the Angel Capital Electronic Network (ACE-Net), a nationwide directory of high net worth individual investors searching for high growth companies.

Your Committee is supportive of the program, which will supplement current venture capital programs and serve to attract additional private sector investment for expanding Hawaii businesses.

Your Committee has amended this measure by deleting the proposed language in section 485-6(16), Hawaii Revised Statutes, and replacing it with new language that more accurately reflects the intent to specify that the offerings under SCOR will be for sale only to "accredited investors", as defined in title 17 Code of Federal Regulations section 230.501(a), and to clarify the terms of sales to accredited investors. Your Committee has also made a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 830, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 830, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1101 Economic Development on H.B. No. 1029

The purpose of this measure is to change the name of the Consolidated Application Process to the Facilitated Permit Process and to change certain provisions regarding the composition and operations of the Permit Process Task Force.

Testimony in support of this measure with amendments was received from the Office of Planning of the Department of Business, Economic Development and Tourism. Testimony opposed to this measure was received from the Sierra Club, Hawaii Chapter.

Your Committee finds that the present "Consolidated Application Process" is often mistaken as a single permit application for all required State permits. Changing the name to "Facilitated Application Process" will more accurately describe what the process does, namely, to assist applicants for State permits, to facilitate the application for and tracking of such permits, and to make the complicated permit application and approval process more efficient and predictable.

Your Committee finds that changes in membership, mandate, and sunset provisions are needed to be made to the Permit Process Task Force. Additionally county representation on the task force will enable the task force to better define problems, issues, and opportunities associated with state and county permit interactions.

Your Committee has amended this measure with technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1029, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1029, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1102 Health and Human Services on H.B. No. 171

The purpose of this measure is to enact the Uniform Health-Care Decisions Act.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Hospice Hawaii, Commission on Persons with Disabilities, Hawaii Nurses' Association, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaii Catholic Conference, Protection and Advocacy Agency of Hawaii, Right to Life, Kamuela Chapter, Policy Advisory Board for Elder Affairs, and three private individuals. Testimony in opposition was received from Pro-Family Hawaii, Hawaii Right to Life, Hawaii Christian Coalition, Christian Voice of Hawaii, Archbishop Fulton Sheen Foundation, and three private individuals.

This measure is intended to replace chapter 327D, Hawaii Revised Statutes, relating to medical treatment decisions which was first enacted in 1986 and has not been revised since 1992. In the intervening years, medical science has advanced tremendously and medical ethics has developed correspondingly. This measure brings medical treatment decisions into today's world of advances in medicine, patient rights, and attitudes towards dying.

Your Committee requests the Committee on Judiciary to examine the complexities surrounding spousal relationships and decisions by a surrogate as provided in section -6(b).

Your Committee has amended this measure by:

- (1) Revising the definition of "reasonably available" to provide for the seriousness and urgency of the patient's health care needs;
- (2) Adding a definition of "non-designated surrogate";
- (3) Providing for health care decisions by a non-designated surrogate;
- (4) Requiring that a supervising health-care provider require an individual claiming the right to act as a surrogate provide a written declaration to establish the claimed authority;
- (5) Clarifying the use of the optional form and moving that section to the end of the new chapter;
- (6) Specifying that the patient must check a box for relief from pain even if it hastens death;
- (7) Specifying who may act as a non-designated surrogate in the absence of a designation; and
- (8) Requiring that the surrogate make a decision after consultation with the supervising health care provider.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 171, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 171, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1103 Health and Human Services on H.B. No. 174

The purpose of this measure is to make an appropriation for the children's health insurance program (CHIP).

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Department of Health (DOH), Healthcare Association of Hawaii, Hawaii State Primary Care Association, Waianae Coast Comprehensive Health Center, and Hawaii Catholic Conference.

This measure is an outgrowth of the DHS's and DOH's CHIP planning committee to develop a proposal that was submitted to the federal Health Care Financing Administration on October 19, 1998, to expand Hawaii's Medicaid and QUEST programs. The federal government has allotted Hawaii funds for implementing CHIP through federal fiscal year 2000, with a further commitment to fund the program through fiscal year 2008. However, receipt of federal funds requires the State to adhere to a thirty-five per cent state-federal match. This requires the State to allocate \$4,800,000, to the CHIP initiative in order to secure the maximum federal match of \$8,900,000.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 174 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. 1104 Health and Human Services on H.B. No. 877

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee received testimony in support of this measure from the Kuakini Health System.

Your Committee finds that Kuakini Medical Center (KMC), a not-for-profit Hawaii corporation, and one or more of its not-for-profit affiliates, are engaged in the development of a health care facility and thereby serve the public. This measure is intended to refund special purpose revenue bonds originally authorized in the amount of \$20,000,000, under Act 16, Session Laws of Hawaii 1981, First Special Session, and to finance or refinance the costs of construction of, improvements to, and equipment for the facilities of KMC and its affiliates; purchase of tangible assets (including land and improvements); and other capital-related projects.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 877, 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 (Fukunaga, Anderson).

SCRep. 1105 Health and Human Services on H.B. No. 1115

The purpose of this administration measure is to clarify the definition of criminal history record check by the Department of Human Services (DHS), and to clarify the definition of foster boarding home.

Your Committee received testimony in support of this measure from the DHS and a private citizen.

This measure is intended to fill two gaps in the current law relating to foster boarding home regulations. First, this measure requires name inquiries for criminal history record checks be made annually for the first two years of certification, and annually or biennially thereafter, in conjunction with certification. Second, this measure allows foster boarding homes to have six or more minor siblings if they are placed together in the best interests of the children.

Your Committee has amended this measure by:

- (1) Deleting reference to the best interests of the child in the new language of the definition of "foster boarding home";
- (2) Requiring the DHS to make a name inquiry into the criminal history records in the first two years of certification, as an amendment to section 346-19.6, Hawaii Revised Statutes, rather than amending the definition of "criminal history record check"; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and to reflect preferred drafting style, including reformatting and renumbering of sections.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1115, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1115, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1106 Health and Human Services on H.B. No. 1257

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee received testimony in support of this measure from the Wahiawa General Hospital, Central Oahu Physician Hospital Organization, Integrated University of Hawaii/Wahiawa General Hospital Family Practice Residency Program, and Mililani-Mauka Neighborhood Board.

Your Committee finds that Pacific Wellness Center, a not-for-profit Hawaii corporation, is engaged in the development of a health care facility and thereby serves the public. Your Committee further find that special purpose revenue bonds not exceeding \$5,000,000, will assist in the acquisition or leasing of land, acquisition and installation of additional capital equipment, and plans, design, construction, and operation of the new health care facility.

Your Committee has amended this measure by:

- (1) Deleting reference to the Koa Ridge area of central Oahu in section 1;

- (2) Deleting reference to a three hundred ten acre facility in section 1; and
- (3) Extending the lapse date for the bonds from June 30, 2002, to June 30, 2003.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1257, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1257, 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 (Fukunaga, Anderson).

SCRep. 1107 Health and Human Services on H.B. No. 1413

The purpose of this measure is to require the Department of Human Services (DHS) to compensate community health centers providing services to QUEST patients based on a risk adjustment for serious medical conditions.

Your Committee received testimony in support of this measure from the Hawaii State Primary Care Association, Hawaii Nurses' Association, Waianae Coast Comprehensive Health Center, and Aloha Care. Testimony in opposition was received from the Department of Human Services, Kaiser Permanente, Hawaii Medical Association, Hawaii Medical Service Association, and one private individual.

This measure is intended to adequately compensate community health centers for treating the sickest and poorest of Hawaii's population. Your Committee believes that the State has an obligation to community health centers to keep them financially viable in order that they can continue to render necessary medical services. Without community health centers, this population would go without medical care.

However, your Committee is cognizant of the significant concerns raised in the testimony but would like to pass this measure to continue the dialogue among interested stakeholders.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1413, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1108 Health and Human Services on H.B. No. 1575

The purpose of this measure is to appropriate \$1 for the Millennium Young People's Congress.

Your Committee received testimony in support of this measure from the Office of Youth Services, Hawaii Community Services Council, and League of Women Voters of Hawaii.

Your Committee finds that from October 21 to 29, 1999, seven hundred-fifty young people from nearly every country in the world will gather in Honolulu as delegates to the Millennium Young People's Congress. In addition to Hawaii's two delegates to the Congress, approximately two hundred-fifty other Hawaii young people will assist as millennium youth stewards, providing many opportunities for civic minded youth to meet and work together on issues related to the sustainability of the globe in the next millennium.

Your Committee further finds that the delegates will participate in five days of plenary sessions at the Hawaii Convention Center, live with host families throughout Oahu, attend a play, dedicate a peace garden, work in service projects, and perform in a cultural pageant. In addition, many of these events will be open to the public.

Your Committee believes that this Congress is endorsed by a number of committees of the United Nations and is sponsored in part by Peace Child International, a United Kingdom nonprofit organization, and by the World Travel and Tourism Council.

Your Committee further believes that this Congress is a worthwhile endeavor and support the concepts of the Youth Congress. However, your Committee has a number of concerns for further discussion by the Committee on Ways and Means, specifically as follows:

- (1) The overall project budget, including personnel costs, and how the monetary request would be applied to this budget;
- (2) The role of the professional fundraiser, which the Millennium Host Committee intends to employ on a contingency basis to raise funds on the U.S. mainland; and
- (3) Samples of previous resolutions or other policy statements developed in advance of this Congress.

Your Committee would like to emphasize that any State appropriation should be for direct services to the youth attending the Congress, including stipends for host families, and other related expenses intended to provide for the safety and comfort of the Congress participants. In particular, your Committee does not intend any State appropriation to be spent on the expenses of the fundraising professional.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1575, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1109 Health and Human Services on H.B. No. 1616

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee received testimony in support of this measure from the Wahiawa General Hospital, Central Oahu Physician Hospital Organization, Mililani-Mauka Neighborhood Board, Integrated University of Hawaii/Wahiawa General Hospital Family Practice Residency Program, Leilehua Complex Community Oriented Primary Care Project, and one private individual.

Your Committee finds that Pacific Women's Center, Inc., a not-for-profit Hawaii corporation, is engaged in the planning, design, and construction of a patient-focused facility, specializing primarily in a birthing center with postpartum, nursery, labor, and delivery services. Your Committee further finds that this measure would assist Pacific Women's Center, Inc., through the issuance of special purpose revenue bonds in an amount not exceeding \$5,000,000, to be used for acquisition or leasing of land, acquisition and installation of additional capital equipment, and plans, design, construction, and operation of the new facility.

Your Committee has amended this measure by:

- (1) Deleting reference to the Koa Ridge area of central Oahu in section 1;
- (2) Deleting reference to a three hundred ten acre facility in section 1;
- (3) Clarifying that the bonds are for public health, safety, and general welfare of the State; and
- (4) Extending the lapse date from June 30, 2002, to June 30, 2003.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1616, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1616, 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 (Fukunaga, Anderson).

SCRep. 1110 Health and Human Services on H.B. No. 1621

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee finds that it is in the public interest to encourage the development of health care in the State. Your Committee further finds that Pacific Community Health & Wellness, Inc., a not-for-profit Hawaii corporation, is engaged in the development of health care facility in the Koa Ridge area of central Oahu, and thereby serves the public.

Your Committee has amended this measure by:

- (1) Deleting references in the purpose section to the Koa Ridge area of central Oahu and to a portion of a three hundred ten acre parcel;
- (2) Increasing the appropriated amount from \$1,000,000 to \$5,000,000; 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 Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1621, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1621, 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 (Fukunaga, Anderson).

SCRep. 1111 Education and Technology on H.B. No. 87

The purpose of this measure is to establish a community based pilot project that enables students to have an opportunity to participate in the formulation of activities and programs.

Testimony in support of this measure was received from the Department of Education, a District Supervisor for the Department of Parks and Recreation, Hamakua District Development Council, Rural South Hilo Community Association, North Hilo Community Council, and twenty-seven individuals, including students and teachers in Hawaii public schools.

Your Committee finds that youth can play meaningful roles in the development of programs that prevent concerns such as drug abuse, gang activity, and teen pregnancy. Including youth in the planning and decision making stages of programs and activities that directly affect them, enhances their success and effect.

Your Committee finds that youth in Hawaii have become involved in identifying and executing pro-active measures that will build and strengthen esteem and respect. By identifying and initiating youth programs and working with various departments and agencies, our youngsters will continue to develop and reinforce their sense of ownership, responsibility, and citizenry.

Your Committee finds that this measure exemplifies the model of partnering while maximizing available resources. Such collaboration and coordination will certainly result in beneficial outcomes for the children of this State.

Your Committee has amended this measure to change the appropriation amount to \$1 for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 87, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 87, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chumbley, Matsunaga).

SCRep. 1112 Education and Technology on H.B. No. 154

The purpose of this measure is to provide for the orderly transfer of the licenses, assets, responsibilities, and function of the Hawaii Public Broadcasting Authority (HPBA) to the Hawaii Public Television Foundation (HPTF).

Testimony in support of this measure was received from the HPBA, and a member of the Board of Directors of the HPTF. The Department of Budget and Finance testified in support of the measure with amendments. The Hawaii Government Employees Association testified in opposition to the measure.

Your Committee finds that the continuing and significant reductions in public funding of public television have resulted in cancellation of popular long-running programs, reduction in broadcast hours, and deterioration of the physical plant. Because of the ongoing inability of the State to provide adequate support to public television, the HPTF was formed in 1997. Your Committee also finds that the HPTF is in the process of raising funding to improve the quality of public broadcasting in the State and will be ready to take over the management of public broadcasting in Hawaii on July 1, 2000.

Your Committee has amended this measure by deleting its contents and replacing it with language from S.B. No. 1138, S.D. 1, which:

- (1) Adds a provision giving the State of Hawaii first right, at no cost, to any equipment listed on the inventory of the HPBA, that the HPTF should determine is no longer useful;
- (2) Changes the provision regarding the transfer of assets so that if the HPTF should dissolve or discontinue public broadcasting in Hawaii, then the State has first right, at no cost, to the assets, and all assets not claimed by the State will be transferred, along with licenses and rights, to a public or private entity qualified as the public broadcasting affiliate in Hawaii;
- (3) Adds a provision expressly granting the HPBA all authority necessary to carry out the transfers in this measure, including conveying property and assigning contracts;
- (4) Adds a provision requiring the executive director of the HPBA to deliver to the HPTF all records and property subject to the transfers authorized in this measure;
- (5) Refocuses the Findings and Purpose of the first section; and
- (6) Makes technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 154, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 154, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 1113 Education and Technology on H.B. No. 250

The purpose of this measure is to exempt the University of Hawaii from obtaining the approval of the Director of Finance and the Attorney General when entering into financing agreements where the principal amount does not exceed \$3,000,000.

Your Committee received testimony in support of this measure from the University of Hawaii, and the University of Hawaii Professional Assembly.

Your Committee finds that the University utilized financing agreements for the purchase of equipment for many years prior to the enactment of Chapter 37D, Hawaii Revised Statutes, without incident. Such agreements were conditioned with the availability of appropriations, which protected the interests of the University and the State. This measure will allow the University to secure equipment, goods, and services in a timely manner.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 250, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 1114 (Joint) Education and Technology and Health and Human Services on H.B. No. 261

The purpose of this measure is to require the University of Hawaii to develop standards to measure child development outcomes.

The University of Hawaii is also required to publish a report that tracks Hawaii's children and youth to assess progress towards these outcomes. The measure also provides for an appropriation to measure child development outcomes.

Testimony supporting this measure was received from the University of Hawaii, the Department of Health, Hawaii Kids Count, and Good Beginnings Alliance. The Department of Education provided oral testimony in support of the measure.

Your Committees find that, due to the efforts of initiatives from governmental and private agencies, Hawaii is strengthening its capacity to enhance positive outcomes for children and families based on measurable outcomes. Your Committees also find that there is a need for a data collection and reporting infrastructure to support these efforts as provided for in this measure.

Your Committees have amended this measure by:

- (1) Clarifying that the standards reflect that a child shall have access to good health care;
- (2) Requiring that the University of Hawaii request advice from organizations engaged in childhood education and development; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 261, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 261, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chumbley, Matsunaga, Tam, Anderson).

SCRep. 1115 Education and Technology on H.B. No. 1086

The purpose of this measure is to amend the requirement that fifty percent of each school day be devoted to oral expression, written composition, and the spelling of the English language.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that there are times when meeting the fifty percent requirement of each instructional day is not feasible or practical. This rigid standard hampers the Department of Education's ability to provide a varied instructional program which allows students to maximize their learning potential.

Your Committee recognizes that specific curriculum decisions are properly within the purview of the Board of Education. Your Committee notes that this measure will not delete the requirement that schools teach English altogether. Rather, this amendment allows the Board of Education and the Department of Education the freedom and flexibility to establish a strong learning environment and implement the Hawaii Content and Performance Standards, as provided in Section 302A-201, Hawaii Revised Statutes. This ensures that the basics will continue to be taught. This measure simply deletes the mandate that fifty percent of each day be devoted to specific aspects of the curriculum.

To clarify the intent of the Legislature, your Committee has amended this measure to delete its contents in their entirety, and replace them with the contents of S.B. No. 1270, S.D. 1, the companion Senate version. As amended, this measure will delete the fifty percent time requirement and reference to the first eight grades, and add that the Department of Education's course of study and instruction shall be regulated in accordance with the statewide performance standards established under Section 302A-201, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1086, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1086, 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 (Matsunaga, Tam).

SCRep. 1116 Commerce and Consumer Protection on H.B. No. 765

The purpose of this bill is to permit rent-a-car lessors to visibly pass on concession rents and service permit fees to lessees, as an amount separate from the periodic rental rate set forth in the rental agreement.

Catrala-Hawaii, Budget Rent-a-Car and Alamo Rent A Car presented testimony in support of the measure. The Office of the Consumer Protection and the Department of Transportation presented testimony in opposition to the measure.

Your Committee finds that automobile lessors are not allowed to "unbundle" costs such as concession rents and service permit fees in the rental agreement, as they do general excise tax and licensing and registration fees. Other competing tourist destinations, such as Orlando, Florida, allow such "unbundling", which allows lessors in those destinations to quote base prices consistent with nationally advertised rates.

Your Committee finds that consumers who compare quoted prices against nationally advertised prices may be confused and conclude that they are being overcharged in Hawaii. This may have a negative impact on the State's tourist industry.

Your Committee has amended this measure to:

- (1) Specify the information that lessors are required to include in the annual reports to the Department of Transportation and Department of Commerce and Consumer Affairs in order to assure that the concession rents and service permit fees passed onto the consumer are fairly assessed;
- (2) Allow the Director of the Department of Commerce and Consumer Affairs to conduct an exam of the annual reports filed by lessors, and to require the lessors to pay for the cost of the exam; and
- (3) Make technical and non-substantive amendments for the purpose of style and 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 H.B. No. 765, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 765, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 1117 (Majority) Commerce and Consumer Protection on H.B. No. 98

The purpose of this bill is to extend the Employees' Retirement System (ERS) pensioners' bonus to July 1, 2001.

The Hawaii State Teachers Association (HSTA), the HSTA-Retired Organization, the Coalition of Hawaii State/Counties Retirees, the Oahu Retired Teachers Association, and the Retirees Unit of the Hawaii Government Employees Association submitted testimony in support of this measure. The ERS commented on this measure.

Your Committee has amended the measure by deleting the provision that appropriates funds for the extension of the bonus. Your Committee finds that the appropriation section is unnecessary as the need for funding requirement will not occur until fiscal year 2002.

Your Committee finds that extending the pensioners' bonus to July 1, 2001, will help retirees living on fixed incomes cope with the rising costs of living 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. 98, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 98, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 1118 Commerce and Consumer Protection on H.B. No. 749

The purpose of this measure is to establish a certification program for dietitians.

The Department of Commerce and Consumer Affairs (DCCA) and two individuals presented testimony in support of the measure. Numerous individuals, not present at the hearing, submitted written testimony in support of the measure.

The Healthcare Association of Hawaii, the Kauai Rural Health Association, the Queen's Medical Center, the American Dietetic Association, and the Hawaii Society for Parenteral and Enteral Nutrition, though not present at the hearing, submitted written testimony in favor of licensure of dietitians. Numerous individuals also presented or submitted written testimony in favor of licensing dietitians.

Your Committee finds that the certification program proposed in this measure provides title protection for registered dietitians and allows consumers to identify those professionals who possess certain minimum qualifications in the field of dietetics.

Your Committee notes that the DCCA stated that it is currently in discussion with parties interested in establishing a licensure program for dietitians. Therefore, your Committee is passing this measure to allow for continued discussion and for further consideration of this issue by the Committee on Ways and Means.

Your Committee has amended this measure by replacing its contents with the contents of a similar measure, S.B. No. 509, S.D. 1, except for the provisions relating to the director of DCCA's powers and duties and the measure's effective date. As amended, this measure:

- (1) Does not define the term "Commission on Accreditation";
- (2) Authorizes the Director of the Department of Commerce and Consumer Affairs to allow a successful applicant for certification to use the title "dietitian", consistent with the measure's definition of "certified dietitian";
- (3) Does not include public members on the dietitian advisory committee and does not exempt the initial dietitian members of the advisory committee from the certification requirements;
- (4) Establishes as minimum qualifications for certification evidence that an applicant is a current active registered dietitian whose credentials have been conferred by the Commission on Dietetic Registration of the Association, rather than specific education, supervised practice, examination, and reporting requirements;
- (5) Expressly provides that fees assessed against dietitians shall be used to support the operation of the dietitian certification program;
- (6) Provides that each day's violation of the prohibited actions section shall be a separate offense;
- (7) Postpones the measure's effective date to January 1, 2010; and
- (8) Contains technical, nonsubstantive differences.

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. 749, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 749, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1119 (Joint) Commerce and Consumer Protection and Judiciary on H.B. No. 1416

The purpose of this measure is to change the retirement benefit status of deputy sheriffs of the Department of Public Safety.

Specifically, the measure:

- (1) Changes the retirement membership status of deputy sheriffs from Class C, noncontributory members of the Employees Retirement System (ERS) to Class A contributory members;
- (2) Allows deputy sheriffs with at least twenty-five years of service to retire, regardless of age, without actuarially reducing their pension;
- (3) Provides existing deputy sheriffs who are currently Class C, noncontributory members of the ERS with an option to convert to Class A, contributory membership; provided that their credited service prior to becoming a Class A member shall remain as Class C credited service; and
- (4) Stating that any deputy sheriff hired after July 1, 1999, shall be a Class A, contributory member of the ERS.

The deputy sheriffs who convert their retirement status to Class A membership shall be required to contribute twelve and two-tenths percent of their compensation to the ERS.

The Hawaii Government Employees Association testified in support of the measure. The Department of Budget and Finance opposed the measure.

Your Committees have amended the measure by:

- (1) Deleting the majority of the proposed amendments and retaining only the amendment that allows deputy sheriffs to retire without penalty after twenty-five years of service in that capacity;
- (2) Adding provisions that allow qualified contributory class members of the ERS to convert their membership status to noncontributory and obtain a refund of their contributions in cases of financial hardship;
- (3) Adding provisions that establish the chairpersons and members of the Public Utilities Commission, the Labor and Industrial Relations Appeals Board, and the Hawaii Labor Relations Board as Class A, contributory members of ERS;
- (4) Amending section 88-47(a), Hawaii Revised Statutes, to delete an erroneous reference to the executive directors of the Labor and Industrial Relations Appeals Board, and the Hawaii Labor Relations Board as Class A, contributory members of the ERS; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees believe that the provision of retirement benefits in the measure as amended is consistent with those of other public sector employees in similar capacities.

With regard to the inclusion of a conversion of membership status for reasons of financial hardship, your Committees find that many public sector employees, like their private sector counterparts, are suffering through these tough economic times. By providing this membership conversion option, your Committees believe that qualified, financially-depleted public sector employees will have a better chance at maintaining fiscal stability.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1416, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1416, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 4 (Bunda, Chun Oakland, Sakamoto, Anderson).

SCRep. 1120

Judiciary on H.B. No. 163

The purpose of this bill is to bring juror fees and mileage reimbursements to a fairer level by increasing the juror mileage compensation from 33 to 37 cents, and to appropriate money for increased juror compensation.

Your Committee finds that an increase in the mileage compensation for jurors will fairly reflect increases in the cost of transportation since the law was last amended in 1988. Your Committee further finds that our jury system can only continue to function effectively so long as a broad cross-section of our community is willing and able to participate in the jury process. While jury service is a duty or obligation of citizenship, the financial consequences of jury service must not be so high as to prevent participation by a broad cross section of our community. Therefore, your Committee believes that increases to our current jury fees and mileage allowances are necessary and appropriate.

Testimony in support of this measure was submitted by the Judiciary, the Hawaii State Bar Association, and Common Cause Hawaii.

Upon further consideration, your Committee has amended this measure by appropriating \$660,000 to provide for the jury service and mileage fee increases.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 163, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 163, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Tanaka, Anderson).

SCRep. 1121 Judiciary on H.B. No. 1454

The purpose of this bill, as received by your Committee, is to clarify that a single, uniform fee of \$100 is to be applied to all probate actions involving a decedent's estate, and to set a \$5 fee for the District Court's administrative costs associated with the processing of traffic citations for non-moving violations.

Your Committee finds that this measure will establish a uniform fee to be collected only once upon filing for any proceedings involving a decedent's estate. Your Committee further finds that the intent of this effort is to clarify that this one fee applies to all probate cases, whether commenced through formal and informal proceedings by either an appointed representative or personal representative, and including foreign representatives with authority to act in Hawaii.

Your Committee believes that adding an administrative fee for moving violations and increasing the filing fee for civil cases in District Court will generate additional revenue to fund needed Judiciary services and remove unacceptable limitations on the services provided by the courts.

Testimony in support of this measure was submitted by the Judiciary. Testimony in support of proposed amendments to this measure was submitted by the Attorney General, the Department of Transportation, the Department of Human Resources Development, and the Hawaii Criminal Justice Data Center.

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

- (1) Increasing the regular fee for civil district court filings from \$75 to \$100; and
- (2) Adding a provision setting a fee of \$15 for administrative costs associated with processing a moving violation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1454, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1454, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1122 (Joint) Commerce and Consumer Protection and Water, Land, and Hawaiian Affairs on H.B. No. 499

The purpose of this measure is to provide conservation and resources law enforcement officers with the same retirement benefits as police officers and firefighters.

Specifically, the measure:

- (1) Converts Conservation and Resources Law Enforcement Officers of the Department of Land and Natural Resources from Class C, noncontributory members to Class A, contributory members of the Employees' Retirement System (ERS);
- (2) Allows Conservation and Resources Law Enforcement Officers with at least twenty-five years of creditable service to retire irrespective of age without having their pension actuarially reduced; provided that their last five years of credited service were earned as a Conservation and Resources Law Enforcement Officer;
- (3) Provides Conservation and Resources Law Enforcement Officers with a two and one-half percent pension accrual rate; and
- (4) Requires that Conservation and Resources Law Enforcement Officers pay twelve and two-tenths percent of their compensation to the ERS for enhanced retirement benefits.

The Department of Land and Natural Resources, the Hawaii Government Employees Association, and two Conservation and Resources Law Enforcement Officers of the Department of Land and Natural Resources testified in support of the measure. The Department of Budget and Finance opposed passage of the measure. The Employees' Retirement System commented on the bill.

Your Committees have amended the measure by:

- (1) Deleting the majority of the amendments of the measure that convert the ERS membership status of Conservation and Resources Law Enforcement Officers from Class C, noncontributory to Class A, contributory but retaining the provisions that allow Conservation and Resources Law Enforcement Officers to retire after twenty-five years of service irrespective of age;
- (2) Adding provisions that establish the Trustees of the Office of Hawaiian Affairs as Class A, contributory members of the ERS; and
- (3) Changing the effective date of the measure from upon approval to July, 1, 1999.

During its deliberations on similar retirement bills, your Committees found that conflicting views were presented as to whether Class C noncontributory members actually wanted to convert their Employees Retirement System membership over to Class A contributory membership, since converting would in essence, reduce their net monthly "take home" pay.

To alleviate any dispute over this issue, your Committees therefore decided to amend the measure by deleting the majority of the proposed amendments and retaining only the amendment that allows Conservation and Resources Law Enforcement Officers to retire without penalty after twenty-five years of service in that capacity.

Your Committees recognize that the proposal may not be the ideal solution to the issue. However, your Committees understand that there are other options currently under consideration by the Legislature and has therefore crafted the amended measure to keep the issue alive for further discussion.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 499, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 499, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Bunda, Ihara, Nakata, Tanaka).

SCRep. 1123 Commerce and Consumer Protection on H.B. No. 1041

The purpose of this measure is to authorize the Board of Trustees of the Hawaii Public Employees Health Fund (Fund) to use rate credits and reimbursements to:

- (1) Improve plan benefits;
- (2) Reimburse employee-beneficiaries; or
- (3) Reduce employee-beneficiaries' monthly contributions.

The Hawaii State Teachers Association testified in support of the measure. The Board of Trustees of the Fund commented on the measure.

Your Committee finds that the Fund is currently holding approximately \$17 million in state and county employee contributions which it cannot expend due to the lack of statutory authority. The Fund's Board of Trustees, as well as your Committee, believes that providing the Fund with the authority to improve health benefits, reimburse employee-beneficiaries, or reduce the cost of monthly contributions would be beneficial to both public employers and employees.

Your Committee has amended the measure by making technical, amendments suggested by the Fund to ensure the timely and efficient implementation of the measure's intended purpose.

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. 1041, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1041, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1124 Education and Technology on H.B. No. 318

The purpose of this measure is to appropriate funds to the Department of Education for 292 full-time temporary school clerical positions to partially implement the recommendations of the 1990 school and district office clerical staffing study.

Testimony in support of this measure was received from the Department of Education, Hawaii School Office Services Association, the Hawaii State Teachers Association, the Hawaii Government Employees Association, and five School Administrative Services Assistants (SASA).

Your Committee finds that schools statewide are currently staffed at an average of only 70% of the standard. The school clerical staff carry a tremendous burden in our schools, and without additional positions there will be no relief from the heavy workloads, morale problems, burnout, and stress.

Your Committee finds that the lack of adequate clerical support has placed a heavier burden on administrators and teachers, thereby severely hampering their ability to tend to their professional duties.

Your Committee has amended this measure to change the appropriation amount to \$1 for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 318, 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 (Chumbley, Matsunaga).

SCRep. 1125 Education and Technology on H.B. No. 389

The purpose of this measure is to provide additional funds to the Department of Education to extend the benefits of the Learn and Serve Hawaii program to more island students.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Parent, Teacher, and Student Association.

Your Committee finds that the Learn and Serve Hawaii program provides a real-life context for experiential, purposeful, hands-on learning by involving students in community or school service projects. This program benefits both the students in teaching them many life and learning skills, and the community as the students develop an increased sense of ownership and pride as they undertake projects which make their communities better places to live and work.

Your Committee finds that some schools do not have a clear direction as to how to implement a technology plan. Therefore, there is a need for the Department of Education to increase efforts to ensure all schools are routinely informed of current available technology and assist them in increasing use of technology in the classroom.

Your Committee has amended this measure to fill in the blank dollar appropriation with \$1 for the purpose of further discussion in the Committee on Ways and Means.

Your Committee has further amended this measure to add the contents of H.B. No. 403, H.D. 1, with amendments to clarify the bill. This amendment provides tax credits for the purchase or lease of a laptop computer to be used by an eligible student for educational purposes.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 389, 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 (Chumbley, Matsunaga).

SCRep. 1126 Education and Technology on H.B. No. 510

The purpose of this measure is to enable the Board of Education to respond more efficiently to the legal needs of the Board, the Department of Education, and the Hawaii State Public Library System by allowing the Board of Education to employ or retain its own attorneys without the approval of the Attorney General.

Testimony in support of this measure was submitted by the Board of Education. Testimony in support of the intent of this measure was submitted by the Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the Department of the Attorney General.

Your Committee finds that the most pressing reason for the Board of Education to hire attorneys is the burden of legal compliance with the Felix Consent Decree. This has surfaced at the school level as one of the most sensitive and legally complex areas within the roles and responsibilities of school administrators, diagnostic team members, special education teachers, regular education teachers, and school counselors.

While your Committee concurs with the Department of the Attorney General that giving the Board of Education the broad-based power to hire attorneys is not prudent, the three attorneys currently provided by the Department of the Attorney General are unable to handle all of the legal issues surrounding the Felix decision. Thus, your Committee finds that the Department of Education needs to retain its own attorneys for issues involving children with disabilities.

Accordingly, your Committee has amended this measure to delete its contents in their entirety and replace them with section 1 of S.B. No. 669, S.D. 1, and sections 2 and 3 of S.B. No. 1586, S.D. 2. All of these sections were previously heard in your Committee. As amended, this measure would allow the Board of Education to appoint or retain attorneys to provide legal services to the Department of Education for issues involving children with disabilities, including advice and assistance to ensure the lawful and efficient administration and operation of the Department of Education in the area of children with disabilities.

Your Committee stresses that this measure, as amended, is not a statement against the Department of the Attorney General, and it is the intent of your Committee that attorneys hired by the Board of Education be used solely to provide legal advice and assistance in the administration of Felix compliance. The Board of Education must rely on the Department of the Attorney General to provide legal assistance in all other areas.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 510, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 510, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 1127 Education and Technology on H.B. No. 512

The purpose of this measure is to repeal the June 30, 2000, sunset date of the Hawaii Teacher Standards Board, thereby making the board permanent.

Prior to the hearing, your Committee circulated a proposed Senate Draft. Testimony was received on this proposed draft H.B. No. 512, H.D. 2, S.D. 1.

The proposed draft deleted the measure as received and replaced it with the contents of S.B. 743, S.D. 1. The purpose of proposed draft is to appropriate funds to develop an early childhood education center in the Kalihi area.

Testimony was submitted in support of proposed H.B. 512, H.D. 2, S.D. 1, by the Department of Education and a concerned citizen.

Your Committee finds that learning beyond age three is critical for a child's development. Many of our Kalihi area elementary schools serve as exemplary models where families feel supported and parents and teachers work together to help youngsters learn and achieve.

Your Committee finds that the Department of Education is willing to partner with other agencies to develop an early childhood education center in the neighborhoods of Kalihi in order to continue to integrate the early childhood initiatives with the surrounding school community.

Your Committee has amended this measure as received, by replacing the contents of this measure with the proposed H.B. 512, H.D. 2, S.D. 1, and adding Honolulu Community College as one of the schools to participate in the early childhood education center in the Kalihi area.

Your Committee emphasizes that funds to develop an early childhood education center in the Kalihi area shall not be released until an action plan is established.

Your Committee realizes the value of the Hawaii Teachers Standards Board, and your Committee has incorporated provisions from S.B. No. 41, S.D. 1, into H.B. No. 519, S.D. 1, to address this matter. H.B. No. 519, S.D. 1, also is being reported out of your Committee.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 512, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 512, 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 (Chumbley, Matsunaga).

SCRep. 1128 Education and Technology on H.B. No. 532

The purpose of this measure to require gender equity in high school athletics.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, the Honolulu City Council, the Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the American Civil Liberties Union, the Hawaii Women Lawyers, and many concerned citizens.

Your Committee finds that gender inequity in high school sports is not in concert with the nondiscriminatory values of our State. The provisions of this measure will establish a framework for monitoring compliance with gender equity standards. The goal of your Committee is to adopt the same standards as are set forth in Title IX of the United State Code.

Your Committee has amended this measure to delete its contents in their entirety and replace them with the contents of S.B. No. 826, S.D. 1, its Senate companion measure. Your Committee also made additional amendments to this measure, to conform to Title IX of the United State Code.

As amended, this measure:

- (1) Deletes language that allows grouping of students in physical education classes and activities by ability as assessed by objective standards;
- (2) Deletes language requiring public high schools to provide equal athletic opportunities in interscholastics, intramural, and club athletics;
- (3) Requires the commission to consider all funds received and expended for athletic programs and support for the equitable use of funds for support of athletic activities;
- (4) Provides remedies for persons aggrieved by gender equity violations; and
- (5) Clarifies the applicability of this measure to grades nine through twelve only.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 532, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 532, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 1129 Education and Technology on H.B. No. 833

The purpose of this measure is to authorize the University of Hawaii to borrow moneys from financial institutions and to carry over unexpended funds from one fiscal period to the next.

The University of Hawaii and the Department of Budget and Finance testified in support of the measure's intent.

This measure would provide the University of Hawaii with greater flexibility in managing its resources by authorizing the University to establish an activities revolving fund, borrow funds from financial institutions in an aggregate amount not to exceed \$10 million, expend funds in excess of its allotments, and carry over unexpended funds.

This measure further provides that loans made by the University are not "bonds" within the meaning of section 12 of article VII of the State Constitution, in order to avoid having the University's loan amounts counted against the State's debt limit. However, your Committee finds that because exceptions to the State Constitution cannot be established by State statute, loans made by the University would still be counted against the State's debt limit, notwithstanding the exclusionary language of the measure, thereby reducing the amount the State is able to borrow. Accordingly, your Committee has amended this measure by:

- (1) Deleting the provisions relating to the University's authority to borrow funds and establish a University activities revolving fund;
- (2) Making changes in the purpose section and in the provision amending section 37-32, Hawaii Revised Statutes (HRS), consistent with the above amendment;
- (3) Deleting amendments to section 37-42, HRS, that lie beyond the scope of the title of this measure; and
- (4) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 833, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 833, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chumbley, Matsunaga).

SCRep. 1130 Education and Technology on H.B. No. 854

The purpose of this measure is to reduce the portion of the general excise tax revenues deposited into the State Educational Facilities Improvement Special Fund from \$90,000,000 to \$45,000,000.

Testimony in opposition to this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee understands the objections that a reduction in the portion of general excise tax revenues deposited into the State Educational Facilities Improvement Special Fund will greatly hinder the Department of Education's ability to clearly state its preferred and priority projects. However, due to the economic hardships facing this State, cutbacks and fund reductions are not uncommon and sometimes necessary.

Your Committee believes that the Committee on Ways and Means would be best able to determine the specific amount to be deposited into the special fund, which would not only preserve the State's commitment to quality education, but also be financially prudent. Accordingly, your Committee has amended this measure to delete the specific amount to be deposited into the State Educational Facilities Improvement Special Fund for the purpose of further discussion in the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 854, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 1131 Education and Technology on H.B. No. 967

The purpose of this measure is to allow the College of Hawaiian Language to contract in the Hawaiian language directly with providers rather than with the Research Corporation of the University of Hawaii.

Testimony in support of this measure was submitted by the University of Hawaii at Hilo and the College of Hawaiian Language at the University of Hawaii at Hilo. Testimony in support of the intent of this measure was submitted by the Office of Hawaiian Affairs.

Your Committee finds that this measure would greatly facilitate the work of the College of Hawaiian Language at the University of Hawaii at Hilo since the College conducts all its business in Hawaiian. Although a young entity, the College of Hawaiian Language has already drawn much national and international attention. The College of Hawaiian Language must have the freedom to promote and strengthen Hawaiian language use throughout the State.

Your Committee has amended this measure to clarify that the College of Hawaiian Language, when contracting directly with providers in Hawaiian, must follow University of Hawaii contracting procedures.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 967, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 967, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 1132 Education and Technology on H.B. No. 1085

The purpose of this measure is to appropriate emergency funds to the Department of Education to fulfill the requirements of the Felix Consent Decree and to prevent the reduction or discontinuance of essential services for students in regular and special education programs.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that the requirements of the Felix Consent Decree must be fulfilled without any reduction or discontinuation of other essential services to students. However, in these difficult financial times, it is important to your Committee that any moneys appropriated will be spent effectively.

Accordingly, your Committee has amended this measure to change the amount appropriated to an unspecified amount to allow further discussion about how much money should be appropriated to effectively fund necessary services.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1085, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1085, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 1133 Education and Technology on H.B. No. 1088

The purpose of this measure is to authorize the Board of Education to determine readiness standards for children entering kindergarten.

Testimony in support of this measure was submitted by the Board of Education. The Department of Human Services submitted testimony in support of the intent of this measure with concerns and reservations. Testimony in opposition to this measure was submitted by the Hawaii State Teachers Association.

Your Committee finds that attendance at kindergarten and grade school should be based on the readiness of the child. Further, studies have shown that a great deal of harm can be caused to the self-esteem of a child by basing early education decisions on any considerations other than the readiness of the child for school.

Your Committee has amended this measure by deleting its contents in their entirety, and replacing them with the contents of S.B. No. 1272, S.D. 2, its Senate companion measure. Your Committee has further amended this measure to incorporate provisions which address the concerns of the Department of Human Services.

As amended, this measure:

- (1) Specifies that the minimum ages required for attending kindergarten and grade school are to be based on the age of the child on the first day of the school year as determined by the Board of Education;
- (2) Requires that the screening assessments for kindergarten readiness be free of charge; and
- (3) Requires that the Department of Education transfer any funds that become available due to any lag of the number of students entering kindergarten to the Department of Human Services for the purposes of establishing programs for those children deemed not ready to enter kindergarten.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1088, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1088, 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 (Chumbley, Matsunaga).

SCRep. 1134 (Majority) Education and Technology on H.B. No. 1198

The purpose of this measure is to create the Integrated Tax Information Management Systems Special Fund for the operation, maintenance, monitoring, and improvement of related automated tax systems.

Testimony in support of the intent of this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that the contract for an integrated tax information management system, which has been negotiated by the Department of Taxation, specifies that the vendor will not get paid unless there is an increase in revenue collection and/or cost saving realized from and attributable to the implementation of the automated tax system.

This measure would establish a special fund which would be used solely as a means of paying the vendor. The special fund is needed to facilitate timely payments to the vendor, thereby minimizing interest costs to the State.

Your Committee has amended this measure by deleting the contents in their entirety, and replacing them with the contents of S.B. No. 1171, S.D. 1, its companion Senate measure. To address concerns regarding the linkage between the special fund and the revenue source for payment of the integrated tax information management system contracts, your Committee has also adopted the recommendations of the Department of Taxation, and has additionally amended this measure per that testimony.

Specifically, these amendments:

- (1) Clarify the statutory language to allow the Department of Taxation to only deposit into the special fund, general excise tax revenues as necessary to meet the obligations of the Integrated Tax Information Management Systems performance-based contract;
- (2) Limit the amounts transferred to the special fund to amounts necessary to meet the obligations of the contract, and limit the total amounts transferred to the special fund for any fiscal year to the legislative appropriation authorized for the fiscal year;
- (3) Specify that the moneys in the fund are to be expended to pay for the contract, and delete reference to payments for the operation, monitoring, maintenance, and improvement of the system;
- (4) Amend section 237-31, Hawaii Revised Statutes, to include the tax information management systems special fund as a deduction from general excise tax revenues. This avoids the conflict established by creating a special fund without amending that section;

- (5) Delete the amendments to sections 36-27 and 36-30, as unnecessary since the Director of Taxation may request moneys up to the limits established for the special fund to reimburse any administrative or other expenses; and
- (6) Set a sunset date of July 1, 2004, for this special fund to be repealed, to ensure the timely implementation of the integrated tax information management system.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1198, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1198, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Matsunaga, Tam).

SCRep. 1135 Education and Technology on H.B. No. 1660

The purpose of this measure is to appropriate funds to pay for utilities for the Community Colleges of the University of Hawaii system.

Testimony in support of this measure was submitted by the University of Hawaii.

The University of Hawaii stated that the Community Colleges require additional funding to meet critical shortages in electricity funding. While the Community Colleges have initiated energy conservation measures to control costs, an electricity shortfall has been increasing over the years as rates have risen and program requirements and new facilities have increased consumption. Current estimates for additional funding requirements to meet critical shortages in electricity funding amount to \$1,217,869 for fiscal year 1999-2000, and \$1,528,821 for fiscal year 2000-2001 for the Community Colleges. Estimates for funding shortages in electricity funding for the entire system amount to \$1,594,057 for fiscal year 1999-2000, and \$2,926,498 for fiscal year 2000-2001.

Your Committee has amended this measure to broaden the appropriation to pay for utilities for the University of Hawaii system, and not specifically for the Community Colleges. Your Committee believes that this will allow the University more flexibility in determining the utilities funding allocations.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1660, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1660, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 1136 (Joint) Education and Technology and Economic Development on H.B. No. 1683

The purpose of this measure is to establish a high technology research park at the University of Hawaii at Hilo, and to provide tax incentives to encourage high technology businesses, including biotechnology businesses, to locate their operations in the high technology park.

Testimony in support of this measure was submitted by the University of Hawaii at Hilo. Testimony in support of the intent of this measure was submitted by the Department of Taxation, the Hawaii Community Development Authority, and the Hawaii Institute of Tropical Agriculture and Resources. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committees find that with current and proposed research facilities in astronomy and agriculture located on the University of Hawaii at Hilo Research Park, this area is ideal for high technology companies because of the proximity of both built in clients and educational synergy.

Your Committees have amended this measure to relocate the establishment of the high technology research park within Chapter 304, Hawaii Revised Statutes, which deals with University of Hawaii affairs. In so doing, your Committees have replaced the Hawaii Community Development Authority with the University of Hawaii at Hilo as the lead agency in the development of this park.

Your Committees have further amended this measure to allow the High Technology Development Corporation to render assistance to the Hilo High Technology Research Park. Because the High Technology Development Corporation assists other high technology parks across the State, your Committees find that this agency would be best able to assist the University of Hawaii at Hilo.

Your Committees have also deleted the tax incentives provided for in this measure. It is your Committees' belief that such tax incentives should be applicable statewide, and no single area should be singled out for tax incentives. Your Committees note that tax credits for high technology investments are addressed in H.B. No. 377, H.D. 2, S.D. 1, also heard by your Committees.

Your Committees note that ceded lands may be involved in this measure and encourage further discussion on this issue.

It is the hope of your Committees that other high technology parks be established in other neighbor island locations.

As affirmed by the record of votes of the members of your Committees on Education and Technology and Economic Development that is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1683, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1683, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Kawamoto, Matsunaga, Taniguchi).

SCRep. 1137 (Majority) Economic Development on H.B. No. 32

The purpose of this measure is to allow privately-funded industrial hemp research to be conducted in Hawaii when the State Department of Public Safety issues a controlled substance registration and the United States Department of Justice, Drug Enforcement Administration, issues a federally-controlled substance registration for research on the agronomic potential of industrial hemp.

Testimony in support of this measure was received from the Board of Agriculture, Department of Business, Economic Development, and Tourism, ILWU Local 142, Hawai'i Nurses' Association, Life of the Land, Hemp Industries Association, Hemptech, Island Hemp Wear, Frederick Brewing Co., The Larch Company, and four individuals.

Testimony in opposition to the measure was received from the Honolulu Police Department, Hawaii Island Economic Development Board, Kona-Kohala Chamber of Commerce, MacFarms of Hawaii, and an individual.

The Office of Information Practices and the Hawaii Farm Bureau Federation submitted comments on the measure.

Your Committee finds that with the decline of the sugar and pineapple industries in Hawaii, the State must explore ways to diversify its agricultural base. The development of industrial hemp as an alternative crop presents one such opportunity and has the potential to generate millions of dollars in revenue for the State.

Industrial hemp is used in numerous products, including clothing, building supplies, and food and nutritional products. However, American manufacturers of hemp products currently must import industrial hemp from other countries, such as Canada, in order to meet their fiber and seed oil needs. The development of hemp agriculture in Hawaii would serve the needs of the domestic hemp industries while providing jobs and revenue for the State. The passage of this measure would allow the State to move forward towards exploring the possibility of industrial hemp as an alternative crop without the use of State funds.

Your Committee is aware that the issue of hemp production raises certain social policy and public safety concerns. Accordingly, your Committee has amended this measure to require, rather than allow, the Department of Public Safety to monitor all phases of the research.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 32, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 32, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Ige, M.). Excused, 1 (Kawamoto).

SCRep. 1138 Economic Development on H.B. No. 180

The purpose of this measure is to provide the Department of Land and Natural Resources with a permanent Alien Species Coordinator position.

Testimony in support of this measure was received from the Board of Land and Natural Resources and Maui Pineapple Company, Ltd.

Currently, the Department of Land and Natural Resources has an Alien Species Coordinator in a temporary position in the Land and Natural Resource 402 Program.

Currently, there are twenty estimated alien species a year that are introduced into the State.

Your Committee finds that alien species are the greatest threat to conservation of the natural resources and native plants and animals of Hawaii. Your Committee finds that alien species are also a significant threat to our economy, particularly to the agriculture sector and affect the quality of life.

Your Committee finds that this measure will assist the Department of Land and Natural Resources with its continued efforts to address the many problems posed by alien species invasions in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 180, 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, 2 (Kawamoto, Taniguchi).

SCRep. 1139 Economic Development on H.B. No. 336

The purpose of this measure is to require the Department of Agriculture (DOA) to maintain lists of approved, restricted, and prohibited microorganisms.

This measure will also provide a procedure for allowing the importation of microorganisms not on any list on a case by case basis, allow DOA to publish interim rules in a newspaper of general circulation, and increase the number of days currently required for publishing from the date of issuance.

Testimony in support of the intent of this measure was received from the Board of Agriculture and the Hawaii Agriculture Research Center. Testimony in support with amendments was received from the College of Tropical Agriculture and Human Resources at the University of Hawaii, the Department of Microbiology at the University of Hawaii, and one individual. Comments on this measure were received from the Hawaii Biotechnology Group, Inc. and the Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that throughout the world, agricultural scientists have been discovering that there are many microorganisms that are essential to healthy soils. Naturally occurring, beneficial microorganisms are now being used in many countries and on the mainland in nurseries, farming, and forestry to improve depleted conditions in degraded agricultural and pasture lands. Many of these beneficial organisms can reduce the application of harmful chemical fertilizers and fungicides, and foster sustainable agricultural systems.

Your Committee finds that currently, state laws governing the importation of animals, plants, and microorganisms are no longer adequate for support of Hawaii's research, education, and industry interests. The highly competitive and rapidly evolving scientific and commercial fields of today require more effective procedures for expediting the importation of organisms necessary to remain competitive with the mainland and foreign countries. At the same time, the unique Hawaiian environment and the health and safety of its citizens must be protected.

Your Committee finds that this measure will balance the needs of the research and business communities while providing adequate protection to the environment, and human, animal, and plant health in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 336, 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, 2 (Kawamoto, Taniguchi).

SCRep. 1140 Economic Development on H.B. No. 367

The purpose of this measure is to establish a tax credit for farmers and ranchers who install agricultural water storage facilities for drought mitigation purposes.

Testimony in support of this measure was received from the City and County of Honolulu Board of Water Supply, County of Maui Board of Water Supply, County Council for the County of Maui, Central Maui Soil and Water Conservation District, Hawaii Farm Bureau, Kohala County Hawaii Farm Bureau Federation, Maui County Farm Bureau, Maui Farmers' Cooperative Exchange, Kula Grown Vegetable Farm, Maui Pineapple Company, Ltd., Ulupalakua Ranch, Inc., and one concerned farmer.

Testimony in support of this measure with amendments was received from the Big Island Farm Bureau. Testimony in opposition to this measure was received from the Department of Taxation. Comments were presented by the Hawaii Tax Foundation.

Your Committee finds that several drought-like conditions in recent years have required the counties to mandate restrictions on watering activities. Contractors and farmers have all sustained economic losses through forced reductions in water usage.

Your Committee finds that this measure will promote water storage and conservation which is vital to this State which has been under the threat of drought in recent years. This in turn, will increase agricultural potential and help to resolve the water use problems in the State.

Your Committee has amended this measure by:

- (1) Specifying the amount of allowable credit to be ten percent of the investment paid by the taxpayer;
- (2) Requiring the facility constructed with the qualified water storage investment have a minimum capacity of 10,000 rather than 1,000,000 gallons;

- (3) Amending the definition of "qualified water storage investment" by replacing the county Department of Water Supply with the Department of Agriculture as the entity responsible to certify whether the construction of a new agricultural water storage facility or the expansion of an existing agricultural water storage facility is necessary for drought mitigation purposes; and
- (4) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 367, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 367, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 1141 Economic Development on H.B. No. 945

The purpose of this measure is to authorize the Department of Agriculture to process, market, and display agricultural-related commercial operations conducted by lessees in its agricultural park complexes.

Testimony in support of this measure was received from the Board of Agriculture, the Office of Hawaiian Affairs, Hawaii Farm Bureau, Big Island Farm Bureau, Hawaii Island Landscape Association, and Keahole AG Park Association, including fifteen farmers.

Your Committee finds that agriculture can help lead Hawaii toward economic recovery, as it is one of the growth industries in Hawaii. Your Committee finds that efforts should be made to stimulate economic activity in agriculture, especially when there is no need for the State to use public funds to do so.

Currently, farmers in Hawaii are only allowed to sell products that they can directly raise on their agricultural lots.

Your Committee finds that including commercial activities relating to the agriculture industry within agricultural parks can only serve to increase the viability and stability of our Hawaiian farming enterprises.

Your Committee finds that there are numerous economies of scale that may be realized when the processing, production, and even marketing aspects of agricultural products are centralized in a few locations. Small producers will be able to tap into resources and venues that otherwise would be outside their reach given their scale of production.

This measure will serve to complement the State's effort to promote diversified agriculture. This measure will additionally benefit both farmers and the State because farmers will have an outlet for their products at the market value, through their promotion, displays, and marketing efforts. More farmers in return, will benefit the State with a significant increase in employment opportunities.

Your Committee recognizes the concern of the Board of Agriculture regarding the origin of products being sold and the need for monitoring requirements to determine if such products are acceptable for sale in agricultural parks. Hence, the Board of Agriculture will control products offered for sale through amendments to the agricultural park program administrative rules.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 945, 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, 2 (Kawamoto, Taniguchi).

SCRep. 1142 Economic Development on H.B. No. 1027

The purpose of this measure is to provide a general excise tax exemption for aviation training facilities.

Testimony in support of this measure was received from the Office of the Lieutenant Governor, Department of Business, Economic Development, and Tourism (DBEDT), Department of Taxation, and Department of Transportation. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that Hawaii has the opportunity to position itself as the premier site for aviation training in the Pacific. For over seven years, DBEDT has worked closely with Honolulu Community College to establish a pilot training program. The tax incentive provided in this measure will encourage further development of Hawaii's airline industry which will diversify the economy and create new business and employment opportunities.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1027, 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, 2 (Kawamoto, Taniguchi).

SCRep. 1143 Economic Development on H.B. No. 1403

The purpose of this measure is to establish a State Hunting Advisory Council with a chapter on Maui, Molokai, Lanai, Oahu, and Kauai, and two chapters on the Island of Hawaii.

Testimony in support of this measure was received from the Board of Land and Natural Resources, Hawaii Hunting Association, Hawaii Hunting Advisory Council, and one individual. Testimony in opposition to this measure was received from the EarthJustice Legal Defense Fund, Hawaii Chapter of the Sierra Club, and Conservation Council for Hawaii.

Your Committee finds that the State Hunting Advisory Council and its chapters will improve communication between the hunting community, the Board of Land and Natural Resources, and others on matters affecting hunting on each island and throughout the State.

Your Committee has amended this measure by:

- (1) Providing that members of the State Hunting Advisory Council shall be reimbursed for reasonable expenses, as determined by the Department of Land and Natural Resources, with amounts from the Wildlife Revolving Fund; and
- (2) Making technical, nonsubstantive changes for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1403, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1403, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 1144 (Joint) Economic Development and Commerce and Consumer Protection on H.B. No. 1628

The purpose of this measure is to create a program that enables cooperating lenders to provide loan funds, with the Department of Agriculture (DOA) providing credit, underwriting, and loan servicing. This measure also allows the Employees' Retirement System to invest in obligations secured by mortgages on farm land, as well as obligations for the repayment of loans guaranteed by the DOA.

Your Committees received testimony in support of this measure from the Department of Agriculture. The Employees' Retirement System (ERS) presented testimony in opposition.

Your Committees find that under current economic and fiscal conditions, a range of alternatives other than State funds is needed to provide loan assistance to farmers. This measure would utilize cooperating lenders' funds to expand the agricultural loan pool at reasonable rates and terms, while minimizing the risk to lenders through DOA guarantees for up to ninety percent of the loan.

Your Committees have also heard the concerns expressed by the ERS regarding the loan rates in this measure. ERS investment decisions are based on a policy of securing prudent, maximum returns for the ERS and its members, and the proposed loan rates in this measure are below those the ERS would consider at the present time.

Your Committees find that the concerns expressed by the ERS require additional discussions in order to reach a decision that would jeopardize neither the proposed agricultural loans nor the investment policies of the ERS. Your Committees have amended this measure accordingly, by deleting Section 3 of the measure, relating to ERS investments.

Your Committees believe that further discussion regarding the policies of the ERS can be appropriately considered in the Committee on Ways and Means.

As affirmed by the records of votes of the members of your Committees on Economic Development 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. 1628, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1628, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Ige, M., Ihara, Kawamoto).

SCRep. 1145 Economic Development on H.B. No. 1668

The purpose of this measure is to appropriate funds for taro research and to establish a taro research special fund to be administered by the Agribusiness Development Corporation.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation (ADC), the University of Hawai'i College of Tropical Agriculture and Human Resources (CTAHR), the County of Kauai Office of Economic

Development, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, the Kauai Taro Growers Association, and three individuals.

Your Committee finds that considerable progress has been made over the past year in multidisciplinary research being conducted at CTAHR into taro diseases, particularly pocket rot and leaf blight. With this progress, prospects for the survival of the industry are vastly improved.

Your Committee also finds that, while the outlook for the industry is much more promising, further efforts are needed to assist taro farmers who suffered widespread losses in recent years.

Your Committee has amended this measure to:

- (1) Delete the taro research special fund;
- (2) Change the appropriation from \$1 to \$180,000;
- (3) Designate the Department of Agriculture as the expending agency, with CTAHR to conduct the research; and
- (4) Make technical, nonsubstantive amendments.

It is also your Committee's intent that this appropriation be included as one of the research appropriations in H.B. No. 333, S.D. 1, previously heard by this Committee, and referred to the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1668, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1668, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 1146 (Majority) Economic Development on H.B. No. 1706

The purpose of this measure is to limit the practice of shark finning at sea.

Specifically, this measure prohibits the sale of shark fins unless the shark has been landed whole in the State.

Testimony in support of this measure was received from the Board of Land and Natural Resources, the Department of Business, Economic Development, and Tourism, the Department of Health, the Office of Hawaiian Affairs, the Kaho'olawe Island Reserve Commission, the Environmental Center of the University of Hawaii, Hawaii Fishermen's Foundation, Conservation Council for Hawaii, Earthjustice Legal Defense Fund, Earthtrust, EnviroWatch, Inc., Greenpeace, the Hawaii Audubon Society, the Hawaii Green Party, Life of the Land, the Sierra Club, Hawaii Chapter, Diamond Bay Specialty Seafoods Hawaii, and numerous concerned citizens.

Testimony in opposition to the measure was received from the Western Pacific Regional Fishery Management Council, the Boat Owners Association of the State of Hawaii, the Honolulu Agency, Inc., Ocean Catch, Inc., R.C. International Inc., Noriko Marine Agency, Inc., and forty concerned boatowners or fishermen.

Your Committee finds that the practice of harvesting sharks for their fins only and discarding the rest of the fish is wasteful and sadistic. Once the dorsal, pectoral, and tail fins have been sliced off, the stunned shark is thrown overboard and left to die slowly. The waste involved in this practice is offensive to many citizens of the State and particularly to native Hawaiians.

Your Committee notes, however, that there is conflicting evidence concerning the effects of the shark finning practice on shark stocks in the Pacific. According to testimony of the Western Pacific Regional Fishery Management Council, "It is the blue shark which constitutes virtually the entire shark catch of the Hawaii-based longline fleet. There is no evidence at this time that blue sharks are being harvested in the Council's area of jurisdiction beyond sustainable limits."

Your Committee also notes that this measure does not prevent fishermen from landing a shark, removing its fins, and disposing of the carcass on land.

Your Committee believes that, in the face of conflicting evidence, this measure is an important interim step in controlling the practice of harvesting sharks for their fins only, until there is further scientific evidence that this is not a serious problem. Therefore, your Committee is passing this measure in order to continue the discussion of the range of concerns relating to this important and controversial issue.

Your Committee has amended this measure by revising the definition of "whole" as it relates to a landed shark. This new definition allows fishermen to remove the tail and bleed the shark upon immediate capture, thereby lowering the urea level and rendering the fish edible.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1706, H.D. 3, S.D. 1, and be referred to the Committee on Water, Land, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Ige, M.). Excused, 1 (Kawamoto).

SCRep. 1147 (Joint) Labor and Environment and Health and Human Services on H.B. No. 798

The purpose of this measure is to clarify jurisdiction over noise control with respect to the convention center.

Specifically, this measure amends laws relating to regulation of certain public nuisances to provide that any permit granted by the Department of Health (DOH) prevails over any county ordinance with respect to the convention center.

Testimony in support of this measure was received from the Department of Health, the Convention Center Authority, the Hawaii Agriculture Research Center, the Waikiki Neighborhood Board, and Yacht Harbor Towers. Testimony in opposition to the measure was received from Hawaiian Electric Company, Neighbors of the Ala Wai, and a concerned citizen.

Your Committees find that the issue of jurisdiction over noise control has come into focus in recent years because of the conflict between the Convention Center Authority and area residents regarding noise generated by Convention Center events. Your Committees strongly believe that steps must be taken to clarify the jurisdiction issue in order to provide the best protection for the citizens of the State.

Your Committees have amended this measure by deleting its contents and replacing it with the language of S.B. No. 798, S.D. 2, which:

- (1) Clarifies that noise permits granted by the Department of Health with respect to the noise pollution or convention center laws prevail over county ordinances unless the ordinance provides greater protection;
- (2) Clarifies that, with respect to the convention center, noise control is regulated only by the Department of Health.

Your Committees have also amended this measure by including noise-related variances granted by the Department of Health as prevailing over ordinances.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 798, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 798, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Chumbley, Ige, M.).

SCRep. 1148 Labor and Environment on H.B. No. 1142

The purpose of this measure is to transfer the certification of cesspool pumping operations from the State Board of Certification to the Department of Health (DOH).

This measure also expands DOH's authority, under the water pollution provisions of Chapter 342, Hawaii Revised Statutes, to:

- (1) Regulate domestic sewage and recycled water;
- (2) Provide for consistent wastewater penalties; and
- (3) Allow for search warrants to investigate wastewater spills.

Testimony in support of this measure was received from DOH. Testimony supporting the measure with amendments was received from the Department of Environmental Services of the City and County of Honolulu, Maui County, and Kauai County.

Your Committee finds that this measure addresses a major concern of DOH, that is, the suspected illegal dumping of wastewater such as cesspool pumpings and sludge into the environment by private pumpers. The measure also provides DOH with expanded authority to regulate wastewater spills that present risks to human health and the environment.

Your Committee also finds that, currently, the State laws relating to water pollution do not contain clear guidelines for the courts to follow when imposing penalties for both civil and administrative actions. The Federal Clean Water Act, title 33 United States Code, section 1319(d) and (g), includes an exhaustive list of factors that are to be taken into consideration when imposing a penalty. It would be prudent for the State Water Pollution Law, which was modeled after the Federal Clean Water Act, to adopt these penalty factors for consistency with federal law and for clarity.

Your Committee has amended this measure by:

- (1) Adding amendments to the civil and administrative penalties sections of the water pollution statutes listing the factors that are to be taken into consideration when imposing a penalty, modeled after the Federal Clean Water Act; and
- (2) Amending the definition of "recycled water" to read "is treated wastewater that by design is intended or used for beneficial purposes" and deleting "reclaimed water" from the definition.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1142, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1142, H.D. 3, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ige, M.).

SCRep. 1149 Labor and Environment on H.B. No. 1277

The purpose of this measure is to exclude from the definition of "public utility" any facility that reclaims wastewater, provided that:

- (1) At least ten per cent of the wastewater processed is used by the State or county under a service contract;
- (2) The sole function of the facility is the processing and distribution of secondary treated wastewater;
- (3) The facility is not processing food wastes; and
- (4) The facility is not selling water to the residential customers.

The Department of Health, the City and County of Honolulu Department of Environmental Services, and U.S. Filter Operating Services, Inc., presented testimony in support of this measure. The Consumer Advocate testified in opposition.

Your Committee finds that the City and County of Honolulu (City and County) has recently entered into a contract with U.S. Filter Operating Services, Inc. (U.S. Filter), to process the secondarily treated wastewater at Honouliuli for distribution and use by both the City and County and large commercial users in the Ewa plain. This project, which was the result of a Consent Degree entered into by the U.S. District Court in response to a suit filed by the U.S. Environmental Protection Agency, will not provide reclaimed water to residential users.

Your Committee further finds that the purposes of this project are to help meet the City and County's obligations to find beneficial uses for wastewater that is currently discharged in the ocean after treatment, and to return treated water to the City and County for use at Honouliuli and for City and County irrigation purposes. As such, the project serves no broad public purpose and should not be regulated as a public utility.

Your Committee notes, however, that commercial entities operating in the area have expressed concerns that they would be forced to purchase the recycled water produced by U.S. Filter at a price that is not affordable.

Your Committee has amended this measure by:

- (1) Adding as a person excluded from the definition of public utility, one who owns a facility for the reclamation of wastewater;
- (2) Clarifying that the function of the facility is the processing of secondary treated wastewater and distribution of the water produced;
- (3) Adding a provision providing that the purchase of reclaimed or recycled water from the exempt facility by commercial entities shall be voluntary and available at market prices; and
- (4) Reformatting the new statutory material for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1277, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1277, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ige, M.).

SCRep. 1150 Education and Technology on H.B. No. 252

The purpose of this measure is to prevent "diploma mills" from issuing Hawaii degrees by prohibiting unaccredited institutions from issuing degrees unless they comply with certain standards.

Testimony in support of this measure was submitted by the University of Hawaii, the Department of Commerce and Consumer Affairs, the Hawaii State Teachers Association, the Chamber of Commerce of Hawaii, International University, the University of Phoenix, and the University of Nations. Testimony in support of the intent of this measure was submitted by Kennedy-Western University, Pacific Western University, and Greenwich University.

Your Committee finds that the business of unaccredited degree granting institutions operating under Hawaii laws is burgeoning. This measure will require stronger and clearer disclosures regarding an institution's accreditation, prohibit the issuance of certain types of degrees, create a mechanism for service of process and require a level of physical presence in order to operate.

Your Committee has amended this measure to make it even more effective in preventing "diploma mills" from issuing Hawaii degrees by:

- (1) Deleting the five year phase-in implementation of the requirements of this measure;
- (2) Clarifying that no unaccredited institution shall issue degrees unless the institution has an office, at least one full-time employee, and at least twenty-five enrolled full-time students who are residents of Hawaii; 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 Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 252, H.D. 3, 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 (Chumbley, Matsunaga).

SCRep. 1151 Education and Technology on H.B. No. 307

The purpose of this measure is to encourage savings for higher education expenses by establishing a college savings program. This will enable families to save for college tuition and other expenses through college accounts.

Testimony in support of this measure was submitted by the University of Hawaii, the Department of Education, the Department of Budget and Finance, the Department of Accounting and General Services, the Hawaii State Teachers Association, TIAA-CREFF, and two concerned individuals. The Department of Taxation submitted testimony in support of the intent of this measure. Information was submitted by the Tax Foundation of Hawaii.

Your Committee finds that this measure would provide federal and state income tax benefits for those saving for college attendance at public and private colleges. Because education is such a high priority in this State, your Committee endorses this mechanism to help Hawaii families provide for the cost of their children's education.

Your Committee has amended this measure pursuant to the requests of the Department of Taxation, the Department of Budget and Finance, and the Department of Accounting and General Services. Specifically, your Committee has amended this measure to:

- (1) Conform to the qualification requirements of the federal tax laws and section 529 of the Internal Revenue Code of 1986;
- (2) Delete the provision that the designated beneficiary may be the account holder; and
- (3) Replace the Comptroller with the Director of Finance as the administrator of the program. Both Departments of Accounting and General Services and Budget and Finance agree that this will minimize administrative costs accrued by the State.

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

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 307, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 307, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 1152 Education and Technology on H.B. No. 519

The purpose of this measure is to provide more continuity and stability in establishing teacher licensing and credentialing standards by staggering the terms of the members of the Hawaii Teacher Standards Board beginning in 2001.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that the Hawaii Teacher Standards Board, in ensuring that qualified teachers are employed to educate Hawaii's students, is essential to the improvement of our public school system.

Your Committee has amended this measure to delete its contents in their entirety, and replace them with the contents of S.B. No. 41, S.D. 1, which has been previously heard in your Committee. As amended, this measure staggers the initial terms of the seven members to be appointed to the Hawaii Teacher Standards Board after June 30, 2000, and extends the sunset date of the Hawaii Teacher Standards Board to June 30, 2010.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 519, 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 (Chumbley, Matsunaga).

SCRep. 1153 Commerce and Consumer Protection on H.B. No. 661

The purpose of this measure is to implement a cost recovery mechanism to allow commercial mobile radio service (CMRS) providers to recover costs associated with providing wireless enhanced 911 (E911) service. This measure would create a Wireless Enhanced 911 fund (Fund), and establish an E911 Advisory Board (Board) with the authority to adjust surcharges to ensure full recovery of E911 costs.

The Police Department of the City and County of Honolulu presented testimony in support of the measure. The Department of Health, the Consumer Advocate, Hawaiian Wireless, Honolulu Cellular, AT&T and GTE presented testimony in support of the measure with proposed amendments. Although not present at the hearing, Western Wireless Corporation submitted written testimony in support of the measure with proposed amendments.

Your Committee finds that E911 services would give emergency personnel the ability to locate emergency CMRS calls and increase the odds of saving lives and assisting citizens in emergency situations.

Also, the Federal Communications Commission (FCC) has enacted regulations that require CMRS providers to provide E911 service upon request, if a cost recovery system is in place to allow CMRS providers to recover costs incurred in providing E911 services.

Your Committee further finds that this measure is necessary to establish a cost recovery mechanism in the form of a surcharge that would allow CMRS providers to implement an E911 service plan. This surcharge would be comparable to the surcharge consumers now pay today on their landline phones.

CMRS providers and the Consumer Advocate have worked diligently to develop rules to establish and administer a cost recovery mechanism so that E911 service will be available to the residents of the State. Your Committee has worked to incorporate their suggestions into this measure.

Your Committee has amended this measure to:

- (1) Restructure the Fund to establish a central fund administered by the Board, from which CMRS providers may apply for reimbursements of E911 costs;
- (2) Increase the number of Board members and restructure the Board in order to add representation from the Consumer Advocate, two small CMRS providers, two large CMRS providers and two at-large CMRS providers;
- (3) Require the Board to review and evaluate the surcharge and fund to make recommendations as to whether the surcharge and fund should be continued, discontinued or amended;
- (4) Clarify the effective date of the surcharge;
- (5) Provide for a specific priority for disbursements from the fund;
- (6) Provide for added safeguards to protect proprietary information from unnecessary disclosure to representatives of competitor CMRS providers.
- (7) Lower the cap on funds available to Public Service Answering Points from twenty-five per cent to three and one-half per cent to account for the change of the structure of the fund;
- (8) Clarify that the Fund is a special fund outside the State Treasury;
- (9) Make technical and non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 661, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 661, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 1154 Commerce and Consumer Protection on H.B. No. 1071

The purpose of this bill is to allow the Insurance Commissioner to hire attorneys not subject to Chapters 76 and 77, Hawaii Revised Statutes.

Your Committee finds that the insurance industry is an evolving industry. New innovative products are being offered and regulation is changing to meet the demands of both the consumers and the industry. Passing an examination for licensing does not ensure that the licensee has kept abreast of industry changes. Your Committee believes that only through continuing education will an individual have sufficient knowledge to properly advise, solicit, or sell insurance products. Your Committee would like the insurance commissioner to work with agents and receive input from them in designing of the continuing education program.

Your Committee further finds that the Insurance Commissioner plays a very important role in this State. The Commissioner has the responsibility of protecting consumers while at the same time providing reasonable competition in the insurance market. This measure allows the commissioner to retain staff with expertise by establishing a source of funding that has a direct relation to the division's regulatory role.

Your Committee further finds that this measure and its source of funding is essential for the Department of Commerce and Consumer Affairs' and the Insurance Division's move towards self-sufficiency.

Your Committee has amended this measure by deleting all substantive provisions and inserting language contained in H.B. No. 1067, H.D. 2.

As amended this bill would:

- (1) Establish a continuing education program for licensees;
- (2) Establish the insurance licensing administration special fund and allow moneys to remain in the special fund instead of reverting to the general fund;
- (3) Appropriate moneys from the special fund to carry out the purposes of this measure; and

Your Committee has also made technical amendments for purposes of style and 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 H.B. No. 1071, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1071, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 1155 (Joint/Majority) Judiciary and Commerce and Consumer Protection on H.B. No. 20

The purpose of this bill, as received by your Committees, is to:

- (1) Increase judicial salaries by 14 percent effective July 1, 1999, and by an additional 13 percent effective July 1, 2000;
- (2) Eliminate the early retirement provision for judges, including the provision allowing judges to retire whenever the member's allowance reaches 75 percent of the member's average final compensation; and
- (3) Ensuring that changes to the early retirement provision will not adversely affect the accrued rights of current judges as of June 30, 1999, and individuals who are or were members of the Employees' Retirement System and who accrued benefits as judges before July 1, 1999.

Your Committees find that Hawaii's judges are significantly undercompensated. Hawaii is the only state in the nation that has not increased the salary of its judges during the last nine years. Your Committees note that since 1990, forty-four of the remaining forty-nine states have granted their judges three or more raises. In 1997 alone, twenty-nine states raised the salaries of their general trial court justices.

Your Committees further find that Hawaii's failure to adequately compensate its judges is adversely affecting the quality of justice. Insufficient compensation creates the risk that judges will leave the bench, thus depriving the public of the significant value of experienced jurists. Since 1992, ten seasoned and experienced judges have left Hawaii's bench due, in part, to the lack of adequate compensation. Your Committees note that in recent months, another two seasoned justices have announced their intention to leave the bench. Your Committees believe that these departures will continue until compensation is adjusted. Therefore, your Committees agree that an increase in judicial salaries is required in order to ensure that the most highly qualified individuals will be attracted to the state judiciary and will be able to serve and continue to serve without unreasonable economic hardship.

Testimony in support of this measure was submitted by the Judiciary, the Hawaii Government Employees Association, the Hawaii State Bar Association, the United Public Workers Union, Hawaii Women Lawyers, two private attorneys, and two private citizens. The Employees' Retirement System also submitted comments on this measure.

Upon further consideration, your Committees have amended this measure by deleting its substance and inserting the contents of S.B. 1345, S.D. 1, which provides an increase in judicial salaries by eighteen percent over two years. Your Committees have further amended this measure by adopting the recommendations of the Employees' Retirement System, including making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary 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. 20, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 20, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Kanno). Excused, 4 (Bunda, Chun Oakland, Sakamoto, Anderson).

SCRep. 1156 (Joint) Health and Human Services and Education and Technology on H.B. No. 259

The purpose of this measure is to provide access to early childhood screenings for psychological, cognitive, language, motor, and behavioral or social-emotional development.

Your Committees received testimony in support of this measure from the Department of Human Services, Department of Health (DOH), Department of Education (DOE), Hawaii State Teachers Association, American Academy of Pediatrics, Hawaii Chapter American Physical Therapy Association, Hawaii Early Intervention Coordinating Council, Good Beginnings Alliance, and Project SEEK.

Under this measure, screening and certification of screening for children between two and three years old may be provided by the child's pediatrician, any primary health care provider, the DOH, or the DOE. The DOH, in conjunction with the DOE, University of Hawaii, and American Academy of Pediatrics is required to plan and develop standardized screening, access to screening, means to certify a child as being screened, and a plan to achieve universal screening. This measure also appropriates an unspecified sum to the DOH to develop standardized screening and referral protocol.

Your Committees find that recent research has demonstrated that the early years of a child are most crucial in a child's cognitive, emotional, social, and physical development. Neuroscience research in early brain development affirms not only the tremendous opportunities for prevention work with children and families, but also the predictable, costly consequences of not doing so.

Your Committees further find that early screening, identification, and intervention for developmental delays and psychosocial problems improve children's outcomes, and have a critical influence on school success and family functioning.

Your Committees have amended this measure by deleting its contents and inserting S.B. No. 533, S.D. 1, which makes the following amendments:

- (1) Provides for screening within ninety days prior to or following the third anniversary of birth, for psychological and physiological development;
- (2) Requires that the screening and certification be provided;
- (3) Requires the DOH, Department of Human Services (DHS), and American Academy of Pediatrics to develop standardized screening and referral protocols; and
- (4) Deletes from the list of items the DOH, DHS, and American Academy of Pediatrics are to plan and develop: access to screening; means to certify that screening has occurred; and a plan with benchmarks and time limits to achieve universal screening.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 259, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 259, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chumbley, Matsunaga, Tam, Anderson).

SCRep. 1157 (Joint) Health and Human Services and Education and Technology on H.B. No. 899

The purpose of this measure is to appropriate moneys to Teen Care to provide substance abuse treatment, counseling, and intervention services to certain substance-abusing children and adolescents at King Intermediate School.

Your Committees received testimony in support of this measure from the Department of Education, the Department of Health, King Intermediate School, Hina Mauka, and a private individual.

Your Committees find that King Intermediate School has a critical need for drug treatment, counseling, and intervention services, such as provided by the Teen Care program. There has been an increase in the number of students who have been identified or suspended for possessing illicit drugs. King Intermediate feeds into Castle High School, which has a Teen Care program but has also seen an increase of substance-abuse among ninth graders.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 899, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chumbley, Matsunaga, Tam, Anderson).

SCRep. 1138 Health and Human Services on H.B. No. 1119

The purpose of this administration measure is to clarify Act 302, Session Laws of Hawaii (SLH) 1996, relating to child protective services.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Office of Youth Services, Blueprint for Change, Communities in Schools - Hawaii Project of the Y.M.C.A., and Hawaii Government Employees Association. Informational testimony was provided by the Office of Information Practices.

This measure provides that:

- (1) The child protective services reform coordinating committee:
 - (A) Consist of at least thirteen members to be appointed by the Director of Human Services; and
 - (B) Adopt rules in accordance with chapter 91, Hawaii Revised Statutes;
- (2) The DHS may share information with the neighborhood places, provided the information remain confidential;
- (3) The child protective services reform coordinating committee shall submit an annual report on the pilot project to the legislature for the 2000, 2001, and 2002 sessions; and
- (4) The repeal date of Act 302 is extended from June 30, 1999, to June 30, 2002.

Act 302 established a three-year pilot project for child protection and diversion services to be conducted as a public-private partnership. The child protective services reform coordinating committee assists the DHS in implementing this project.

Your Committee has amended this measure by:

- (1) Increasing the membership of the coordinating committee from at least thirteen to at least fifteen;
- (2) Increasing from three to five the representatives at large, and adding two persons from the line staff of the child protective services unit that are to be selected by the designated representative of the applicable collective bargaining unit; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1119, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1119, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 1159 Health and Human Services on H.B. No. 1149

The purpose of this administration measure is to make an emergency appropriation for the Hawaii Health Systems Corporation (HHSC).

Your Committee received testimony in support of this measure from the HHSC and Hawaii Government Employees Association.

This appropriation enables the HHSC to meet Year 2000 compliance for systems and equipment and to reduce workers' compensation costs.

Your Committee has amended this measure by deleting references to dollar amounts and making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1149, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1149, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 1160 Health and Human Services on H.B. No. 1286

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for North Hawaii Community Hospital, Inc.

Your Committee received testimony in support of this measure from the North Hawaii Community Hospital, Inc.

Your Committee finds that it is in the public interest to encourage the development of health care in the State. Your Committee further finds that North Hawaii Community Hospital, Inc., a not-for-profit Hawaii corporation, is engaged in providing health care to the remote North Hawaii district. Revenues from bonds authorized in an amount not exceeding \$20,000,000, will be applied to the retirement of outstanding debt on facilities and equipment, construction of new additions, acquisition and installation of additional equipment, and renovation and repair.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1286, 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 (Fukunaga, Anderson).

SCRep. 1161 Health and Human Services on H.B. No. 1594

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for an intergenerational care center at Ewa Villages.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and EV Community Development Corporation.

Your Committee finds that the Ewa Villages Intergenerational Care Center is a private nonprofit organization that seeks to provide a continuum of health care services to frail elderly, and medically fragile infants and children. Your Committee further finds and declares that the issuance of special purpose revenue bonds is in the public interest and for the public health, safety, and general welfare of the State.

Your Committee has amended this measure to clarify that the project is at Kulana Malama, an intergenerational care center, of the EV Community Development Corporation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1594, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1594, 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 (Fukunaga, Anderson).

SCRep. 1162 Health and Human Services on H.B. No. 1641

The purpose of this measure is to maximize the availability of combined state and federal resources to ensure the viability and sustainability of the nonprofit community-based system of care for the uninsured and persons covered by QUEST.

This measure provides that:

- (1) Whenever the Department of Human Services (DHS) contracts with a federally qualified health center or rural health center for the provision of QUEST services to enrollees, payment by the DHS to the health center shall be comparable to and no less than the amount paid by the DHS to its other providers in the same geographic area for comparable services;
- (2) At least quarterly, the DHS shall pay health centers under contract the difference between the payment received by the health center and the reasonable cost of the health center in providing services to QUEST enrollees;
- (3) The DHS be required to provide financial resources to nonprofit, community-based providers to care for the uninsured, including community health centers, school-based clinics, and Care-A-Van for the homeless; and
- (4) \$1 be appropriated to support health care for medically underserved populations.

Your Committee received testimony in support of this bill from the Department of Health, Office of Hawaiian Affairs, Papa Ola Lokahi, Waianae Coast Comprehensive Health Center, and Health Care for the Homeless Project. The DHS provided informational testimony.

Your Committee finds that this bill would alleviate the shortage of medical services to certain gap group populations in the areas of primary and preventive health care, thereby reducing publicly supported costs for hospital and emergency room use for preventable conditions. The gap group is the medically uninsured, which is estimated to be 105,600 individuals. The gap group is served by community-based providers such as health care centers whose financial viability in these hard economic times is of major concern to the State.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting S.B. No. 395, S.D. 1, to make an unspecified appropriation to support primary health care for medically underserved and uninsured populations. Your Committee believes that the priority at the present is for an appropriation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1641, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1163 (Joint) Health and Human Services and Education and Technology on H.B. No. 1663

The purpose of this measure is to require the Department of Education (DOE) to identify, investigate, and report to the Department of Health (DOH) any suspicious increase or significant clusters of disease or illness suspected to be related to environmental contamination.

Your Committees received testimony in support of this measure from DOH and DOE.

Upon further consideration, your Committees have amended this measure by deleting its contents and inserting S.B. No. 1577, S.D. 1, to which your Committee has added the West Loch Fairways community and has deleted water testing. In addition, your Committee has provided an appropriation to the DOH out of the environmental response revolving fund instead of the general fund to test the soil in Village Park and West Loch Fairways communities to determine if physical and learning disabilities of children are caused by contaminated soil from pesticides.

Your Committees find that there is cogent and persuasive evidence that is more than coincidental to indicate the presence of an environmental hazard at Village Park in Kunia on Oahu. The soil at Kunia and West Loch Fairways communities could be contaminated with toxins that are having a profound effect on Kunia's children, who exhibit grossly disproportionate incidences of physical and learning disabilities. Adults have also experienced unusual health problems including excessive hair loss, development of tumors, and face and body rashes. Your Committees believe that testing should be immediately conducted to determine if the soil at Village Park and West Loch Fairways are the cause of these disabilities. Because Kunia was once prime agricultural land, your Committees feel that the soil may be contaminated with pesticide residues that have accumulated over decades.

Your Committees request the DOH to plan and conduct the soil testing after consultation between the DOH and appropriate community organizations and representatives of Village Park. Your Committees further request the DOH to continue to work with Village Park residents after the testing for any follow-up plans.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1663, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1663, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chumbley, Matsunaga, Tam, Anderson).

SCRep. 1164 Health and Human Services on H.B. No. 1693

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee received testimony in support of this measure from Graham-Murata-Russell and one private individual.

Your Committee finds and declares that it is in the public interest to encourage development of senior citizen lifecare retirement communities in the State of Hawaii. Your Committee further finds that the Honolulu Neighborhood Housing Services, Inc., a not-for-profit Hawaii corporation, is engaged in the development of senior citizen lifecare retirement communities and thereby serves the public.

As affirmed by the record of votes of the members of your Committee on Health and 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, 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 (Fukunaga).

SCRep. 1165 (Joint) Education and Technology and Economic Development on H.B. No. 377

The purpose of this measure is to spur economic development and foster growth of knowledge-based industries in Hawaii by:

- (1) Providing a technology-related job creation tax credit to offset the cost of technology-related job creation costs;
- (2) Establishing the Hawaii Internet Exchange to serve as a catalyst for the development of internet-focused businesses;
- (3) Accelerating work force development programs to create a pool of information technology professionals;
- (4) Providing a tax credit for making increased expenditures in certain technological and scientific research and development; and
- (5) Providing a tax credit for investing in high technology businesses.

Testimony in support of this measure was submitted by the University of Hawaii, the Department of Education, the Department of Taxation, the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, and the Ohana Foundation. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committees strongly believe in the necessity of this measure. If Hawaii is to overcome its economic hardships, and develop and diversify its economy, then the State must take full advantage of the advances in telecommunications, information technology, and the explosive growth of the Internet. Hawaii's geographic location allows for an ideal environment which fosters technological advances.

Your Committees have amended this measure to delete its contents, except for Part V, and replace them with the contents of S.B. No. 1583, S.D. 2, a similar measure previously heard by your Committees. Additional amendments were made to make this measure more effective in fostering the growth of the high technology industry in Hawaii.

As amended, this measure:

- (1) Consolidates the State's high technology agencies, divisions, and offices, under the coordination of a special advisor for technology development, and creates a governor's special advisory council for technology development to assist the advisor;
- (2) Offers a tax incentive for technology training or job creation;
- (3) Offers a tax incentive for investments in qualified high technology businesses;
- (4) Offers a tax incentive for investments in high technology research;
- (5) Exempts from excise tax and income tax, royalties due to high technology inventions;
- (6) Authorizes the issuance of special purpose revenue bonds to the Ohana Foundation for the construction of facilities for research, development, technology development, and technology support;
- (7) Integrates high technology with Hawaii's tourism and marketing industries;
- (8) Prohibits the imposition of taxes on Internet access and commerce;

- (9) Establishes the Hawaii Internet Exchange to serve as a catalyst for the development of Internet focused businesses;
- (10) Focuses work force development programs to ensure a pool of technology professionals; and
- (11) Accelerates high speed access to the Internet for the University of Hawaii and the public schools, and establishes educational technology programs within public schools.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 377, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 377, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Kawamoto, Matsunaga, Taniguchi).

SCRep. 1166 (Joint/Majority) Education and Technology and Commerce and Consumer Protection on H.B. No. 1111

The purpose of this measure is to address potential legal problems arising from Year 2000 computer errors by:

- (1) Creating a process for resolving disputes that includes non-binding arbitration; and
- (2) Providing protections for persons who exercise reasonable efforts to identify and solve these errors.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Accounting and General Services, the Hawaii Medical Service Association, the Hawaii Credit Union League, the Hawaii Long Term Care Association, AT&T, Kaiser Permanente, The Chamber of Commerce of Hawaii, the Queen's Health Systems, the National Accountants Coalition, Bank of Hawaii, and the Hawaii Bankers Association. Testimony in opposition to this measure was submitted by a concerned individual. The Judiciary submitted comments on this measure.

Because there is widespread uncertainty about what claims may be brought based on Year 2000 errors, your Committees find that this measure will provide guidance as to what steps should be taken as part of a commercially reasonable approach to identifying and fixing problems. This measure will further help those with potential Year 2000 problems to focus on remediation of these potential problems in the time remaining, rather than predicting the possible basis for future claims.

Your Committees have amended this measure as recommended by the Judiciary and the Department of the Attorney General. Your Committees have further amended this measure to replace the noneconomic damages provisions with those of S.B. No. 1320, S.D. 2. Your Committees also made other technical, nonsubstantive amendments for the purposes of clarity and style.

Specifically, these amendments:

- (1) Replace the process for resolving disputes that includes non-binding arbitration with a provision calling for an early alternative dispute resolution status conference before the court and explicitly permitting the court to order any form of alternative dispute resolution;
- (2) Delete the limit on the maximum amount recoverable for noneconomic damages; and
- (3) Set the repeal date of section 2 of this measure as December 31, 2003.

Your Committees have also amended the effective date of this measure to make it effective on December 1, 2003. Your Committees believe that this will allow for continued discussion on this very important issue.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1111, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1111, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Tam). Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1167 Education and Technology on H.B. No. 1637

The purpose of this measure is to allow tour buses to be used to transport student groups to and from school-related activities.

Testimony in support of this measure was submitted by the Chamber of Commerce of Hawaii, Trans Hawaiian Services, Polynesian Adventure Tours, and the Hawaii Transportation Association. The Hawaii State Teachers Association and Destination Management Concepts submitted testimony in support of the intent of this measure. Testimony in opposition to this measure was

submitted by the Department of Education, the Department of Transportation, the Department of Accounting and General Services, the Hawaii Association of Independent Schools, Gomes School Bus Service, Akita Enterprises, Limited, and many concerned individuals and parents.

Because the safety of the tour buses was the primary concern of those opposed to this measure, your Committee believes that tour buses should be allowed to transport student groups to and from school related events and activities only if they meet the minimum safety standards required by municipal buses of the city and county of Honolulu. This is in keeping with the Department of Education's policy that students within Honolulu's urban core are encouraged to use public transportation. Furthermore, your Committee notes that individuals driving a tour bus must meet school driver qualifications.

Your Committee has amended this measure to require that tour buses meet the minimum safety standards of the municipal buses of the city and county of Honolulu.

Your Committee has further amended this measure to allow tour buses to transport all students, including athletes and non-high school students. It is not the intent of your Committee to allow this provision to supersede any contracts already in place for the daily transportation of students by school buses.

Your Committee has some concerns about any increase in liability to the State due to the enactment of this measure. Your Committee encourages further discussion on this matter in the Committee on Ways and Means, including the consideration of requiring parents to sign a waiver prior to student use of a tour bus.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1637, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1637, 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 (Chumbley, Matsunaga).

SCRep. 1168 Education and Technology on H.B. No. 1749

The purpose of this measure is to enhance geography competence in schools statewide by incorporating the national geography standards into the Hawaii Content and Performance Standards.

Testimony in support of this measure was submitted by the University of Hawaii, the Department of Education, the Hawaii State Teachers Association, the Hawaii Geographic Alliance, the National Geographic Society, Maunawili Elementary School, the Tropical Reforestation and Ecosystems Education Center, and many concerned individuals, teachers, and geography professionals.

Your Committee finds that the geographic literacy of Hawaii's children is important to the State's future. It is the foundation upon which to base the intelligent direction of how Hawaii is to interact with the rest of the world's economy. This measure appropriates funds for the University of Hawaii, College of Social Sciences, Geography Department, to train and develop educators to promote the local implementation of the national geography standards.

Your Committee has amended this measure to:

- (1) Require the University of Hawaii to assist the Department of Education in incorporating the national geography standards into the Hawaii Content and Performance Standards;
- (2) Delete the appropriation amount for the purposes of continued discussion; and
- (3) Make technical, nonsubstantive changes for the purposes of style and clarity.

It is the intent of your Committee that the University of Hawaii and the Department of Education coordinate an implementation plan for this measure before any funds are appropriated. This will ensure that appropriated funds will be spent effectively.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1749, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1749, 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 (Chumbley, Matsunaga).

SCRep. 1169 Government Operations and Housing on H.B. No. 1017

The purpose of this measure is to enable the Housing and Community Development Corporation of Hawaii to issue an additional \$500,000,000 in tax-exempt revenue bonds for the Hula Mae Single Family Mortgage Purchase Program, making the aggregate principal amount \$2,275,000,000.

Prior to the hearing, your Committee circulated a Senate draft. Testimony was received on this proposed H.B. No. 1017, H.D. 1, S.D. 1.

The proposed H.B. No. 1017, H.D. 1, S.D. 1, added to the measure as received language which:

- (1) Requires financial institutions to provide refinancing of a mortgage loan if the current market interest rate is at least one and one half per cent lower than the existing mortgage rate;
- (2) Requires financial institutions to restructure second and third mortgage loans in default by extending the repayment period and or reducing the interest rate; provided the first mortgage is not delinquent;
- (3) Requires financial institutions to restructure a mortgage loan when a mortgagee becomes unemployed or underemployed;
- (4) Authorizes the state finance director to issue short-term floating rate interest general obligation bonds for the repair and maintenance of state-owned public housing; and
- (5) Issues \$20,000,000 in general obligation bonds and appropriate the funds to the rental housing trust fund.

Testimony in support of the proposed H.B. No. 1017, H.D. 1, S.D. 1, was received from the Legal Aid Society of Hawaii.

Testimony in support of the proposed H.B. No. 1017, H.D. 1, S.D. 1, except the section on using general obligations bonds for the repair and maintenance of public housing, was received from the Housing and Community Development Corporation of Hawaii (HCDCH).

Testimony in support of the sections on loan mortgage restructuring was received from the Hawaii Association of Realtors.

Testimony in support of the section on the Hula Mae Single Family Mortgage Purchase Program was received from one individual.

Testimony in support of short-term floating rate general issuing bonds for the repair and maintenance of public housing was received from Catholic Charities and one individual. Testimony in opposition was received from the Department of Budget and Finance.

Testimony in support of the section issuing general obligation bonds and making an appropriation for the Rental Housing Trust fund was received from the Genesis Foundation, the Affordable Housing and Homeless Alliance, Hawaii Investors for Affordable Housing, Inc., Catholic Charities, and two individuals.

Hula Mae Single Family Mortgage Purchase Program

Your Committee finds that under the Hula Mae Single Family Mortgage Purchase Program, the HCDCH is authorized to issue tax exempt mortgage revenue bonds, and to make funds available through mortgage lenders at affordable interest rates to households with low to moderate incomes. As of June 30, 1998, over 8,000 first time home buyers have been provided mortgages through the Hula Mae program.

In 1997 and 1998, lenders and private developers requested over \$1 billion of Hula Mae funds, yet only approximately \$283 million was actually available for lending.

Currently, the HCDCH is authorized to issue revenue bonds in the principal amount of \$1,775,000,000. To date, HCDCH has issued \$1,551,045,000, leaving only \$223,955,000 of bond authority available to HCDCH.

Your Committee finds that in order to meet the demand for affordable interest rate mortgage loans, additional funds are needed for the Hula Mae Program.

Restructuring Mortgage Loans When Prevailing Interest Rate Falls Below 1.5% of Existing Rate

Your Committee finds that in these hard economic times, foreclosures and short sales have increased because of the inability of borrowers to afford their monthly mortgage payments. Additionally, your Committee finds that currently, financial institutions are refusing to allow mortgagees to refinance their mortgage if their income is too low, whereby, monthly payments remain high, and disposable income is lowered even further.

Your Committee finds that refinancing a mortgage loan will provide for a decrease in monthly mortgage payments, which in return will increase the borrowers' ability to pay monthly mortgage payments and increase monthly disposable income. Consequently, the State's economic recovery will increase as well.

Your Committee recognizes the concerns the banking industry has with this measure, and encourages further discussion and dialogue on this issue in the Committee on Ways and Means.

Restructuring Delinquent Mortgage Prohibiting Foreclosure on Subsequent Mortgages

Your Committee finds that financial institutions are foreclosing on properties when a second and third mortgage is in default, even though the first mortgage is not in default. The legislature further finds that under current economic conditions, foreclosure on a property is harmful to Hawaii's family housing when the first mortgage is not in default.

Your Committee finds that more research needs to be completed in order to evaluate whether this provision will give homeowners more spendable income and the ability to preserve or improve their creditworthiness, while at the same time preserve the secondary mortgage market. Therefore, your Committee believes this provision should be deleted.

Restructuring Mortgage when Mortgagee Becomes Unemployed or Underemployed

Your Committee finds that unemployment and underemployment have created too many low income families who are experiencing foreclosure actions by financial institutions.

Your Committee finds that this provision will preserve homeownership, provide encouragement for the future, and most importantly, give the homeowner a second chance to keep the home.

The legislature further finds that foreclosure actions prevent our State's economic recovery and that the mission of financial institutions should be to help families through these difficult economic times.

G.O. Bonds Issuance for Repair and Maintenance of State Owned Housing

Your Committee finds that this provision provides a mechanism to prevent small repairs from developing into serious repairs later. Providing for adequate maintenance and repairs on a regular basis will not only save money in the long run, but will also raise the living standards and self-esteem of the residents.

\$20 Million Appropriation for the Rental Housing Trust Fund

Your Committee finds that additional funding for the Rental Housing Trust Fund will provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. Given the scarcity of funds available for affordable housing and the high cost of construction in the State, this program leverages funds to the greatest possible extent.

Your Committee has amended this measure by replacing its contents with the proposed H.B. No. 1017, H.D. 1, S.D. 1, with the following changes:

- (1) The provision requiring restructuring of delinquent mortgages and prohibiting foreclosures on secondary mortgages was deleted. Committee members expressed concern as to whether the prohibition on such foreclosures when first mortgages are not delinquent would have negative impacts on the availability of second mortgages. Your Committee believes that further research, including consultation with the banking and finance industry, is required; and
- (2) The amounts of G.O. bond issuance for the Rental Housing Trust Fund and the Hula Mae Housing Loan and Mortgage Program were left blank so that the specific amount may be determined in the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1017, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1017, 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, 2 (Sakamoto, Tanaka).

SCRep. 1170 Judiciary on H.B. No. 1450

The purpose of this bill is to provide the necessary appropriations for the operation of and capital improvements for the Judiciary branch for the 1999-2001 fiscal biennium.

Your Committee finds that the Judiciary has made valiant efforts to maintain the level of services that Hawaii's citizens deserve through the identification of innovative methods and cost-cutting strategies even though financial resources have been severely limited. However, your Committee further finds the current level of resources available to the Judiciary places unacceptable limitations on the services which need to be provided to those seeking the assistance of the courts. Additional resources, such as new judgeships, additional staff support, and improvements in the security of the courts, are needed to ensure that the provision of these services are continued.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee would like to highlight six areas of funding which your Committee believes are priority requests for the Judiciary:

- (1) The Hawaii Drug Court Program;
- (2) One additional Family Court Judge and support staff for the First Circuit;
- (3) One additional Circuit Court Judge for the Fifth Circuit;
- (4) Attorney and Guardian Ad Litem Fees for Family Court in the Second and Third Circuits;
- (5) The Ho'okele Court Navigation Project; and
- (6) The Alternatives to Incarceration Pilot Program.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the contents of S.B. 894 as originally introduced. In addition, your Committee has further amended this measure by:

- (1) Deleting the specific provision authorizing the transfer of savings from the general fund appropriation to the driver education special fund, as the general program provisions of this budget already allow the chief justice to transfer sufficient funds between programs to cover operating expenses; and
- (2) Adding a provision that earmarks up to \$50,000 for the Alternatives to Incarceration Pilot Program.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1450, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1450, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1171 (Joint) Health and Human Services and Judiciary on H.B. No. 274

The purpose of this measure is to strengthen Hawaii's child protection system.

Your Committees received testimony in support of this measure from the Department of Human Services (DHS), Department of Health, Police Department of the City and County of Honolulu, and a private individual.

This measure provides that:

- (1) Foster boarding home operators successfully complete foster boarding training;
- (2) Police officers may assume protective custody without a court order and without consent of a child's family if the police officer determines that there is no safe family home for the child or there is evidence that the abusive parent or guardian is likely to flee the court's jurisdiction with the child;
- (3) The Department of Human Services (DHS) shall establish a medical and health case management procedure; and
- (4) An unspecified appropriation be made for foster parent training.

Your Committees find that child abuse and neglect are a root cause of many serious social problems, including emotional and mental health problems, alcohol and drug abuse and addiction, delinquency, and crime. Child abuse continues to escalate with fifteen thousand reports and over five thousand cases investigated annually in Hawaii. The most severe cases continue to be among the youngest, most vulnerable children.

This measure is a recommendation of the ad hoc child protective services roundtable that was convened in 1998, to make recommendations to the legislature for statutory revisions to strengthen the child protection system. This measure is intended to provide a coordinated response to prevent and treat child abuse.

Your Committees have amended this measure on the recommendation of the DHS to bring it more in conformity with federal law by:

- (1) Requiring the court to set a case for a show cause hearing:
 - (A) Within thirty days after determining that aggravated circumstances exist; and
 - (B) As deemed appropriate by the court if the child has been residing outside the family home for twelve consecutive months; and

- (2) Requiring the DHS to file a motion to set the matter for a permanent plan hearing if the child has been residing outside the family home for an aggregate of fifteen months out of the most recent twenty-two months, unless specified conditions exist.

Your Committees have further amended this measure by:

- (1) Adding a definition for "foster parent training";
- (2) Deleting new language as to the court deeming appropriate the setting of a show cause hearing in the review hearings process;
- (3) Requiring the DHS to inform appropriate police departments or offices of prosecuting attorney of all reports of child abuse or neglect received by the DHS;
- (4) Requiring a guardian ad litem, in order to be appointed by the court, to successfully complete guardian ad litem training or to have equivalent experience;
- (5) Codifying section 6 of the measure, relating to establishing a medical and health case management procedure, because it is a substantive provision that should be placed in the Hawaii Revised Statutes along with similar statutes; and
- (6) Making technical amendments as necessary to reflect the amendments made by your Committees.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 274, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 274, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Levin, Tanaka).

SCRep. 1172 (Joint) Health and Human Services and Judiciary on H.B. No. 547

The purpose of this measure is to increase the availability of organs for transplants. Specifically, this measure:

- (1) Provides for a voluntary fee of \$1 to be collected for each motor vehicle registration;
- (2) Requires the examiner of drivers to adopt rules to allow organ, tissue, and eye recovery agencies or organ procurement organizations twenty-four hour telephone access to driver's license databases solely for the purpose of ascertaining whether a driver has indicated a willingness to be an organ donor;
- (3) Requires hospitals to report suitable patients for donation prior to death of those individuals to an appropriate organ, tissue, or eye recovery agency, and requires acute care hospitals to develop protocols for identifying potential organ and tissue donors;
- (4) Requires organ procurement organizations to determine the suitability of donations and to conduct annual death record reviews at acute care hospitals to determine compliance with required referrals;
- (5) Establishes an advisory committee on anatomical gifts to promote educational programs about organ donation and to engage in other public information activities;
- (6) Establishes a Hawaii organ and tissue education special fund; and
- (7) Repeals section 327-5, Hawaii Revised Statutes, relating to routine inquiry and required request by hospitals of patients upon admission if they are an organ or tissue donor.

Your Committees received testimony in support of this measure from the Lieutenant Governor, Department of Health (DOH), Organ Donor Center of Hawaii, Minority Organ Tissue Transplant Education Program, National Kidney Foundation of Hawaii, Hawaii Nurses' Association, Hawaii Medical Association, Healthcare Association of Hawaii, Aloha TRIO Hawaii, Inc., and four private citizens. The Attorney General provided informational testimony.

This measure is intended to increase the supply of organs and tissues for transplantation. Your Committees find that advances in medical research have made organ and tissue transplantation almost routine. However, laws need to be enacted to establish proper procedures and to ensure protection of patient rights, including privacy. This measure provides those procedures and protections.

Your Committees note the concerns of the Attorney General as expressed in testimony and has amended this measure by working in partnership with the stakeholders, to satisfy those concerns.

Your Committees have amended this measure by:

- (1) Clarifying that the \$1 donation may be collected if designated by the individual or entity;
- (2) Deleting reference to driver's license application or renewal in section 286-A;
- (3) Requiring that protocols be developed by July 1, 2000;
- (4) Deleting the advisory committee on anatomical gifts;
- (5) Deleting the provision that would have required distribution of moneys in the Hawaii organ and tissue education fund to the Organ Donor Center of Hawaii for allocation to various programs;
- (6) Appropriating moneys from the Hawaii organ and tissue education special fund to the DOH to be used as a grant to the Organ Donor Center of Hawaii;
- (7) Adding definitions for "acute care hospital" and "organ procurement organization";
- (8) Repealing the organ and tissue education fee and special fund provisions on June 30, 2002;
- (9) Requiring the DOH to report to the Legislature for the 2003 Regular Session regarding the Hawaii organ and tissue education special fund; and
- (10) Providing for an effective date of July 1, 2000, and a repeal date of July 30, 2003.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 547, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 547, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Tanaka, Anderson).

SCRep. 1173

Health and Human Services on H.B. No. 632

The purpose of this measure, as received, is to allow the Department of Human Services (DHS) to designate area agencies or managed support organizations to administer or provide supports and services for persons with developmental disabilities.

Your Committee received testimony in support of this measure from the DHS, State Planning Council on Developmental Disabilities, Commission on Persons with Disabilities, Goodwill Industries of Hawaii, ARC of Hilo, Catholic Charities, Home & Community Services of Hawaii, Inc., ARC in Hawaii, Easter Seals Hawaii, Research Center of Hawaii, Kona Krafts, and twelve private individuals. Testimony in support of the measure but with opposition to designation of area agencies was received from the ARC of Kauai and a private individual. Informational testimony was provided by the DHS.

Your Committee has amended this measure by deleting its contents and inserting S.B. No. 1036, S.D. 3, part II (with deletion of designation of area agencies). As amended, this measure:

- (1) Establishes a developmental disabilities special fund;
- (2) Requires the DHS to provide supported living stipends to persons with developmental disabilities or mental retardation (DD/MR);
- (3) Makes appropriations for:
 - (A) Increased home and community based services for persons with DD/MR and their families;
 - (B) State Planning Council on developmental disabilities to contract for a programmatic evaluation of case management services of the DOH; and
 - (C) Title XIX home and community based waiver services for persons with DD/MR; and
- (4) Requires that the federal funds ceiling for Title XIX programs be increased in the same amount as the appropriation under this measure.

Your Committee is committed to improving life for persons with DD/MR and their families. Your Committee believes that the State has a duty to provide for them to the greatest extent possible within available resources. Persons with DD/MR should not be ignored in society. They need to be helped by their families, the community, and the State. Your Committee will do all it can to help.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 632, H.D. 2, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 632, 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, none.

SCRep. 1174 Health and Human Services on H.B. No. 970

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee received testimony in support of this measure from the Wahiawa General Hospital, Wahiawa Hospital Association, Central Oahu Physician Hospital Organization, Mililani-Mauka Neighborhood Board, and two private individuals. The Wahiawa Hospital Association presented a petition with 487 signatures in support of this measure.

Your Committee finds that Pacific Cardiac Institute, a not-for-profit Hawaii corporation, is engaged in the development of a health care facility and thereby serves the public. Your Committee further finds that special purpose revenue bonds not exceeding \$15,000,000, will assist in the acquisition or leasing of land, acquisition and installation of additional capital equipment, and plans, design, construction, and operation of the facility.

Your Committee has amended section 1 of this measure by:

- (1) Deleting reference to Koa Ridge of central Oahu, and to a portion of a three hundred ten acre facility; and
- (2) Clarifying that the bonds are for the public health, safety, and general welfare of the State.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 970, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 970, 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 (Fukunaga, Anderson).

SCRep. 1175 Health and Human Services on H.B. No. 971

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee received testimony in support of this measure from the Wahiawa General Hospital, Wahiawa Hospital Association, Central Oahu Physician Hospital Organization, and three private individuals. Informational testimony was submitted by three private individuals. The Wahiawa Hospital Association presented a petition with 487 signatures in support of this measure.

Your Committee finds that this measure would assist Wahiawa General Hospital, Inc., a not-for-profit Hawaii corporation, through the issuance of special purpose revenue bonds in an amount not exceeding \$37,000,000. The funds would be used for the retirement of outstanding debt on facilities and equipment, acquisition or leasing of land for a new facility, acquisition and installation of new equipment, renovation and repair of facilities, and plans, design, construction, and operation of a new health care facility.

Your Committee has amended this measure by deleting reference to central Oahu in section 1 and clarifying that the bonds are for the public health, safety, and welfare of the State.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 971, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 971, 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 (Fukunaga, Anderson).

SCRep. 1176 Health and Human Services on H.B. No. 972

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee received testimony in support of this measure from the Wahiawa General Hospital, Central Oahu Physician Hospital Organization, and Mililani-Mauka Neighborhood Board. The Wahiawa Hospital Association presented a petition with 487 signatures in support of this measure.

Your Committee finds that this measure would assist Wahiawa-Central Oahu Health Center Inc., a not-for-profit Hawaii corporation, through the issuance of special purpose revenue bonds in an amount not exceeding \$13,100,000. The funds will be used in connection with the establishment of a new health care facility, for the acquisition or leasing of land for a new facility, acquisition and installation of additional capital equipment, and plans, design, construction, and operation of a new health care facility.

Your Committee has amended this measure by:

- (1) Correcting the references to the entity as Wahiawa-Central Oahu Health Center;
- (2) Deleting reference to a thirty acre facility; and
- (3) Increasing the appropriated amount from \$13,100,000, to \$40,000,000.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 972, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 972, 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 (Fukunaga, Anderson).

SCRep. 1177 Health and Human Services on H.B. No. 973

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee received testimony in support of this measure from the Wahiawa General Hospital, Central Oahu Physician Hospital Organization, Mililani-Mauka Neighborhood Board, and three private individuals. The Wahiawa Hospital Association presented a petition with 487 signatures in support of this measure.

Your Committee finds that Pacific Sports Medicine & Research Center, a not-for-profit Hawaii corporation, is engaged in the development of a health care facility, and thereby serves the public. Your Committee further finds that this measure, through the issuance of special purpose revenue bonds not exceeding \$20,000,000, in connection with the new health care facility, will assist in the acquisition or leasing of land, acquisition and installation of additional capital equipment, and plans, design, construction, and operation of the health care facility.

Your Committee has amended this measure by:

- (1) Deleting reference to the Koa Ridge area of central Oahu in section 1;
- (2) Clarifying that the bonds are for the public health, safety, and general welfare of the State;
- (3) Deleting reference to a three hundred ten acre facility in section 1; and
- (4) Increasing the appropriated amount from \$20,000,000, to \$30,000,000; and

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 973, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 973, 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 (Fukunaga, Anderson).

SCRep. 1178 (Joint) Health and Human Services and Judiciary on H.B. No. 1125

The purpose of this administration measure is to allow the Department of Human Services to subrogate against a third party recovery on any claim brought by an injured person who receives medical assistance.

Your Committees received testimony in support of this administration measure from the Department of Human Services. Informational testimony was submitted by the Consumer Lawyers of Hawaii.

Your Committees find that medical assistance recipients who receive a third party recovery should repay the State the amount of the costs of their medical treatment resulting from an accident. This measure creates a right of subrogation for the Department of Human Services for that purpose.

Your Committees note that questions still remain regarding the practical application of this measure. More specifically, your Committees have concerns about situations where third party recoveries by medical assistance recipients are below the costs of

medical assistance paid for by the department. Your Committees request that the Committee on Ways and Means consider inserting language that clarifies the responsibilities of assistance recipients to the department in these instances.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1125, 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.

Ayes, 9. Noes, none. Excused, 1 (Tanaka).

SCRep. 1179 (Joint) Health and Human Services and Judiciary on H.B. No. 1138

The purpose of this administration measure is to allow the Department of Health (DOH) to conduct epidemiological investigations.

Your Committees received testimony in support of this measure from the DOH, Hawaii Medical Association, and Office of Information Practices.

According to the DOH, this measure would update its ability to investigate significant causes of illness which threaten the public health and safety, while protecting the confidentiality of information and shielding the providers of information from liability.

Your Committees have amended this measure on recommendation of the DOH by clarifying that the authorized representative may only view the portion of the medical record that is relevant to the subject of the investigation.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1138, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1138, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 1 (Tanaka).

SCRep. 1180 (Joint) Health and Human Services and Transportation and Intergovernmental Affairs on H.B. No. 1145

The purpose of this administration measure is to make an appropriation for retroactive payment of additional emergency medical services contract costs resulting from collective bargaining increases and parity wage and salary differentials for emergency medical ambulance personnel for the counties of Honolulu, Maui, and Kauai.

Your Committees received testimony in support of this measure from the Department of Health (DOH) and the United Public Workers (UPW).

This measure appropriates the sum of \$1,906,336, for fiscal year 1998-1999, to be expended by the DOH to cover an agreement that included the UPW for the period July 1, 1995, through June 30, 1999. The contract requires the State to pay emergency medical personnel wage increases granted to civil service workers in the same classification. There are no civil service positions on Maui and Kauai for emergency ambulance personnel. The contract provides that if wage rates for civil service positions are increased at any time, the "...Contractor can apply for increase of contract price based on the percentage wage increase granted...Civil Service positions,..." Your Committees believe that the counties of Maui and Kauai should apply for similar wage increases through the appropriate process. If Maui and Kauai initiate this process, your Committees request the Senate Committee on Ways and Means to consider restoring the appropriations for Maui and Kauai

Your Committees have amended this measure by:

- (1) Deleting references to Maui and Kauai, on recommendation of the UPW; and
- (2) Changing the appropriation amount from \$1,906,336, to \$1,377,550, on recommendation of the DOH.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1145, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1145, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Ige, D., Iwase, Anderson).

SCRep. 1181 Health and Human Services on H.B. No. 1617

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities.

Your Committee received testimony in support of this measure from the Wahiawa General Hospital, Central Oahu Physician Hospital Organization, Integrated University of Hawaii/Wahiawa General Hospital Family Practice Residency Program, Mililani-Mauka Neighborhood Board, and two private individuals. The Wahiawa Hospital Association presented a petition with 487 signatures in support of this measure.

Your Committee finds that Pacific Saging Center, Inc., a not-for-profit Hawaii corporation, is engaged in the planning, design, and construction of a patient-focused facility, including a saging center, child care, adult care, mentoring programs, and activity centers. Your Committee further finds that this measure would assist Pacific Saging Center, Inc., through the issuance of special purpose revenue bonds in an amount not exceeding \$500,000. The funds will be used in connection with a new health care facility for the acquisition or leasing of land, acquisition and installation of additional capital equipment, and plans, design, construction, and operation.

Your Committee has amended this measure by:

- (1) Deleting reference to the Koa Ridge area of central Oahu in section 1;
- (2) Deleting reference to a portion of a three hundred ten acre parcel in section 1;
- (3) Clarifying that the bonds are for the public health, safety, and general welfare of the State;
- (4) Increasing the appropriation amount from \$500,000, to \$10,000,000; and
- (5) Extending the lapse date from June 30, 2002, to June 30, 2003.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1617, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1617, 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 (Fukunaga, Anderson).

SCRep. 1182 Health and Human Services on H.B. No. 1620

The purpose of this measure is to allow the Housing and Community Development Corporation of Hawaii (HCDCH) to work in partnership with private sector entities to develop health care communities in the State.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, Housing and Community Development Corporation of Hawaii, Department of Planning and Permitting of the City and County of Honolulu, Chair of the City Council of the City and County of Honolulu, Wahiawa Hospital Association, Chamber of Commerce of Hawaii, Oahu Physician Hospital Organization, Integrated University of Hawaii/Wahiawa General Hospital Family Practice Residency Program, Zane Development Group, Inc., Hawaii Electricians Market Enhancement Program, and nine private citizens.

This measure provides as follows:

- (1) Requires the HCDCH, in cooperation with the private sector and other appropriate entities, to develop a master plan for the health care community;
- (2) Allows the HCDCH to establish a loan program for loans or grants for private businesses for construction of a health care community;
- (3) Creates a health care community revolving fund for repayments of principal and interest on loans or grants made by the HCDCH;
- (4) Vests the HCDCH with the corporate powers necessary to accomplish the purpose of this measure; and
- (5) Authorizes the issuance of general revenue bonds to finance the costs of acquiring, developing, improving, and constructing infrastructure for a health care community.

The intent of this measure is to provide health care for seniors through creation of health care communities where wellness and fitness go hand in hand with diagnosis and treatment. In health care communities, people will be empowered to make healthy choices by having information, facilities, and opportunities provided by a state-of-the-art health care network that is integrated in the community.

Your Committee finds that this measure fits nicely with State plans to strengthen Hawaii's economy by developing science and technology industries, and will provide a direct boost to the health and tourism industries, the two largest industries in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying the purpose section to:
 - (A) Accurately reflect the intent of this measure that a medical mall would provide sufficient room for flexibility to meet the ever-changing requirements of health care;
 - (B) Delete reference to:
 - (i) The need for privately initiated development and the government's role to facilitate and support those efforts;
 - (ii) Legislative findings pertaining to a health care community's benefits and government's role in private initiatives; and
 - (C) Add a reference to the purpose paragraph to create a health care community loan program;
- (2) Clarifying that the master plan to be developed by a private sector entity may include a medical mall;
- (3) Adding that private sector entities may develop health care communities and that the corporation may participate in the development;
- (4) Deleting reference to requiring the health care community to include housing and commercial areas;
- (5) Raising from ten to forty per cent the minimum portion of the health care development required to be directly related to the provision of health care;
- (6) Adding a qualification to the minimum requirements for the developer to eligible for the award that no land shall have been acquired by eminent domain;
- (7) Adding that the corporation may make expenditures from the health care community revolving fund without appropriation or allotment by the legislature;
- (8) Adding that the corporation shall not be exempt from state or county laws, ordinances, or regulations;
- (9) Deleting material pertaining to public-private partnership for development of health care communities, powers of the corporation, rule making for the new chapter, and an amendment to section 201G-12, Hawaii Revised Statutes; and
- (10) Repealing the Act on July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1620, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1620, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1183 Judiciary on H.B. No. 162

The purpose of this bill is to clarify the scope of the subpoena powers of state and county legislative bodies by removing obsolete references to the loyalty oath that was a part of the repealed Chapter 85, Hawaii Revised Statutes.

Your Committee finds that this bill is intended to remove an unintended anomaly in the law. The amendment proposed by this bill is intended to prevent a situation where, read literally, the law providing legislative bodies the authority to subpoena executive officials would not apply to any current executive officials. Your Committee notes that the original law, by limiting the legislative subpoena power to apply only to officials required to take a loyalty oath, prevented low-level public employees from being subject to subpoena. Your Committee believes it would be poor public policy to subject even publicly-employed mail clerks or secretaries to legislative subpoena on pain of termination of employment.

Testimony in support of this measure was submitted by the Maui County Council.

Upon further consideration, your Committee has amended this measure by limiting the category of public officials subject to legislative subpoena to the governor and lieutenant governor, legislators, department heads and deputy department heads, members of state boards and commissions, and similar officials at the county level.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 162, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 162, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 1184 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on H.B. No. 1711

The purpose of this measure is to resolve longstanding problems associated with private residential noncommercial piers in Kaneohe Bay.

Specifically, the measure affects any existing private residential noncommercial pier in Kaneohe Bay, located offshore of property between Kealohi Point and Nuupia Pond by:

- (1) Designating any unpermitted pier in Kaneohe Bay existing in whatever form on the effective date of this Act as a nonconforming use;
- (2) Eliminating the requirement that all sunbathing and swimming piers built on submerged lands have signs placed on them indicating the public's right to use the pier;
- (3) Including private residential noncommercial piers as items not requiring prior legislative and gubernatorial approval on easement dispositions; and
- (4) Expunging any related penalties assessed prior to enactment of the measure.

Testimony in support of the measure was received from the Department of Land and Natural Resources, Protect Our Shoreline Ohana, Boats/Hawaii, Inc., and a number of concerned citizens. A private citizen testified in opposition to the measure.

Your Committees understand that the State has an interest in regulating submerged lands to protect and preserve the environment and ecosystem that exist there. There are more than two hundred piers on state submerged lands in the Kaneohe and Kahaluu area, of which only approximately twenty are paying rent to the State.

Many piers in the affected area were built prior to October 1, 1964, the effective date of the first regulatory measures concerning piers. Other piers built after this date were built in compliance with other regulations that were in effect at the time of construction. Piers constructed prior to October 1, 1964, and those built subsequent to that date in compliance with regulations adopted after that date are nonconforming uses pursuant to section 183C-5, Hawaii Revised Statutes, and the legislature has previously stated that no rules may be adopted which shall prohibit the continued use of such structures.

Some piers, however, were built without complying with any permitting requirements whether at the time of construction or any time thereafter. These piers are illegal. Unfortunately, the official records that would help to identify nonconforming piers and illegal piers are scattered among various state and federal departments and agencies or have been destroyed.

Your Committees also find that pier owners have overwhelmingly expressed their desire to pay a reasonable amount to the State for their continued use of submerged lands. The Auditor has previously found that the cost to account for monthly rent for piers has exceeded the revenues realized to the State.

Your Committees further find that the State has already sold more than fifty easements for the use of submerged lands, many of which are for piers in the same area. The issuance of easements for a period of not less than fifty-five years, pursuant to section 171-36(a)(2), Hawaii Revised Statutes, would result in a substantial return to the State while significantly reducing the accounting costs to the State as provided in sections 171-13 and 190D-21, Hawaii Revised Statutes.

Lessees of state land are required pursuant to chapter 171, Hawaii Revised Statutes, to indemnify the State against liability. Section 171-36(a)(9), Hawaii Revised Statutes, as now constructed, requires lessees to open their piers to the public at large. This provision creates a problem for pier lessees because it makes obtaining liability insurance prohibitively expensive and difficult to obtain and, moreover, interferes with pier owners' ability to maintain their structures and implied right to quiet enjoyment. Your Committees believe that repealing this requirement as to private residential noncommercial piers is in the best interests of the State.

Your Committees have amended the measure by:

- (1) Establishing a lease rent moratorium on the submerged lands and the private residential noncommercial piers thereon in Kaneohe Bay, located offshore of property between Kealohi Point and Nuupia Pond, until the department of land and natural resources adopts a residential pier lease rent formula;
- (2) Requiring the department of land and natural resources to establish an equitable solution for lessees who have been paying lease rent on submerged lands and the private residential noncommercial piers thereon in Kaneohe Bay, located offshore of property between Kealohi Point and Nuupia Pond, which may include the issuance of a lease rent credit; and

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

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1711, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1711, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Chun, Kanno, Taniguchi).

SCRep. 1185 (Majority) Government Operations and Housing on H.B. No. 985

The purpose of this measure is to clarify and streamline the Hawaii public procurement laws and process and to consolidate procurement legislation in chapter 103, Hawaii Revised Statutes (HRS), into chapter 103D, HRS.

In addition, the measure deletes unnecessary or incorrect provisions and makes other housekeeping amendments to improve the efficiency of the procurement process. This measure also transfers sections 103-82 and 103-83, HRS, to chapter 103D, HRS, relating to qualified community rehabilitation programs for consolidation and clarity purposes.

Testimony in support of this measure was received from Goodwill Industries Hawaii. Testimony in support with amendments was received from the State Procurement Office, and Kona Krafts. Testimony opposed to the deletion of sections 103-82 and 103-83, HRS, relating to the Community Rehabilitation Programs was received from Ka Lima O Maui and Research Center of Hawaii. Testimony opposed to the section on construction and repair of school facilities and the section on public building handicapped accessibility was received from the Commission on Persons with Disabilities.

Your Committee finds that the Hawaii procurement code needs improvement and refining and that this measure will make the State procurement process more efficient and cost-effective.

Your Committee further finds that competitive bidding is not implemented when a public agency procures from nonprofit rehabilitation facilities. This procurement process needs to be changed with relationship to construction projects because of the high skill level and expertise that is needed to effectively and efficiently complete the contract. Many rehabilitation facilities do not have the resources to complete construction contracts, resulting in increased costs and construction delays.

Your Committee further finds that the Administrator of the State Procurement Office is given the power in the procurement code to delegate all contracting authority to procurement officers, which in essence eliminates the need to have this Administrator position. Your Committee finds that the Administrator's duties could be performed by the State Procurement Policy Board.

Your Committee has amended this measure, as received, by replacing the contents with S.B. No. 1100, which is the Senate companion measure to H.B. No. 985, with the following additional amendments:

- (1) Exempting the qualified community rehabilitation programs from the procurement of construction projects;
- (2) Deleting the language from the public contract retainage section, "after fifty per cent of the contract is completed and progress is satisfactory, no additional sum shall be withheld";
- (3) Eliminating the position of the Administrator of the State Procurement Office and transferring duties to the Procurement Policy Board;
- (4) Changing the contract amount that is subject to wage, hour, and working conditions requirements; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee has reservations about the sections on contract retainage and eliminating the Administrator of the State Procurement Office. However, this measure is being passed for the purpose of further discussion.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 985, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 985, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Matsuura). Excused, 4 (Hanabusa, Levin, Matsunaga, Tanaka).

SCRep. 1186 Government Operations and Housing on H.B. No. 747

The purpose of this measure is to require the three executive departments selected pursuant to section 4 of Act 230, Session Laws of Hawaii (SLH) 1998, to begin the development of outcome measures to facilitate the transformation of the State's accounting and budgeting systems to a performance-based budgeting system.

Prior to the hearing, your Committee circulated a proposed Senate draft. Testimony was received on this proposed H.B. No. 747, H.D. 1, S.D. 1.

The proposed H.B. 747, H.D. 1, S.D. 1, replaced the contents of the measure as received, with language that:

- (1) Continues the ongoing work to transform the State's accounting system and budgeting system to a performance-based budgeting system, and to develop a managed process that enables state and county governments to implement public-private competition for government services;
- (2) Requires the procurement policy office to adopt rules for a managed procurement process that evaluates the efficiency, effectiveness, and economy of the purchase using uniform accounting standards;
- (3) Requires all State departments and agencies to identify their goals, objectives, and policies to be submitted to the Legislature twenty days before the 2000 Regular Session, and annually thereafter;
- (4) Streamlines and improves the delivery of government services by restructuring state government;
- (5) Makes mandatory the Comptroller's present discretionary authority to collect assessments from state agencies for the risk management revolving fund;
- (6) Requires the Auditor to contract with independent auditors to conduct comprehensive annual financial audits of state and county governments;
- (7) Prohibits state agencies from charging other state agencies for services or goods provided to other state agencies, that are funded by general funds;
- (8) Transfers the responsibility for advocacy services for persons with developmental disabilities and mental illness from the Department of Accounting and General Services to the Department of Commerce and Consumer Affairs, Office of Consumer Protection; and
- (9) Prohibits the Department of Health from issuing a permit for a medical waste incinerator or medical waste sterilizer that is located within one mile of any residential dwelling.

Testimony in support of the section on managed process was received from the American Society of Civil Engineers and Common Cause Hawaii. Testimony opposed to this section was received from the State Procurement Office and the Department of Budget and Finance.

Testimony in support of the intent of the section on the State Risk Management Revolving Fund was received from the Department of Budget and Finance.

Testimony opposed to the section on interagency charges was received from the Department of Accounting and General Services and the Department of Budget and Finance. Comments on this section were received from the American Society of Civil Engineers.

Testimony opposed to the section on transferring advocacy services for persons with disabilities and mental illness was received from the Department of Commerce and Consumer Affairs, Department of Budget and Finance, the Commission on Persons with Disabilities, and Protection and Advocacy Agency of Hawaii. Comments on this section were received from the State Planning Council on Developmental Disabilities.

Testimony in support of the one-mile residential ban of medical waste disposal was received from the Kailua Neighborhood Board No. 31. The Board offered testimony opposed to the section discussing the failure of the Director of Health to act on an application for a medical waste disposal permit within 180 days.

Managed Process and Costing Models

Your Committee finds that the state government's budgeting, accounting, and procurement systems should serve as effective tools for the efficient use of scarce resources in pursuing the goals and objectives of the people of Hawaii.

Your Committee finds that in Act 230, Session Laws of Hawaii 1998, a special committee was established to begin the task of transforming the State's accounting, procurement, and budgeting systems. This committee was established to develop prototype models for transforming the budgeting and accounting systems of three departments.

Your Committee finds that currently there is a need to expand the duties and roles of the managed process committee by allowing the committee to monitor and review the management process and develop costing models and costs of conversion to the private sector.

Uniform Accounting Standards in the State's Procurement Code

Your Committee finds that the State uses the procurement code to ensure that state purchases meet certain standards, but it has thus far not required any type of determination that the procurement of certain services or goods is the most effective, efficient, and economical path to take.

Your Committee finds that the current economic situation requires the State to have a managed process for procurement and to adopt standard methods for evaluation to ensure the effective, efficient, and economical procurement of services.

Your Committee finds that this measure will help empower state government in the delivery of competitive and cost efficient services. In turn, this will help to assure that Hawaii's citizens receive the highest quality of government provided goods, services, and construction at the lowest costs.

Your Committee finds that using uniform accounting standards will be the most equitable method of determining whether a service or function can be provided more efficiently, effectively, and economically by the government or private sector.

Government Goals and Objectives

Your Committee finds that State departments and agencies should constantly work towards improving the effectiveness and efficiency of our government. Strategic planning and development of goals and objectives are essential for more efficient and productive operations for government agencies.

Your Committee finds that the development of goals and objectives is essential for State departments and agencies to determine priorities, guide their decisions, and measure the effectiveness of their programs and services.

Your Committee finds that goals and objectives assist the legislature in evaluating the budgetary needs of departments and agencies, and therefore every State agency and department should submit their goals and objectives to the legislature every year.

Improving Governmental Services

Your Committee finds that there continues to be a need to eliminate the duplication of government services and also a need for government agencies to adapt to the ever-changing needs and demands of the public they serve. Your Committee finds that in order to achieve improved government efficiency and productivity, restructuring of the government must take place.

Your Committee finds that studies to improve the responsiveness and efficiency of state government have been conducted, including the 1996 study conducted by the governor, entitled, "Restructuring State Government Services," and reports ranging from 1974 and 1977 from the commission on organization of government ("CORE"), to the 1993 report of the interim commission on government redesign, all of which supported the need to redesign the delivery of state government services. Your Committee finds that these studies need to be re-visited in order to determine the best means to increase government productivity and realize savings.

Your Committee finds that this measure will enable the structure of our State government to be researched and analyzed thoroughly. This will enable the public to actively contribute to the reorganization and evaluation of our government's organization. Consequently, the public will have an improved understanding of the agencies, departments, and employees that comprise the State government organization. Government employees will benefit from this measure through improved efficiency which in return will lower their anxiety and increase productivity.

Your Committee finds that this measure addresses the State's economic stagnation by enabling state government to enhance its productivity and to fill the budget gap with the resultant savings. This measure encourages re-direction of government first to a commitment to education of our children and more efficient delivery of services to stimulate economic growth of small businesses and re-shape economic development programs.

State Risk Management Revolving Fund

Your Committee finds that this measure will require the Comptroller to collect from state agencies their portion of benefits received under the State Risk Management Revolving Fund. It additionally requires the Comptroller to prepare a report each fiscal year to agencies and the Legislature about the amount appropriated to and collected from the agencies.

Your Committee finds that collecting from agencies for benefits received can be an effective tool to hold agencies responsible for their losses and provide them with an incentive to control their risks and losses.

Financial Audit of State and County Government

Your Committee finds that there is an immediate need for independent comprehensive annual financial audits of Hawaii state and county governments. Annual audits provide management information which enable the state and county governments to examine their organization, management, operations, and programs, and identify opportunities for reorganization, consolidation, and elimination of duplicated functions.

Your Committee finds that audits enable both state and county governments to develop more effective and efficient budgets.

Your Committee further finds that this measure is necessary to address the public demand for more accountability from state government and to eliminate government waste, fraud or the excesses that have plagued the administration for many years, and will ultimately reduce government waste and enhance government spending.

Testimony in opposition of this measure stated that requiring annual audits of all state and county governments duplicates the state and county government audits which occur every year and is too costly. However, your Committee finds that in order to ensure an objective and effective audit, each audit should be conducted by one or more independent auditors. Additionally, the money saved by identifying inefficient and wasteful government operations through the audit process justifies the expense of conducting annual audits of Hawaii state and county governments.

State Agency Charges To Other State Agencies

Your Committee finds that in order to improve government efficiency and productivity, agencies should not charge each other for goods and services.

Your Committee finds that limiting the applicability of this measure to goods and services funded by general funds will not jeopardize special funds that State agencies rely on to maintain government programs and services.

Transfer of Advocacy Services for Persons With Developmental Disabilities and Mental Illness

Your Committee finds that currently, the state designated department that provides advocacy services to persons with developmental disabilities and mental illness is the Department of Accounting and General Services (DAGS).

Your Committee finds that DAGS administers a grant-in-aid to the Protection and Advocacy Agency of Hawaii in the amount of \$210,000 for fiscal year 1999, to provide advocacy services for people with developmental disabilities, mental illness and other disabilities.

Your Committee finds that DAGS has no expertise or knowledge to effectively monitor and oversee a disabled advocacy agency. As a result, there are no safeguards in place to ensure grant money is effectively being used for its intended purpose.

Your Committee finds that the Civil Rights Commission is a more appropriate agency to administer advocacy services because its responsibility is to protect the interests of the public in the State. The Civil Rights Commission protects these interests by investigating alleged violations, holding hearings, commencing civil action in circuit court to seek appropriate relief, and ordering appropriate legal and equitable relief when a violation is found.

Medical Waste Facilities

Your Committee finds that there are recorded incidents of men, women, and children becoming ill after breathing the gases emitted by a medical waste facility. This type of waste also employs the use of heavy trucks and equipment, which is not acceptable in residential environments.

Your Committee further finds that in the interest of the health and safety of the State, public hearings and environmental impact statements should be required before any permit or renewal of permit is issued for medical waste facilities.

Your Committee further finds that in the interest of the health and safety of the State, public hearings and environmental impact statements should be required for current holders of medical waste facility permits under sections 342B-24 and 342H-4, Hawaii Revised Statutes, before July 1, 2000.

Your Committee has amended the measure, as received, by replacing the contents with the proposed H.B. No. 747, H.D. 1, S.D. 1, with the following amendments:

- (1) Replacing the Office of Consumer Protection with the Civil Rights Commission as the agency to administer services for the disabled;
- (2) Eliminating the residential one-mile ban of medical waste facilities and replacing it with a requirement that an environmental impact statement and public hearing be held before a permit or renewal of permit is issued for a medical waste facility; and
- (3) Technical, nonsubstantive changes for clarity and preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 747, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 747, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Levin, Matsunaga, Tanaka).

The purpose of this measure is to clarify and update investment parameters for association funds by:

- (1) Allowing condominium associations and their managing agents to deposit association funds in out-of-state financial institutions;
- (2) Permitting the deposit of funds with securities brokers who have an office in Hawaii; and
- (3) Prescribing the permissible investments for association funds.

Prior to the hearing, your Committee circulated a proposed Senate draft. Testimony was received on this proposed H.B. No. 1276, H.D. 1, S.D. 1.

The proposed H.B. No. 1276, H.D. 1, S.D. 1, deleted from the measure as received, language allowing condominium associations and their managing agents to deposit association funds in out-of-state financial institutions. The proposed H.B. No. 1276, H.D. 1, S.D. 1, added to the measure as received, language which:

- (1) Clarifies that projects created and established as condominium property regimes are subject to county land use zoning ordinances and development requirements;
- (2) Establishes a fair market value standard for negotiating the value of the leased fee interest to be purchased by a lessee;
- (3) Clarifies the powers of the boards of directors of associations of apartment owners to enter into purchase agreements with lessors;
- (4) Adds two additional seats to the Real Estate Commission who represent the interests of condominium governance organizations and prohibit the use of the education fund for purposes other than the condominium education fund; and
- (5) Grants condominium associations authority to terminate common utilities after establishing policies and informing tenants; establishes a six-month priority lien when maintenance fees have not been paid on a condominium; requires the mortgage holder to pay maintenance fees of a foreclosed condominium; and permits condominium associations to deposit funds in credit unions located in the State.

Testimony on this proposed H.B. 1276, H.D. 1, S.D. 1, was received as follows:

- (1) Testimony in support of the section requiring condominium property regimes to be subject to county land use regulatory law and codes was received from a member of the Kona Community Action Group to Address Flooding, Hawaii's Thousand Friends, and one individual. Testimony in support with amendments was received from the Department of Business, Economic Development and Tourism, Department of Planning and Permitting for the City and County of Honolulu, and one individual. Testimony opposed to this section was received from Hawaii Association of Realtors, Oceanfront Realty International Inc., Vision Properties, Inc., Moloaa Nui Lands, Land Use Research Foundation of Hawaii, Kilauea Management Company, Pacific Paradise Properties Corp., and three individuals;
- (2) Testimony in support of the section on establishing a fair market value standard for appraising leased fee interest was received from the Hawaii Council of Association of Apartment Owners;
- (3) Testimony in favor of the section allowing condominium associations to enter into purchase agreements with lessors was received from Hawaii Council of Association of Apartment Owners, Community Associations Institute, and one individual;
- (4) Testimony in favor of the section adding two additional seats to the Real Estate Commission to represent the interests of condominium associations and prohibiting the use of the condominium education fund for purposes other than the condominium education fund, was received from Hawaii Council of Association of Apartment Owners and the Community Associations Institute. Testimony opposed to this section was received from the Hawaii Association of Realtors;
- (5) Testimony in favor of the section granting condominium associations the authority to terminate common utilities; requiring the mortgage holder to pay maintenance fees of a foreclosed condominium; establishing a lien for unpaid common expenses with a six month priority lien; and permitting condominium associations to deposit funds in credit unions located in the State, was received from Hawaii Council of Association of Apartment Owners, Community Associations Institute, Hawaii Association of Realtors, and a member of the Board of Directors of the AOA Makakilo Hale 1. Testimony in favor with amendments was received from a member of the Board of Directors of the Association of Apartment Owners of the Villa on Eaton Square. Testimony opposed to this section was received from the Hawaii Bankers Association, Hawaii League of Savings Institutions, and the Mortgage Bankers Association of Hawaii; and
- (6) Testimony in support of the section of the measure expanding where condominium association funds may be deposited was received from Hawaii Council of Association of Apartment Owners, Community Associations Institute, and Hawaii Association of Realtors. Testimony opposed to this section was received from Hawaii Independent Condominium and Cooperative Owners.

Condominium Property Regimes Compliance With County Land Use Policies

Your Committee finds that that county land use ordinances and regulations ensure that a site is suitable for a proposed project, in terms of its impact on traffic, drainage, and other important services, and that cumulative project impacts on the physical environment and the surrounding community are adequately addressed.

Your Committee finds that currently there exists a lack of clarity in the counties' authority over the uses and development proposed by condominium property regimes.

Your Committee finds that the lack of clarity in the condominium property regimes statute has been a barrier to county efforts to effectively manage the land use impacts of certain types of condominium property regime projects.

Your Committee is particularly concerned with the problems arising when condominium property regimes are developed in areas zoned for agricultural use, resulting in the bypass of underlying state and county land use laws and regulations.

Fair Market Value Standard for Negotiated Lease-to-Fee Conversion of Condominiums

Your Committee finds that appraisal of real property should be based on its fair market value to ensure equity and fairness in the process.

Additionally, your Committee finds that a uniform appraisal standard for condominiums will avoid bias or impropriety by appraisers, reduce lengthy litigation to determine land values, and expedite the negotiation of lease-to-fee conversions.

Boards of Directors of Associations of Apartment Owners Purchase Agreements with Lessors

Your Committee finds that condominium lessees are often able to acquire the leased fee interest appurtenant to their apartments at more affordable prices when the association of apartment owners negotiates directly with the project's lessor for a bulk purchase of all of the lessor's interests by the association and its members.

Your Committee further finds that it is necessary to clarify the powers of the boards of directors of associations of apartment owners to enter into purchase agreements with lessors in order to facilitate and encourage voluntary lease-to-fee conversions of condominium projects in an efficient and economical manner.

Condominium Representation on the Real Estate Commission and use of the Condominium Education Fund

Your Committee finds that the Real Estate Commission has oversight over the implementation and enforcement of the Condominium Property Regimes under chapter 514A, Hawaii Revised Statutes (HRS), including the Condominium Education Fund.

Your Committee finds that currently there are no condominium owners or board members on the Real Estate Commission who exclusively represent the interests of condominium associations.

Your Committee finds that it would be prudent and helpful to have representatives of condominium associations and their board members to discuss and participate in decision making under the regulatory authority of the Real Estate Commission regarding condominium issues, particularly the use of the condominium education fund and the education of condominium association board members.

Additionally, your Committee finds that the Condominium Management Education Fund is currently being used for personnel that are not allocating all of their time to carrying out the responsibilities of the Condominium Management Education Fund.

Collecting Unpaid Maintenance Fees

Your Committee finds that currently, condominium owners have no means of collecting delinquent maintenance fees, particularly once an apartment is sold in foreclosure. As a result, delinquent owners are receiving benefits, such as common utilities, security, building maintenance, and recreational facilities without paying for them. Non-delinquent owners in the association carry the burden of maintaining the condominium association's budget. Your Committee, therefore, finds that the condominium association should be entitled to terminate common benefits for nonpayment.

Your Committee finds that once a condominium goes into foreclosure, condominium associations have difficulty collecting delinquent maintenance fees which increase due to the fact lenders purposely delay recording the deed until a sale is confirmed. The proposed H.B. No. 1276, H.D. 1, S.D. 1, measure sets a reasonable time limit for transferring the condominium to the purchaser in foreclosure in which liability for common expenses will begin to accrue to the new owner.

The purchaser or mortgagee of record is required to begin paying maintenance fees when the sale is confirmed. Your Committee finds that occasionally, a delinquent owner is not paying maintenance fees to the association but the owner is still collecting rent from a tenant. The proposed H.B. 1276, H.D. 1, S.D. 1, will allow the association to demand the rent from the tenant to pay the maintenance fees.

Some of the Committee members expressed concern that this measure appears to interfere with the contract between an owner and tenant. However, your Committee finds that when the owner took title to the condominium, the owner simultaneously agreed to abide by and be governed by the condominium board's rules and regulations, including the payment of maintenance fees.

Six-Month Priority Lien

Your Committee finds that currently, state law allows condominium associations a lien for unpaid maintenance fees. However, since many condominiums are valued at less than their mortgages, and since mortgages have priority over the associations' claim, associations usually receive no money from the proceeds of the sale of foreclosed unit. The proposed H.B. 1276, H.D. 1, S.D. 1, provides for a six-month priority lien that will allow condominium associations to collect delinquent maintenance fees.

Your Committee finds that the banking industry is under the impression that a six-month priority lien will chill the secondary mortgage market. However, your Committee finds that fifteen jurisdictions contain a priority lien in their statutes and have not experienced a negative impact on the secondary mortgage markets. More specifically, in states that have a priority lien, secondary mortgage brokers such as Fannie Mae and Freddie Mac will pay the delinquent maintenance fees at the time the unit is purchased.

In order to give the Housing and Community Development Corporation of Hawaii time to negotiate with the bond buyers of the Hula Mae bond program, the six-month priority lien provision will not take effect until January 1, 2000.

Condominium Reserves

Your Committee finds that currently, condominium associations are required to deposit their funds in a financial institution in the State. However, there is an inadequate number of financial institutions in the State in which condominium associations may legally deposit their funds. Due to the \$100,000 federal insurance limit on accounts, many associations have uninsured moneys deposited in financial institutions in Hawaii, which may cause a breach of their fiduciary duty to the condominium owners.

Your Committee finds that allowing condominium associations to deposit funds in Hawaii credit unions and invest with a securities broker in Hawaii will expand investment opportunities as well as provide protection to the condominium associations' reserve funds.

Your Committee encourages both the banking industry and condominium associations to continue the dialogue regarding the issues in this measure and to make recommendations to the Legislature.

Your Committee has amended this measure, as received, by replacing its contents with the contents of the proposed H.B. No. 1276, H.D. 1, S.D. 1, with the following substantive changes:

- (1) Establishing the common expenses collectible date when a mortgage is in foreclosure to:
 - (A) ___ days after the order confirming the sale to the purchaser has been filed with the court;
 - (B) ___ days after the hearing at which the court grants the motion to confirm the sale to the purchaser; or
 - (C) Upon the recording of the deed, whichever occurs first;
- (2) Limiting associations to invest in obligations that have stated maturities of no more than one year; and
- (3) Adding an effective date of August 1, 1999, and placing a sunset clause of two years to the CPR county zoning section.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1276, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1276, 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, 2 (Chun, Sakamoto).

SCRep. 1188 Government Operations and Housing on H.B. No. 1018

The purpose of this measure is to amend the qualifications for housing and rental assistance by, among other things:

- (1) Lowering from low and moderate to very low the maximum income a person may have and still qualify for participation in the State Rent Supplement Program (Program);
- (2) Increasing the amount of supplemental rent paid by the housing and community development corporation from one-fifth to thirty percent of a qualified tenant's income;
- (3) Amending the definition of "qualified tenant" under the Program to enable eligible single persons who are not elderly or disabled to participate in the Program; and

- (4) Phasing in an increase of the tenant's annual payment from one-fifth to thirty per cent of the tenant's annual income.

The measure also adds an appropriation section, leaving the amount blank for purposes of further discussion.

Prior to the hearing, your Committee circulated a proposed Senate draft. Testimony was received on this proposed H.B. No. 1018, H.D. 2, S.D. 1.

The proposed H.B. No. 1018, H.D. 2, S.D. 1, added to the measure as received, language to establish a Federal Assisted Rental Housing Preservation Program which:

- (1) Requires owners of federally assisted rental housing projects to provide a one-year notice to both tenants and the corporation of any intent to terminate a subsidy contract on assisted housing development or prepay its mortgage; and
- (2) Requires the owners of federally assisted rental housing projects to provide a right of first refusal to the tenant association of the development and certain nonprofit organizations for a one hundred eighty-day period following the notice to sell the project.

Testimony in favor of proposed H.B. No. 1018, H.D. 2, S.D. 1, was received from the Affordable Housing and Homeless Alliance and Legal Aid Society of Hawaii.

Testimony in favor of the section relating to the housing and rental supplemental program was received from Catholic Charities and one individual.

Testimony in favor, with amendments, on the section relating to housing and rental supplemental program was received from the Housing and Community Development Corporation of Hawaii.

Testimony opposed to the section on the Federally Assisted Rental Housing Preservation was received from the Housing and Community Development Corporation of Hawaii.

State Rental and Housing Assistance

Your Committee finds that the greatest housing need is among those below thirty percent of median income, where nearly two-thirds of households cannot afford their housing payments every month. There is a need for affordable housing in this state. The housing and rental assistance programs will place more families in homes, and decrease the instances of homelessness.

Your Committee finds that persons who are most in need of housing assistance will be served by the Rent Supplement Program and will be more consistent with Housing and Urban Development's Section 8 Rent Subsidy program.

Your Committee finds that the Housing and Community Development Corporation of Hawaii will hold public hearings when making rules to implement this program, as required by section 91, Hawaii Revised Statutes.

Your Committee finds that the amount of supplemental rent paid by the corporation and the tenant's annual payment should be left blank at this time, to be decided by the Committee on Ways and Means.

Federal Assisted Rental Housing Preservation Program

Your Committee finds that the supply of the Section 8 low-income rental housing projects subsidized by the United States Department of Housing and Urban Development may decrease in the future due to anticipated reductions in the subsidies offered by the federal government to the housing project owners. Decreased subsidies increase the risks that owners will terminate the federal subsidy contracts, pay off their mortgages, increase rents, sell the buildings, or convert them to condominiums.

Your Committee believes that the proposed H.B. No. 1018, H.D. 2, S.D. 1, is necessary to protect low-income renters from the financial devastation that will befall them in trying to secure market rate rental units. Low income residents who may lose their homes should be given time to plan for this change.

Your Committee finds that during the year after the notice is given, residents of low income housing could form a non-profit organization or work with an existing non-profit organization to purchase the building. Giving first right of refusal to a non-profit entity is a sensible way to continue offering affordable housing and avoid low income residents having to find alternative housing accommodations.

Your Committee has amended the measure, as received, by replacing the contents of this measure with the proposed H.B. No. 1018, H.D. 2, S.D. 1, with:

- (1) The deletion of the twenty-five and thirty percent references to the tenant's annual payment and the corporation's supplemental rent; and
- (2) Technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1018, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1018, 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, 2 (Sakamoto, Tanaka).

SCRep. 1189 (Majority) Economic Development on H.B. No. 138

The purpose of this measure is to require certification of ownership and movement of agricultural products.

Your Committee received testimony in support of this measure from the Department of Agriculture (DOA), the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, and the Pineapple Growers Association of Hawaii. The Hawaii Food Industry Association submitted comments.

Your Committee finds that the theft of agricultural goods is a major problem for farmers in Hawaii. Currently, there is little recourse for a grower because it is difficult to prove ownership of agricultural goods, and farmers lose both goods and profits to resourceful thieves.

Your Committee further finds that while the certificate required in this measure will create some additional paperwork, it is not burdensome, and will assist farmers in protecting their agricultural products.

Your Committee has amended this measure to:

- (1) Add a value of at least \$100 for the agricultural goods;
- (2) Include aquaculture products, flowers, and other ornamentals; and
- (3) Make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 138, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 138, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Ige, M.). Excused, 2 (Kawamoto, Taniguchi).

SCRep. 1190 (Joint) Economic Development and Water, Land, and Hawaiian Affairs on H.B. No. 424

The purpose of this measure is to authorize the Department of Land and Natural Resources (DLNR) to deposit moneys from the harvest of forest products from forest reserves and the sale of tree seedlings from state nurseries into the forest stewardship fund for:

- (1) Reforestation and maintenance of timber management areas;
- (2) Enhancement of the management of public forest reserves with an emphasis on restoring degraded koa forests; and
- (3) Development of environmental education and training programs pertaining to sustainable forestry.

Your Committees received testimony in support of this measure from the DLNR, Hawaii Farm Bureau Federation, the Hawai'i Forest Industry Association, the Hawaii Society of American Foresters, and C.A.M. Resource Management. The University of Hawaii Environmental Center and the Office of Hawaiian Affairs submitted comments.

Your Committees find that DLNR faces a number of difficulties in managing public forest reserves. Management plans for the areas are outdated, and noxious weeds have taken over many areas of the forests, while increased uses and expectations are putting more pressure on forest resources. At the same time, general fund support for the forest products program has dropped over forty-five percent since 1991.

Your Committees further find that despite the legal mandate to make the forest reserve system as self sustaining as possible, current law does not provide for the distribution of receipts from forest products revenue to fund enhancement of these areas or support efforts to achieve sustainable forest management.

Your Committees are supportive of the DLNR's efforts to improve management of Hawaii's forests. Your Committees have amended this measure to:

- (1) Restrict the harvest of native forest products to those from degraded forests as defined in Section 186-5.5, Hawaii Revised Statutes, within forest reserves; and

- (2) Make nonsubstantive, technical amendments.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 424, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 424, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Kanno, Kawamoto, Tanaka, Taniguchi, Anderson).

SCRep. 1191 Economic Development on H.B. No. 949

The purpose of this measure is to authorize and direct the Agribusiness Development Corporation to establish agricultural subdivisions.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation (ADC), the Hawaii Farm Bureau Federation, the Big Island Farm Bureau, and two individuals.

Your Committee finds that on January 22, 1999, the Board of the ADC approved a motion to support legislative measures providing for an agricultural subdivision in Hamakua, and a report by the ADC further identified two parcels for the proposed agricultural subdivision. Your Committee further finds that the designated parcels are located below the Hamakua ditch, with plantation installed irrigation mains already in place.

Your Committee believes that an agricultural subdivision of smaller size parcels will enable more farmers to use these lands at affordable prices. Your Committee has amended this measure to:

- (1) Expand the purpose section to allow persons owning property within an agricultural district to subdivide the property into leasehold lots to be used for intensive agricultural subdivisions;
- (2) Add two new sections to Chapter 205, Hawaii Revised Statutes, to authorize intensive agricultural subdivisions for lot sizes not less than twenty acres; and
- (3) Clarify the collection and payment actions of the ADC with respect to agricultural subdivisions, and to delete collection of master lease rent.

In amending this measure, your Committee has incorporated portions of S.B. No. 1211, heard previously in this Committee.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 949, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 949, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1192 Economic Development on H.B. No. 1280

The purpose of this measure is to:

- (1) Change the composition of the board of the Agribusiness Development Corporation (ADC) and delete the requirement that the Governor appoint the board;
- (2) Delete approval by the Board of Agriculture for marketing activities of the ADC;
- (3) Amend Act 176, Session Laws of Hawaii (SLH) 1998, to delete the requirement that the board of the ADC shall consist of members of the Board of Agriculture; and
- (4) Appropriate funds for the expenses of the ADC.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation, the Big Island Farm Bureau, the Hamakua County Farm Bureau, the Agriculture Committee of the Hawaii Island Economic Development Board, and one individual.

Your Committee finds that the ADC was empowered by the Legislature to optimize the State's agricultural assets for the benefit of the agricultural industry and the economy as a whole.

Your Committee further finds that the ADC now has an opportunity to meet that objective, but only if the board of the ADC is retained as a body separate from the Board of Agriculture, with specific authorization to undertake projects in support of agricultural redevelopment. Your Committee has amended this measure to:

- (1) Include a purpose section;
- (2) Reinstate appointment of the ADC board by the Governor;
- (3) Reinstate Board of Agriculture approval for marketing activities by the ADC;
- (4) Change the expending agency from the DOA to the ADC;
- (5) Authorize the ADC to plan, design, and construct an agricultural subdivision in Hamakua, with an annual progress report to the Legislature;
- (6) Appropriate funds to the ADC for the Hamakua subdivision;
- (7) Require the ADC to submit an annual report to the Legislature on its overall activities; and
- (8) Make technical, nonsubstantive amendments.

In amending this measure, your Committee has incorporated portions of S.B. No. 576, S.D. 1, heard previously in this Committee.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1280, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1280, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 1193 Economic Development on H.B. No. 1282

The purpose of this measure is to extend the existing operation and maintenance contract of the lower Hamakua ditch for six months or until the irrigation district administrative rules become effective, and authorize the Department of Agriculture to establish and collect water tolls to cover the cost of the irrigation district operation until the administrative rules are adopted.

Your Committee received testimony in support of this measure from the Department of Agriculture (DOA), the Hawaii Farm Bureau Federation, the Big Island Farm Bureau, Kamehameha Schools Bishop Estate, and one individual.

Your Committee finds that the DOA is co-sponsoring a watershed project with the U.S. Department of Agriculture Natural Resources Conservation Service, which will restore the lower Hamakua ditch to its pre-plantation condition. When this is completed, the ditch will then be the water source and conveyance system for the irrigation district.

Your Committee further finds that this measure is very important to all the farmers and ranchers in the Hamakua area, who currently depend on irrigation water from the ditch. These businesses span a range of farming operations, including vegetables, nurseries, taro, orchard crops, awa, ranching, and aquaculture, and any interruption in the flow of water to these operations would have a severe impact on the economic recovery of the Hamakua area.

Your Committee strongly supports these provisions to restore the ditch and provide a consistent water source for the farmers of the area. Your Committee believes that adequate and affordable water is a key component to the success of these operations, and as such is a critical stimulus factor in the further economic development of Hamakua.

In order to provide an additional incentive for the successful development of agriculture in Hamakua, your Committee believes the mandate that irrigation districts function in a self-supporting manner should be suspended for two years. Your Committee has amended this measure accordingly to:

- (1) Change the appropriation from an unspecified amount to \$75,000;
- (2) State that the provisions of section 167-5, Hawaii Revised Statutes, relating to irrigation projects being self-supporting shall not apply to the irrigation district operation covered by this Act between the effective date of this Act to July 1, 2001; and
- (3) Make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1282, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 1194 (Joint) Water, Land, and Hawaiian Affairs and Judiciary on H.B. No. 235

The purpose of this measure is to provide for an elected Hawaiian Homes Commission to oversee the Department of Hawaiian Home Lands (DHHL).

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the State Representative of the 43rd Representative District, the Association of Hawaiian Civic Clubs, the Nanakuli Hawaiian Homestead Community Association, the Ahupua'a Maui Island, the Ahupua'a O' Oahu, the Ahupua'a O' Kauai, the Waimea Hawaiian Homesteaders' Association, the State Council of Hawaiian Homestead Associations, the Waianae Kai Homestead Association, Hui Kako'o 'Aina Ho'opulapula, and a private citizen. A private citizen testified in opposition to the measure. The Attorney General, Department of Hawaiian Home Lands, Office of Elections, the City and County of Honolulu's Office of the City Clerk, and the County of Maui's Office of the County Clerk took no position but offered comments on the measure.

The measure provides that commissioners would be elected in a special election held in conjunction with the general election for four year terms. To ensure that there is continuity on the elected commission, the measure requires that in the inaugural special election, the four commissioners with the highest vote totals will serve for four year terms. The other two commissioners will serve for two years.

Members of the elected Commission may be re-elected without restriction as to the number of terms and would receive salaries, benefits, and expenses in the same amount and manner as is provided by law for the Trustees of the Office of Hawaiian Affairs. The measure also empowers the elected commission to elect its chairperson and to advise and consent to the Governor's appointment of the director of the DHHL.

The measure establishes commissioner eligibility requirements as follows:

- (1) The person must be:
 - (A) A "native Hawaiian" as defined in section 201 of the Hawaiian Homes Commission Act (HHCA);
 - (B) A successor to a lessee as defined in section 209(a) of the HHCA; or
 - (C) (i) A descendant of the aboriginal peoples inhabiting the Hawaiian islands previous to 1778, that exercised sovereignty and subsisted at that time and thereafter continued to reside in Hawaii; and
 - (ii) Maintains the person's residence on "Hawaiian home lands" as defined in section 201 of the HHCA;
- (2) The age of eighteen years or will have attained that age within one year of the date of the next election of commissioners; and
- (3) Otherwise qualified to register to vote in the State.

The proposed geographic representation for an elected Hawaiian Homes Commission would be as follows:

- (1) The island of Oahu shall have four members, all of whom shall be residents and registered voters on the island of Oahu;
- (2) The districts of Puna, South Hilo, North Hilo, and Hamakua shall elect one member who shall be a resident and registered voter in one of those districts;
- (3) The districts of North Kohala, South Kohala, North Kona, South Kona, and Ka'u shall elect one member who shall be a resident and registered voter in one of those districts;
- (4) The island of Maui shall elect one member who shall be a resident and registered voter on the island of Maui;
- (5) The islands of Lanai and Molokai shall elect one member who shall be a resident and registered voter either on the island of Lanai or Molokai; and
- (6) The island of Kauai shall elect one member who shall be a resident and registered voter on the island of Kauai.

To be eligible to vote in the special election to elect Hawaiian Homes Commissioners, a person must:

- (1) Be a descendant of the aboriginal peoples inhabiting the Hawaiian islands previous to 1778, that exercised sovereignty and subsisted at that time and thereafter continued to reside in Hawaii;
- (2) Have attained the age of eighteen years or will have attained such age within one year of the date of the next election of commissioners; and
- (3) Otherwise be qualified to register to vote in the State.

Your Committees have amended the measure by:

- (1) Clarifying that the election for commissioners shall be held as a part of the general election;
- (2) Deleting the specific numbers of commissioners to be elected from each area;
- (3) Broadening the requirements for representation from the island of Hawaii to require that the elected commissioners need only reside and vote on the island of Hawaii, rather than reside and represent specific geographic locations;
- (4) Enabling qualified residents of Niihau to vote in the election of a commissioner that would represent both Kauai and Niihau;
- (5) Allowing for the election of one at-large member;
- (6) Restricting and conforming the eligibility requirements for candidacy and to vote for candidates for the Commission by deleting persons who are not "native Hawaiian" as defined in section 201 of the HHCA or successors to leases as defined in section 209(a) of the HHCA;
- (7) Clarifying that candidates and eligible voters must be at least eighteen years of age at the time of the election;
- (8) Allowing qualified nonresident native Hawaiians to run for the at-large commission seat and to vote in the election of an at-large commissioner;
- (9) Establishing that the at-large commissioner shall be the chairperson of the Commission;
- (10) Deleting the requirement that any person wishing to register as a candidate for a seat on the Commission submit to an examination under oath by the clerk of the appropriate county as to the person's qualifications;
- (11) Delaying the inaugural election of commissioners under the measure from the 2000 election to the 2002 election;
- (12) Adding a section that amends section 213(f), HHCA, to allow for the use of moneys in the Hawaiian Home Administration Account to pay for the salaries and benefits of elected commissioners and to defray election costs;
- (13) Adding a section that instructs the 2001 reapportionment commission to review and make recommendations on the appropriate apportionment of commissioner districts to the 2002 Legislature;
- (14) Deleting the section that appropriates funds from the the general fund to pay for the salaries and benefits of elected commissioners; and
- (15) Making technical, nonsubstantive amendments for purposes of style and clarity and to reflect recommended drafting style.

Your Committees believe that the amended measure adequately addresses the numerous concerns raised by testifiers while concomitantly providing for fair representation for native Hawaiian beneficiaries. Your Committees further believe that an elected Hawaiian Homes Commission would be more truly representative of the beneficiaries of the Hawaiian Home Lands Trust, thereby making the Commission more responsive to the needs of its constituency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 235, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 235, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 1195

Labor and Environment on S.C.R. No. 97

The purpose of this measure is to direct the legislative reference bureau to conduct a comprehensive study on the impacts of raising the state minimum wage.

Testimony in support of this measure was received from the Hawaii State Teachers Association, the American Friends Service Committee, and a concerned citizen.

Your Committee finds that a comprehensive study of the impacts of raising the state minimum wage will provide data and insights which will help clarify what the appropriate minimum wage should be for Hawaii's wage earners.

Your Committee has amended this measure by broadening the scope of the study to include:

- (1) An evaluation of the real value of the current minimum wage as compared to the real value of the initial minimum wage established in 1968;
- (2) The current wage structure in Hawaii small businesses including the prevalent minimum and highest wages paid;
- (3) Data on how past increases in the minimum wage have affected other wages in Hawaii's businesses.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 97, as amended herein, and recommends 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 Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Ihara, Slom).

SCRep. 1196 Labor and Environment on S.R. No. 40

The purpose of this measure is to direct the legislative reference bureau to conduct a comprehensive study on the impacts of raising the state minimum wage.

Testimony in support of this measure was received from the Hawaii State Teachers Association, the American Friends Service Committee, and a concerned citizen.

Your Committee finds that a comprehensive study of the impacts of raising the state minimum wage will provide data and insights which will help clarify what the appropriate minimum wage should be for Hawaii's wage earners.

Your Committee has amended this measure by broadening the scope of the study to include:

- (1) An evaluation of the real value of the current minimum wage as compared to the real value of the initial minimum wage established in 1968;
- (2) The current wage structure in Hawaii small businesses including the prevalent minimum and highest wages paid;
- (3) Data on how past increases in the minimum wage have affected other wages in Hawaii's businesses.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.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 S.R. No. 40, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Ihara, Slom).

SCRep. 1197 Labor and Environment on S.C.R. No. 179

The purpose of this measure is to request the Legislative Reference Bureau, with cooperation from the Office of Volunteer Services, to update information to facilitate development of volunteer programs.

Testimony in support of this measure was received from two concerned citizens involved in volunteer work.

Your Committee finds that agencies and community groups use of volunteers has seen a dramatic increase. These volunteers provide a valuable service to the agencies, the community groups, and the citizens of the State.

Your Committee has amended this measure to:

- (1) Involve the Volunteer Action Center, the Hawaii State Public Library System, and the University of Hawaii Library System in the study; and
- (2) Make technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 179, 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. 179, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ige, M.).

SCRep. 1198 (Majority) Labor and Environment on S.C.R. No. 201

The purpose of this measure is to request that the Department of Commerce and Consumer Affairs (DCCA) and the Department of Labor and Industrial Relations (DLIR) coordinate efforts to enforce workers' compensation coverage requirements.

The measure also requests the publishing of a list of the contractors that do not carry workers' compensation insurance and the cross-checking of this list against unemployment insurance reports, temporary disability insurance reports, and pre-paid health care reports. The departments are also requested to confer with private industry about the seriousness of the matter and report to the Legislature on possible enforcement procedures.

Testimony in support of this measure was received from Hidano Construction, Inc., and the Subcontractors Association of Hawaii. DCCA and DLIR testified that the departments are not opposed to the measure.

Your Committee finds that there are contractors who claim to have no employees in order to avoid the workers' compensation insurance requirements for licensure. These contractors will then hire employees after the license is obtained. DCCA and DLIR testified that there is no clear documentation that this abuse is taking place on a wide scale.

Your Committee also finds that this practice by some contractors gives those contractors a bidding advantage over contractors who pay the workers' compensation insurance premiums in advance as required by law.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 201, and recommends that it be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Chumbley, Fukunaga, Ige, M.).

SCRep. 1199 (Majority) Labor and Environment on S.R. No. 87

The purpose of this measure is to request that the Department of Commerce and Consumer Affairs (DCCA) and the Department of Labor and Industrial Relations (DLIR) coordinate efforts to enforce workers' compensation coverage requirements.

The measure also requests the publishing of a list of the contractors that do not carry workers' compensation insurance and the cross-checking of this list against unemployment insurance reports, temporary disability insurance reports, and pre-paid health care reports. The departments are also requested to confer with private industry about the seriousness of the matter and report to the Legislature on possible enforcement procedures.

Testimony in support of this measure was received from Hidano Construction, Inc., and the Subcontractors Association of Hawaii. DCCA and DLIR testified that the departments are not opposed to the measure.

Your Committee finds that there are contractors who claim to have no employees in order to avoid the workers' compensation insurance requirements for licensure. These contractors will then hire employees after the license is obtained. DCCA and DLIR testified that there is no clear documentation that this abuse is taking place on a wide scale.

Your Committee also finds that this practice by some contractors gives those contractors a bidding advantage over contractors who pay the workers' compensation insurance premiums in advance as required by law.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 87, and recommends that it be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Chumbley, Fukunaga, Ige, M.).

SCRep. 1200 Labor and Environment on S.C.R. No. 102

The purpose of this measure is to request the Governor to appoint a study group to consider the advantages and disadvantages of levying environmental taxes.

The Department of Taxation commented on this measure. Hawaiian Electric Company testified in opposition to the measure.

Your Committee finds that the study requested in this measure can provide valuable information for future discussions regarding changes to the State's tax structure.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 102, 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, 3 (Chumbley, Ihara, Slom).

SCRep. 1201 Labor and Environment on S.C.R. No. 161

The purpose of this measure is to request that the union trust funds work with construction industry employers to resolve differences over the employer's obligation to make contributions to the union trust fund.

Testimony in support of this measure was received from Hidano Construction, Inc.

Your Committee finds that the Hawaii Supreme Court has held that construction industry employers must contribute to union trust funds for their workers or have liens placed on their improvements or property. In addition, general contractors are liable for payments if a subcontractor fails to contribute to the union trust fund.

Your Committee feels that it would be in the best interest of the industry and the union trust fund administrators to meet and work out an agreement on the amounts that should be required of employers to pay into the trust funds.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 161, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ige, M.).

SCRep. 1202 Commerce and Consumer Protection on H.B. No. 1623

The purpose of this measure is to expand the definition of "captive insurance company" to include five classes of captive insurance companies with specific capital or surplus requirements and to exempt newly authorized categories of captive insurance companies from the National Association of Insurance Commissioners risk-based capital reports filing requirements.

The Hawaii Captive Insurance Council and J & H Marsh McLennan presented testimony in support of the measure. Although not present at the hearing, Bank of Hawaii and 50th State Risk Management Services, Inc. submitted written testimony in support of the measure.

The State Insurance Commissioner and the Hawaii Insurance Council presented testimony in support of the intent of the measure with proposed amendments.

Your Committee finds that the captive insurance industry has grown significantly in the past five years. Hawaii is now the second largest home for captive insurance companies in the United States and is the premier captive insurance domicile in the Pacific Basin. Today, sixty-five captive insurance companies are licensed in Hawaii, contributing to the economic diversification and tax base of the State.

Your Committee finds that establishing different classes of captive insurance companies and licensing criteria will give Hawaii a competitive edge over other leading captive insurance domiciles.

Your Committee has serious unresolved concerns regarding the Class 5 captive insurance company category, which covers risks of unrelated companies. Captive insurance companies are exempt from many of the laws that regulate the insurance industry. The reasons for this limited regulation is that captive insurance companies cover only related risks through a self-insurance mechanism, and are established by owners who are themselves the insured. Therefore, insolvency of a captive insurance company will affect the owner/insured without directly causing injury to the public. This basis for limited regulation of captive insurance companies does not apply to Class 5 captive insurance companies as proposed by this measure.

Accordingly, your Committee has amended this measure to:

- (1) Delete all references to Class 5 captive insurance companies; and
- (2) Specify that the capital and surplus requirements for Class 3 captive insurance companies be \$500,000 for risk retention captive insurance companies, and \$750,000 for association captive insurance companies.

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. 1623, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1623, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 1203 Labor and Environment on Gov. Msg. No. 187

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII LABOR RELATIONS BOARD

G.M. No. 187 CHESTER C. KUNITAKE, for a term to expire June 30, 2005;

Upon review of the background information submitted by the nominee, your Committee finds that Chester C. Kunitake holds a Bachelor's degree from the University of Hawaii. In 1997, Mr. Kunitake was appointed to serve on the Hawaii Labor Relations Board (HLRB). Prior to serving on HLRB, Mr. Kunitake was a union representative for the Hawaii Government Employees Association. He serves on the Board of Directors of the Aloha United Way and the Hawaii Foodbank.

Testimony in support of the nominee was submitted by the Chairperson and the Executive Director of the Hawaii Labor Relations Board, the Chairman of the City and County of Honolulu Council, the Hawaii State Teachers Association, State of Hawaii Organization of Police Officers, the ILWU Local 142, and the United Public Workers.

Mr. Kunitake has served as a member of the HLRB since 1997. His wealth of knowledge of the legal and practical aspects of public sector collective bargaining has contributed greatly to the Board.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Fukunaga, Ige, M., Ihara).

SCRep. 1204 Labor and Environment on Gov. Msg. No. 190

Recommending that the Senate advise and consent to the nominations of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 190 GARY MCKEAGUE and CLAYTON E. WINGER, for terms to expire June 30, 2000,

MELVIN MIYAMOTO and J. PATRICK ROLISON, for terms to expire June 30, 2001, and

ALLAN L. PARKER, for a term to expire June 30, 2002,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Hoisting Machine Operators Advisory Board.

Your Committee specifically notes the following:

Gary McKeague is a professional crane operator with Hawaiian Crane and Rigging. He is a member of Operating Engineers Local Union #3 and Shop Steward for Hawaiian Crane and Rigging employees. Mr. McKeague has over fifteen years experience operating a variety of cranes.

Testimony in support of the nominee was received from Hawaii Operating Engineers Industry Stabilization Fund.

Clayton E. Winger is a Senior Loss Prevention Consultant at the Liberty Mutual Group, providing service to all commercial clients located in Hawaii. Mr. Winger received his Bachelor of Arts degree in Business Administration from Bernidji State University. He is a Certified Safety Professional and a member of the American Society of Safety Engineers.

Melvin Miyamoto is Vice President and Division Manager for Heavy Construction at Hawaiian Dredging Construction Company. He is responsible for the administration and operation of all construction activities of the Heavy Division and the Equipment Division. Mr. Miyamoto has extensive experience as a general foreman and superintendent on construction projects. In 1981, he completed the Advanced Management Program at the University of Hawaii and has advanced his education with non-credit engineering courses at the University of Hawaii.

J. Patrick Rolison is President and General Manager of Hawaiian Crane and Rigging, Ltd. He holds a Bachelor of Arts degree in economics from the University of Hawaii. Mr. Rolison also completed training seminars in mobile crane management, mobile crane operator training, and crane safety.

Allan L. Parker is Assistant Administrator and Chief Instructor at Operating Engineers, J.A.C. He is responsible for the day-to-day operations of a Heavy Equipment Training Site for apprentices and journeypersons, including four on-site cranes. Mr. Parker reviews and implements existing and new written and practical curriculum for the safe operation of heavy equipment, including cranes. Mr. Parker attended the University of Hawaii, West Oahu College, and Leeward Community College.

Testimony in support of the nominee was received from the Hawaii Operating Engineers Industry Stabilization Fund and the state administrator for the Operating Engineers Joint Apprenticeship Committee.

Your Committee diligently questioned the nominees regarding their experience in the field of hoisting and crane operations, their visions, and their priorities as Board members. Your Committee believes that the nominees adequately responded to the Committee's inquiries and will be assets to the Hoisting Machine Operators Advisory Board.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Fukunaga, Ige, M., Ihara).

SCRep. 1205 Labor and Environment on Gov. Msg. No. 183

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES, DEFERRED COMPENSATION PLAN

G.M. No. 183 **BRIAN L. SEN**, for a term to expire June 30, 2003,

Upon review of the resume and background information submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation to assist in administering various government functions. The nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Deferred Compensation Plan Board of Trustees.

Your Committee finds that Brian L. Sen holds a Bachelor's degree from Boston College and a law degree from the University of Hawaii Richardson School of Law. Mr. Sen is currently President of a local group of companies called Sen Plex Corporation. He was formerly an attorney with the firm of Matsui Chung Sumida and Chang where he practiced civil litigation on matters relating to insurance defense, construction, constitutional, tort, landlord-tenant, administrative, and discrimination law. Mr. Sen was appointed to the Board of Trustees of the Deferred Compensation Plan in 1995.

Testimony in support of the nominee was received from the Director of Human Resources Development.

Your Committee diligently questioned the nominee regarding his vision and priorities for the Board of Trustees of the Deferred Compensation Plan. Based on this discussion, your Committee believes that the nominee adequately responded to the Committee's inquiries and would be an asset to the Board.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Fukunaga, Ige, M., Ihara).

SCRep. 1206 Labor and Environment on Gov. Msg. No. 215

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL SERVICE COMMISSION

G.M. No. 215 **LINDA R. LAI**, for a term to expire June 30, 2001;

GLADYS M. KOTAKI, for a term to expire June 30, 2002; and

BOB T. KITA, for a term to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Civil Service Commission.

Your Committee specifically notes the following:

Linda R. Lai is currently a principal with Griffing Swan and Lai Insurance Brokers, Inc. She has twenty-seven years experience in property and casualty insurance, specializing in complex risk management accounts. Ms. Lai served on the Committee for Public Private Competition where she gained an extensive knowledge in the State's civil service laws. Because of her experience as a top executive making complex decisions, Ms. Lai will be a valuable asset to the Civil Service Commission.

Testimony in support of her nomination was received from the Director of Human Resources Development.

Gladys M. Kotaki graduated with distinction from the University of Hawaii at Manoa with a Bachelor of Education. Prior to her retirement from the Department of Education, she worked in various secretarial positions including training others in effective and efficient office management. Ms. Kotaki was first appointed to the Civil Service Commission in 1995 and has been its Chairperson since 1998.

Testimony in support of Ms. Kotaki's reappointment was received from the Director of Human Resources Development, the Principal of Castle High School and a retired Deputy of Superintendent of Education. The testimony was unanimous in praise of Ms. Kotaki's dedication to service and her expertise in civil service matters particularly as they relate to education.

Bob T. Kita graduated from the University of Hawaii at Manoa with a Bachelor's Degree. After serving in the Army, Mr. Kita joined the Department of Public Welfare in Hilo as a social worker. He later joined the State's Probation Department until his retirement. Mr. Kita was appointed to the Civil Service Commission in 1995.

Testimony in support of Mr. Kita's nomination was received from the Director of Human Resources Development.

Your Committee diligently questioned the nominees regarding the role of Civil Service Commission in the ongoing efforts to reform the State's Civil Service System. Based on this discussion, your Committee believes that the nominees adequately responded to the Committee's inquiries and would be assets to the Civil Service Commission.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Fukunaga, Ige, M., Ihara).

SCRep. 1207 Ways and Means on H.B. No. 1013

The purpose of this bill is to make an emergency appropriation for the Hawaii Tourism Authority's tourism special fund.

Your Committee agrees with the intent of this bill, and notes the receipt of a message from the Governor by the House Standing Committee on Finance dated February 4, 1999, to the effect that additional funding was needed to allow the Authority to encumber and expend funds for its programs during the second half of the 1998-1999 fiscal year, and that immediate passage of this bill is needed to ensure funding for tourism marketing and other tourism-related projects.

Upon further consideration, your Committee has amended this bill by requiring the Authority to reimburse the General Fund for amounts expended from that fund since January 1, 1999, for the Authority's operations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1013, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1013, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Ige, D., Anderson).

SCRep. 1208 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.R. No. 59

The purpose of this measure is to request that the Board of Land and Natural Resources and the Board of Water Supply of the City and County of Honolulu, working in concert with the appropriate federal agency, conduct a study of alternate sources of clean and safe drinking water, including desalination plants, to ascertain their economic feasibility to supplement Hawaii's ground water sources.

The Board of Land and Natural Resources was unable to support the passage of the measure due to financial constraints. The City and County of Honolulu's Board of Water Supply had no objections to the measure.

Your Committees find that in recent years, concerns about the safety of the State's ground water sources in the City and County of Honolulu have been raised, both in the civilian and military communities, by Mililani and Village Park/Waipahu residents, and officials at Tripler Army Hospital. Your Committees understand that it is critical that Hawaii residents, military personnel stationed in Hawaii, and all military personnel on vessels using Hawaii as a refueling point have a constant and continuous source of clean and safe drinking water.

Your Committees also find that the technology of the desalination process has developed to the point where it may now be economically feasible for our county, state, and federal governments to consider desalination plants as a supplement for ground water sources. If found feasible, desalinated water could be used to augment existing freshwater supplies.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 59, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Ige, D., Iwase, Kanno, Tanaka, Taniguchi).

SCRep. 1209 Water, Land, and Hawaiian Affairs on S.R. No. 60

The purpose of this measure is to request that the Senate Committee on Water, Land, and Hawaiian Affairs conduct an inventory of early childhood education services provided to Native Hawaiians by Native Hawaiian interest organizations during the 1999 interim.

Testimony in support of the measure was received from the Office of Hawaiian Affairs.

The measure calls for a comprehensive study that includes descriptions of early childhood education services that are currently provided to Native Hawaiians and where these services are being provided, figures detailing how many children are being served, an evaluation of the effectiveness of these services, and recommendations for further legislative actions.

The inventory would include the services provided by Native Hawaiian Agencies such as the Office of Hawaiian Affairs, Kamehameha Schools/Bishop Estate, and Alu Like, Inc.

Your Committee finds that significant economic and social changes during the past twenty years have made child care and early education issues a high priority in our State's public policy agenda. As more parents enter the work force, including more women and two-parent families of all income levels, it is important to help them secure child care that is both affordable and supportive of the child's development.

Your Committee also finds that recent scientific evidence about the brain confirms that learning begins at birth and that very young children benefit from stimulating attention with responsive caregivers, including parents and others outside the home. Other scientific studies show that quality early care and education services have a dramatic long-term effect on a child's ability to succeed in school, achieve economically, and avoid the criminal justice system.

Your Committee believes that because Native Hawaiians have traditionally been disadvantaged, the State has an obligation to aid in the provision of services to Native Hawaiians, including early childhood education services. Although there are many Native Hawaiian interest organizations, it is unknown how many of these organizations provide early childhood education services to Native Hawaiian children. For these reasons, your Committee believes that the inventory is necessary.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 60 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Nakata, Tanaka).

SCRep. 1210 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.C.R. No. 140

The purpose of this measure is to request that the Department of Land and Natural Resources and the county governments solicit development plans by Hawaiian canoe club lessees to develop, upgrade, renew, or revitalize the land on which they lease.

Testimony in support of the measure was received from the Department of Land and Natural Resources and two interested individuals.

Your Committees find that many Hawaiian canoe clubs are located on public lands granted under section 5(b), (c), and (d) of the Admissions Act, including public parks, beaches, harbors, and waterways in each district and neighborhood throughout the State. These public lands provide a convenient location to practice the cultural tradition of Hawaiian canoe paddling and training.

Your Committees also find that currently, Hawaiian canoe clubs statewide are the present tenants on public lands with revocable permits or year-to-year tenancies. This status on the land makes it difficult for canoe clubs to ensure a long term base for their activities as well as making it financially imprudent for them to make any significant and costly improvements to the lands.

Your Committees believe that providing long term leases to Hawaiian canoe clubs would provide these canoe clubs with the opportunity to stabilize their existing tenancies and make improvements to the lands they lease.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 140, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Ige, D., Iwase, Kanno, Tanaka, Taniguchi).

SCRep. 1211 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.R. No. 61

The purpose of this measure is to request that the Department of Land and Natural Resources and the county governments solicit development plans by Hawaiian canoe club lessees to develop, upgrade, renew, or revitalize the land on which they lease.

Testimony in support of the measure was received from the Department of Land and Natural Resources and two interested individuals.

Your Committees find that many Hawaiian canoe clubs are located on public lands granted under section 5(b), (c), and (d) of the Admissions Act, including public parks, beaches, harbors, and waterways in each district and neighborhood throughout the State. These public lands provide a convenient location to practice the cultural tradition of Hawaiian canoe paddling and training.

Your Committees also find that currently, Hawaiian canoe clubs statewide are the present tenants on public lands with revocable permits or year-to-year tenancies. This status on the land makes it difficult for canoe clubs to ensure a long term base for their activities as well as making it financially imprudent for them to make any significant and costly improvements to the lands.

Your Committees believe that providing long term leases to Hawaiian canoe clubs would provide these canoe clubs with the opportunity to stabilize their existing tenancies and make improvements to the lands they lease.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 61, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Ige, D., Iwase, Kanno, Tanaka, Taniguchi).

SCRep. 1212 Water, Land, and Hawaiian Affairs on S.C.R. No. 190

The purpose of this measure is to provide legislative support for the Department of Land and Natural Resources' Coastal Erosion Management Plan (COEMAP).

The measure also requests that the Department of Land and Natural Resources be provided with sufficient administrative support and resources to effectively facilitate implementation of COEMAP, including the following activities:

- (1) Continue to develop COEMAP;
- (2) Educate the public about beach erosion control;
- (3) Advise the appropriate county agencies about beach erosion control and coordinate erosion activities with the counties; and
- (4) Continue to conduct research, along with the University of Hawaii, in coastal erosion management, beach restoration, collecting data on erosion hazards, developing plans to improve degraded coastal beaches, and identifying sand sources for beach restoration.

Testimony in support of the measure was received from the Department of Land and Natural Resources (DLNR), the Department of Business, Economic Development, and Tourism's Office of Planning, and Hawaii's Thousand Friends.

Your Committee finds that coastal erosion in Hawaii has reached alarming proportions, with many shorelines losing an excess of a foot per year. In the past seventy years, almost one fourth of Oahu's natural sandy beaches have been lost or narrowed due to shoreline hardening, and similar losses have occurred on Maui and Kauai.

Given the current trends of rising global sea levels, increased coastal development and continual human impacts to beaches, coastal erosion is expected to continue to be an environmental, societal, cultural, and economic concern in the foreseeable future.

Your Committee also finds that there are a number of alternatives to manage erosion, such as greater shoreline setbacks, purchase by the State of coastal lands, prohibiting coastal developments within known erosion hazard zones, restoring beaches, and controlling erosion by adaptation or strategic redevelopment, or sand nourishment. Hawaii needs to find ways to preserve the beaches and protect public access to the shorelines, as well as protecting property from erosion, flooding, and wave damage.

To this end, the DLNR's Coastal Lands Program has developed the COEMAP in collaboration with the University of Hawaii Coastal Geology Group. To ensure that changing environmental needs and conditions are addressed, COEMAP is constantly being revised to provide a selection of beach management options and erosion management alternatives. As a part of this updating process, the Coastal Lands Program continuously solicits public input for COEMAP and goes out into communities to educate the public about beach erosion.

Your Committee believes that COEMAP should be adopted by all coastal zone management program agencies and authorities of the counties for beaches under their jurisdiction, and by the State for beaches under its jurisdiction.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 190, 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 (Chun, Nakata, Tanaka).

SCRep. 1213 Water, Land, and Hawaiian Affairs on S.C.R. No. 195

The purpose of this measure is to authorize the Department of Land and Natural Resources (DLNR) to issue easements or leases to a private landowner for fast and submerged lands in Keauhou, North Kona, Hawaii.

Testimony in support of the measure was received from DLNR.

Your Committee finds that in June, 1988, high storm surf severely damaged the seawalls in the Keauhou, North Kona area. To repair the damage caused by the storm, the Blue Chip Corporation (BCC), through its managing agent, applied gunnite to the outside (seaward) faces of the seawalls in July, 1988, to stabilize the damage. During the application, some gunnite accidentally slurred onto the rock outcrops below the seawalls.

The measure would authorize DLNR to grant leases or easements as necessary to mitigate the unintentional slurring of rock outcrops.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 195, 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 (Chun, Nakata, Tanaka).

SCRep. 1214 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.C.R. No. 139

The purpose of this measure is to request that the Board of Land and Natural Resources and the Board of Water Supply of the City and County of Honolulu, working in concert with the appropriate federal agency, conduct a study of alternate sources of clean and safe drinking water, including desalination plants, to ascertain their economic feasibility to supplement Hawaii's ground water sources.

The Board of Land and Natural Resources was unable to support the passage of the measure due to financial constraints. The City and County of Honolulu's Board of Water Supply had no objections to the measure.

Your Committees find that in recent years, concerns about the safety of the State's ground water sources in the City and County of Honolulu have been raised, both in the civilian and military communities, by Mililani and Village Park/Waipahu residents, and officials at Tripler Army Hospital. Your Committees understand that it is critical that Hawaii residents, military personnel stationed in Hawaii, and all military personnel on vessels using Hawaii as a refueling point have a constant and continuous source of clean and safe drinking water.

Your Committees also find that the technology of the desalination process has developed to the point where it may now be economically feasible for our county, state, and federal governments to consider desalination plants as a supplement for ground water sources. If found feasible, desalinated water could be used to augment existing freshwater supplies.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 139, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 5 (Ige, D., Iwase, Kanno, Tanaka, Taniguchi).

SCRep. 1215 Judiciary on H.B. No. 160

The purpose of this bill, as received by your Committee, is to repeal the sunset date for state and county immunity from liability at public beach parks.

Your Committee finds that the Task Force on Beach and Water Safety has been effective in advising the Chairperson of the Board of Land and Natural Resources on the design and placement of signs warning of extremely dangerous natural conditions in the ocean off state or county beach parks. Your Committee further finds that the Task Force should be afforded additional time to complete its

work on the development of signs and a comprehensive plan for warning of dangerous natural conditions in the ocean off public beach parks.

Testimony in support of this measure was submitted by the Board of Land and Natural Resources, the Office of the Mayor of the County of Maui, the Department of Corporation Counsel for the City and County of Honolulu, the County Council of Maui, the Hawaii State Association of Counties, the Emergency Services Department of the City and County of Honolulu, and Consumer Lawyers of Hawaii.

Upon further consideration, your Committee has amended this measure by reinstating the sunset provision and extending the sunset date to June 30, 2001.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 160, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 1216 Judiciary on H.B. No. 996

The purpose of this bill is to maintain the confidentiality of protected information when it is brought before a state or county board.

Your Committee finds that this measure seeks to resolve the conflict that boards face when attempting to comply with open meeting requirements under the Sunshine Law, confidentiality statutes, and court orders. Your Committee notes that under the Uniform Information Practices Act (UIPA), chapter 92F, Hawaii Revised Statutes, an agency is not required to disclose government records that are protected from disclosure pursuant to state or federal law or under a state or federal court order. Your Committee further finds that this bill would make the State's public meeting laws consistent with UIPA.

The Attorney General has advised your Committee that pursuant to section 92-4, Hawaii Revised Statutes, closed meetings are expressly limited to those matters exempted by section 92-5. Therefore, only matters that fall within one of the exceptions set out in section 92-5, Hawaii Revised Statutes, can be discussed in an executive session, and then only after the exception is announced and a majority of the board's membership agrees that an executive meeting should be held.

Testimony in support of this measure was submitted by the Department of the Attorney General and the Office of Information Practices.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 996 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 1217 Judiciary on H.B. No. 1485

The purpose of this bill is to amend section 604-8, Hawaii Revised Statutes, relating to the jurisdiction of the district court, by deleting reference to charges brought by complaint or indictment.

Your Committee finds that Act 64, Session Laws of Hawaii, 1998, provided concurrent jurisdiction between the district, circuit, and family courts over certain offenses. Thus, the district court has concurrent jurisdiction with the family court for any violation of section 709-906, Hawaii Revised Statutes, when multiple offenses are charged through complaint or indictment and at least one other offense is a criminal offense within the jurisdiction of the district court. Your Committee further finds that the district court does not require that offenses be charged through "complaint or indictment" nor is it a common court practice.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1485 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1218 Health and Human Services on S.C.R. No. 4

The purpose of this measure is to observe 1999 as the International Year of Older Persons.

Your Committee received testimony in support of this measure from the Executive Office on Aging and Hawaii Long Term Care Association.

Governor Benjamin Cayetano has signed a Proclamation declaring 1999 as the International Year of Older Persons in Hawaii. Older persons in Hawaii have shaped society and contributed to communities by imparting their wisdom and establishing a heritage and tradition for generations to come. The International Year of Older Persons provides a special opportunity to honor Na Kupuna in Hawaii and the world for the many years they spent giving to others and sharing their knowledge and experiences.

Your Committee has amended this measure by correcting references in the BE IT RESOLVED clause to the Twentieth Legislature and the Regular Session of 1999.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 4, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 4, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1219 Health and Human Services on S.C.R. No. 60

The purpose of this measure is to request the Auditor to assess the social and financial effects of expanding the definition of certified substance abuse staff to include psychologists certified by the American Psychological Association College of Professional Psychology in the treatment of alcohol and other psychoactive substance use disorders.

Your Committee received testimony in support to this measure from the Hawaii Psychological Association.

Under current law, a state licensed psychologist must be certified as a substance abuse counselor by the Department of Health to qualify for payments under medical and health insurance. The requirements of certification from the Department of Health are equivalent to the certification requirements of the American Psychological Association College of Professional Psychology.

The Auditor must assess both the social and financial effects of proposed mandated coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies, before any legislation can be enacted to require health insurance coverage.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 60, 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 (Fukunaga, Levin).

SCRep. 1220 Health and Human Services on S.C.R. No. 75

The purpose of this measure is to request a study of fluoridation of drinking water.

Your Committee received testimony in support of this measure from the Department of Health and the University of Hawaii School of Public Health.

Tooth decay is a common dental disease that is preventable with proper care. One proven method of tooth decay prevention is fluoridation of drinking water. Every state has fluoridation to some extent except Hawaii, where fluoridation is found only on military bases. Fluoridation has been endorsed by the United States Public Health Service, American Dental Association, American Medical Association, and the Dental Health Division of the State Department of Health. However, a study ten years ago by the federal government linked fluoride to bone cancer. The purpose of this measure is to determine whether or not Hawaii should fluoridate the drinking water supplies.

Your Committee has amended this measure by including the Hawaii Academy of Pediatrics, National Kidney Foundation, and other interested organizations as participants in this study.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 75, 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. 75, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1221 Health and Human Services on S.C.R. No. 99

The purpose of this measure is to urge the Hawaii Appleseed Public Interest Law Center (Hawaii Appleseed) to continue its work on a comprehensive review of Hawaii statutes relating to child protection.

Your Committee received testimony in support of this measure from the Department of Human Services.

In the past two years, statutory amendments to Hawaii's child protection laws have been proposed and made piecemeal by the Child Protective Services Roundtable, Auditor, Attorney General, police, and prosecuting attorneys. Child protection laws are spread over seven chapters in the Hawaii Revised Statutes. These laws could be made more efficient and effective by revising and integrating them with a view toward developing an overall cohesive framework in which to address and remedy child abuse problems. Hawaii Appleseed provides this kind of assistance.

Your Committee has amended this measure to include in the Hawaii Appleseed study the effects of two recent federal enactments on Hawaii statutes.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 99, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.C.R. No. 99, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1222 Health and Human Services on S.C.R. No. 120

The purpose of this measure is to request a study of health care costs related to the treatment of breast and cervical cancer in Hawaii.

Your Committee received testimony in support of this measure from the Department of Health and Hawaii State Commission on the Status of Women.

Your Committee finds that breast cancer is the most common occurring cancer among women in Hawaii, with 500 to 600 new cases diagnosed every year and causing more deaths among women in Hawaii than any other form of cancer. Mammograms are the most effective screening test available for the early detection of breast cancer.

Pap smear tests are the most effective screening test available for the early detection of cervical cancers and pre-cancerous cell changes in the cervix.

Early detection of breast and cervical cancer improves long-term survival from these otherwise fatal diseases and significantly reduces treatment costs.

Your Committee further finds that universally available treatment of breast and cervical cancer is lacking in Hawaii, which may be due to the cost of treatment. The actual costs for the treatment of breast and cervical cancer in Hawaii have never been compiled or estimated. The purpose of this measure is to ascertain all costs with a view towards establishing a foundation to eventually make the treatment of breast and cervical cancer universally available.

Your Committee has amended this measure to include the Cancer Research Center of Hawaii in the study.

As affirmed by the record of votes of the members of your Committee on Health and Human Services 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, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1223 Health and Human Services on S.C.R. No. 152

The purpose of this measure is to request the Hawaii Patient Bill of Rights and Responsibilities Task Force to make a thorough study of the issues relating to the use of the term "medical necessity" to determine the most appropriate definition of "medical necessity", or to develop new terms to better resolve the issues examined.

Your Committee received testimony in support of this measure from the Insurance Commissioner, Hawaii Medical Service Association, Hawaii Medical Association, and Hawaii Insurers Council.

One of the most hotly-debated health care issues around the country relates to the meaning and use of the term "medical necessity", to the point where the term has become an "essentially contestable" concept. Competing definitions of "medical necessity" have evolved, but there is still no universal acceptance of any one definition, consensus in the literature on guidelines, or a national model. Yet, many medical decisions on treatment are based on a standard of medical necessity. This measure is intended to bring resolution of this issue to Hawaii, including what is "medically necessary", who decides it, who should be held accountable for it, and what evidence should be required in determining it.

Your Committee has amended this measure to include the Hawaii Insurers Council in the study.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 152, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.C.R. No. 152, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1224 Health and Human Services on S.C.R. No. 194

The purpose of this measure is to support the use of individual development accounts (IDA).

Your Committee received testimony in support of this measure from the Department of Human Services, Housing and Community Development Corporation of Hawaii, Office of Hawaiian Affairs, Hawaii State Commission on the Status of Women, Department of Community Services of the City and County of Honolulu, Waimanalo Community Development Corporation, American Friends Service Committee, Nanakuli Neighborhood Housing Services, Inc., Parents and Children Together, and a private citizen.

The accumulation of assets can improve economic stability, provide a viable and hopeful future, stimulate the development of human capital, and enhance the welfare of children. On October 27, 1998, President Clinton signed into law the Assets for Independence Act, which authorizes the U.S. Department of Health and Human Services to conduct a five-year, \$25,000,000 IDA program for first-home purchases, post-secondary education, and microenterprise development.

This measure expresses legislative recognition and support of IDAs as effective and important mechanisms for asset building that should be used to complement existing income-based social policy in Hawaii. This measure also requests the Department of Human Services, Department of Business, Economic Development, and Tourism, and Housing and Community Development Corporation of Hawaii to collaborate with IDA practitioners and to support organizations to assist in the development of IDAs in Hawaii and ensure that IDA accounts, including any earned interest, will be disregarded in the determination of benefits or eligibility for services that account holders may receive from state agencies.

Your Committee has amended this measure by deleting the provision from the second BE IT RESOLVED clause requiring that IDA accounts and interest be disregarded for purposes of determining eligibility for public benefits or services.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 194, 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. 194, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1225 Transportation and Intergovernmental Affairs on S.C.R. No. 103

The purpose of this measure is to study alternatives to the Keaau-Pahoa Road which is the only thoroughfare in Puna.

Testimony in support of this measure was received from the Department of Transportation.

Your Committee finds that the Keaau-Pahoa Road is not meeting the increasing demands of the Puna community resulting in increased traffic congestion. Therefore, alternate routes must be fully explored.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 103 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, 2 (Ige, D., Taniguchi).

SCRep. 1226 Transportation and Intergovernmental Affairs on S.R. No. 43

The purpose of this measure is to study alternatives to the Keaau-Pahoa Road which is the only thoroughfare in Puna.

Testimony in support of this measure was received from the Department of Transportation.

Your Committee finds that the Keaau-Pahoa Road is not meeting the increasing demands of the Puna community resulting in increased traffic congestion. Therefore, alternate routes must be fully explored.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 43 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, 2 (Ige, D., Taniguchi).

SCRep. 1227 Transportation and Intergovernmental Affairs on S.C.R. No. 116

The purpose of this measure is to request the Department of Transportation to conduct a feasibility study to plan, design, acquire land, and construct a second entrance into and exit out of Whitmore Village.

Testimony in support of this measure was received from the Whitmore Community Association and two individuals. Testimony in opposition to this measure was received from the Department of Transportation.

Your Committee finds that there is only one roadway into and out of Whitmore Village. With the increased number of residents in Whitmore Village, traffic congestion is severe. In cases of emergency, the fact that there is only one way into and out of Whitmore Village also raises security and safety concerns. Therefore, an alternate route for entering and exiting Whitmore Village must be fully explored.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 116, 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. 116, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 1228 Transportation and Intergovernmental Affairs on S.R. No. 54

The purpose of this measure is to request the Department of Transportation to conduct a feasibility study to plan, design, acquire land, and construct a second entrance into and exit out of Whitmore Village.

Testimony in support of this measure was received from the Whitmore Community Association and two individuals. Testimony in opposition to this measure was received from the Department of Transportation.

Your Committee finds that there is only one roadway into and out of Whitmore Village. With the increased number of residents in Whitmore Village, traffic congestion is severe. In cases of emergency, the fact that there is only one way into and out of Whitmore Village also raises security and safety concerns. Therefore, an alternate route for entering and exiting Whitmore Village must be fully explored.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 54, 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. 54, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 1229 Transportation and Intergovernmental Affairs on S.C.R. No. 167

The purpose of this measure is to request the counties to enact ordinances to implement a system of land value taxation in each county.

Testimony in support of this measure was received from the International Brotherhood of Electrical Workers, Local Union 1186.

Your Committee finds that a land value tax system would levy a tax on the value of the land rather than the value of structures or improvements on the land. A land value tax would encourage developers and owners to develop and make improvements on the land. In addition, a land value tax would deter speculative land holding and reduce the bureaucracy encountered in collecting and paying property related taxes. Therefore, your Committee finds that each county should enact ordinances to implement a system of land value taxation in the form of pilot programs to determine its feasibility.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 167, 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. 167, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 1230 Transportation and Intergovernmental Affairs on S.R. No. 75

The purpose of this measure is to request the counties to enact ordinances to implement a system of land value taxation in each county.

Testimony in support of this measure was received from the International Brotherhood of Electrical Workers, Local Union 1186.

Your Committee finds that a land value tax system would levy a tax on the value of the land rather than the value of structures or improvements on the land. A land value tax would encourage developers and owners to develop and make improvements on the land. In addition, a land value tax would deter speculative land holding and reduce the bureaucracy encountered in collecting and paying property related taxes. Therefore, your Committee finds that each county should enact ordinances to implement a system of land value taxation in the form of pilot programs to determine its feasibility.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 75, 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. 75, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 1231 Transportation and Intergovernmental Affairs on S.C.R. No. 182

The purpose of this measure is to request the adjutant general to report on the State's terrorist incident preparedness capabilities.

Testimony in support of this measure was received from the Department of Defense with recommended amendments.

Your Committee finds that the State is vulnerable to terrorist attacks using weapons of mass destruction, including explosives, incendiaries, and radiological, chemical, and biological agents. All pertinent governmental agencies at the federal, state, and local levels must coordinate terrorist incident preparedness activities and be provided with the proper training, equipment, and supplies to deal with terroristic threats and attacks. Your Committee further finds that the current status of the State's preparedness is needed to determine what further action is needed to properly prepare the State for terrorist attacks.

Your Committee has amended this measure by adding four WHEREAS clauses relating to the counties' first responder capabilities, development of an urban search and rescue team in Honolulu for statewide deployment, improved training for medical and emergency professionals to deal with casualties resulting from a terrorist attack, and increasing resources to the Department of Defense for terrorist preparedness.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 182, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 182, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 1232 Transportation and Intergovernmental Affairs on S.C.R. No. 212

The purpose of this measure is to request the Department of Transportation, in conjunction with the Navy at Pearl Harbor, the City and County of Honolulu, and the Aiea Neighborhood Board No. 20, to plan and implement a program to beautify the gateway into Aiea.

Testimony in support of this measure was received from the Department of Transportation, Navy Region Hawaii, and the Aiea Neighborhood Board No. 20.

Your Committee finds that various projects at the state and federal level are in progress to improve and beautify Kamehameha Highway in the vicinity of the Arizona Memorial. The U.S. Navy has also taken steps to develop a master plan that includes beautifying Navy property around the Pearl Harbor complex. With the arrival of the USS Missouri, the number of visitors to the Pearl Harbor area will increase. Therefore, a concerted and coordinated effort by the State, City and County of Honolulu, U.S. Navy, and the Aiea community is needed to develop and implement a program to beautify the gateway into Aiea.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 212, 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. 212, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 1233 (Joint) Commerce and Consumer Protection and Health and Human Services on S.C.R. No. 26

The purpose of this measure is to request a sunrise review on the social and financial effects of requiring health plan benefits for the treatment of mental health, and alcohol and drug dependency to include marriage and family therapy.

Two individuals presented testimony in support of the measure. Although not present, Hawaii Biodyne, Inc., Benefit Capital Financial Services, Inc., and numerous individuals submitted written testimony in support of the measure. The Hawaii Psychological Association, though not present, submitted written testimony in opposition to the measure.

Your Committees find that S.B. No. 860, H.D. 1, which was passed by the Senate and is currently under consideration in the House of Representatives, proposes to amend chapter 431M, Hawaii Revised Statutes (HRS), by broadening the scope of benefits available under health plans for mental health, and alcohol and drug abuse treatment to include marriage and family therapy. Since this bill mandates the inclusion of a specific service or health care provider as part of a health insurance plan, section 23-51, HRS, requires an Auditor's assessment of the mandate's social and financial effects before the bill can be considered. This measure would request the Auditor to conduct such an assessment.

Your Committees have amended this measure by:

- (1) Adding a provision referencing S.B. No. 860, H.D. 1, to clarify that a sunrise review is being requested pursuant to legislative consideration of a specific related bill; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 26, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 26, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 1234 Commerce and Consumer Protection on H.B. No. 622

The purpose of this measure is to require health insurance coverage for annual mammogram screenings for women age forty and over.

Your Committee finds that currently state law requires health insurers to provide coverage for biennial screenings for women between the ages of forty and forty-nine. In contrast, the American Cancer Society (ACS) recommends that all women over forty receive annual screenings. Your Committee believes that, in accordance with ACS recommendations, women over the age of forty should have access to annual mammogram screenings to reduce the risk of cancer.

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. 622, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 1235 Commerce and Consumer Protection on H.B. No. 1277

The purpose of this measure is to exclude from the definition of "public utility" any facility that reclaims wastewater, provided that:

- (1) At least ten per cent of the wastewater processed is used by the State or county under a service contract;
- (2) The sole function of the facility is the processing and distribution of secondary treated wastewater;
- (3) The facility is not processing food wastes; and
- (4) The facility is not selling water to the residential customers.

Goodsill Anderson Quinn & Stifel presented testimony in support of the measure.

Your Committee finds that the City and County of Honolulu has recently entered into a contract with U.S. Filter Operating Services, Inc., to process the secondarily treated wastewater at Honouliuli for distribution and use by both the city and county and large commercial users in the Ewa plain. This project, which was the result of a Consent Degree entered by the U.S. District Court in response to a suit filed by the U.S. Environmental Protection Agency, will not provide reclaimed water to residential users.

Your Committee further finds that the purposes of this project are to help meet the city and county's obligations to find beneficial uses for wastewater that is currently discharged in the ocean after treatment, and to return treated water to the city and county for use at Honouliuli and for city and county irrigation purposes. As such, the project serves no broad public purpose and should not be regulated as a public utility.

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. 1277, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 1236 Commerce and Consumer Protection on H.B. No. 1034

The purpose of this measure is to enable the Public Utilities Commission, in its discretion, to grant temporary authority to a common or contract motor carrier to provide transportation services when an urgent need arises.

The Public Utilities Commission and the Consumer Advocate presented testimony in favor of the measure.

Your Committee finds that under existing law, prior to the granting of a temporary authority to provide transportation services by the Public Utilities Commission, an applicant must first provide proof that the application has first been served upon every current holder of a certificate of public convenience and necessity within the classification for which the temporary authority is being applied.

Your Committee believes that this measure will enable the Public Utilities Commission to respond more quickly to the transportation needs of areas affected by natural disasters or when other emergency transportation needs exist.

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. 1034 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 1237 Judiciary on H.B. No. 1444

The purpose of this bill is to transfer the custody and disposition of notary records from the Judiciary to the Department of the Attorney General.

Your Committee finds that under current procedures, an applicant for a notary commission submits the application to and is issued a notary commission from the Department of the Attorney General. The notary must then subsequently file with the circuit court clerk, a signature card, a bond, and a copy of the commission. The circuit court clerk then files completed notary books, microfilms these books, and authenticates notary signatures. Your Committee, however, recognizes that the Department of the Attorney General is the entity statutorily responsible for monitoring and, if necessary, revocation of notary commissions. Your Committee, therefore, agrees that since the Judiciary has no legal jurisdiction over notaries or their records, the responsibility for the safekeeping of these records should reside with the Department of the Attorney General.

Testimony in support of this measure was submitted by the Judiciary and the Department of the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1444 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1238 Judiciary on H.B. No. 992

The purpose of the bill is to give the Department of the Attorney General discretion as to the information displayed on state identification cards by removing the requirement that the card contain specific information such as the registrant's social security number, issue date, name, residence, citizenship, the attorney general's signature, and the registrar's signature.

Your Committee finds that there has been a growing concern over the display of an individual's social security number on the state identification card. An increasing number of individuals have requested that their social security number be removed from the identification card because of their fear of potential fraud. Your Committee further finds that many individuals are not able to obtain a social security number because the Social Security Administration recently adopted a policy that restricts the issuance of social security numbers only to those individuals authorized to work in the United States.

Although your Committee recognizes that the lack of a social security number on the state identification card might diminish the value of its use as a personal identification card, your Committee notes that the Department of the Attorney General testified that the Retail Merchant's Association has indicated that their members would accept a state identification card with an alternative identification number for check writing purposes.

Testimony in support of this measure was submitted by the Department of the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 992, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1239 Judiciary on H.B. No. 1430

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to Chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary provisions.

Your Committee finds that according to the Legislative Reference Bureau all of the statutory amendments proposed by the measure are of a purely technical nature and either contain no substantive changes to the law, or, if they have any substantive effect, are done simply to correct the types of errors noted in this report.

Your Committee finds the reasons for the respective technical amendments made in the bill are as follows:

Section 1. Section 53-7(1), HRS, makes reference to "paragraphs (10) and (16) of section 53-1". L 1998, c 2, §19, amended §53-1, HRS, by, inter alia, deleting the paragraph designations. Section 53-7(1), HRS, should be amended by deleting "paragraphs (10) and (16) of" to conform to the amendment made to §53-1, HRS, by L 1998, c 2, §19.

Section 2. Section 53-53(1) and (2), HRS, makes reference to "[paragraph] (13) of section 53-1" and "[paragraph] (3) of section 53-1", respectively. L 1998, c 2, §19, amended §53-1, HRS, by, inter alia, deleting the paragraph designations. Section 53-53(1) and (2), HRS, should be amended by deleting "[paragraph] (13) of" and "[paragraph] (3) of", respectively, to conform to the amendment made to §53-1, HRS, by L 1998, c 2, §19.

Section 3. L 1998, c 51, §1, amended §76-28, HRS, by, inter alia, deleting the requirement that appointing authorities file notices of personnel actions, and to require instead that appointing authorities file "necessary forms" of personnel actions. Section 76-28, as amended, does not refer to "notices". The title to §76-28, however, still reads "Notices required of appointing authorities". Section 76-28, HRS, should be amended by amending its title to "Forms required of appointing authorities" to conform to the amendments made to §76-28 by L 1998, c 51, §1.

Section 4. L 1998, c 81, §3, amended §291-11.5(e), HRS, by, inter alia, requiring persons convicted of violating §291-11.5, HRS, for the first time to attend a child passenger restraint system safety class. Paragraphs (2)(C) and (3)(C) of subsection (e), as amended, however, refer to "child passenger system safety class". The omission of the word "restraint" in the reference to the safety class appears to have occurred as a result of a simple oversight. Section 291-11.5(e)(2)(C) and (e)(3)(C), HRS, should be amended by deleting the brackets around the word "restraint" in "child passenger restraint system safety class" to ratify the revisor's addition of "restraint".

Section 5. L 1998, c 145, §1, enacted §291C-133, HRS, regarding a motor vehicle driver's responsibility for removing waste material that falls from the motor vehicle onto a highway or roadway. Section 291C-133's title, as enacted, read "Waste material from motor vehicles". The revisor added the word "falling" after "Waste material" to make the title more clearly reflect the contents of the section. Section 291C-133, HRS, should be amended by deleting the brackets around the section title and the section number to ratify both the revisor's addition of the word "falling" in the title and the revisor's numbering of the section.

Section 6. L 1998, c 257, §1, added a new part to chapter 323D, HRS, which included §323D-82, HRS. As enacted, §323D-82 stated that "A person who has acquired or is engaged in the acquisition of a hospital shall not substantially reduce of eliminate direct patient care services at the hospital...." The remainder of the sentence refers to "reduction or elimination". The word "of" in "substantially reduce of eliminate" is apparently the result of a typographical error. Section 323D-82, HRS, should be amended by deleting the brackets around the word "or" in "substantially reduce or eliminate" to ratify the revisor's replacement of the word "of" with "or". Section 323D-82, HRS, should also be amended by deleting the brackets around the section number to ratify the revisor's numbering of the section.

Section 7. L 1998, c 242, §13, amended §342P-28, HRS, by, inter alia, amending the last sentence of the section to require that fees be deposited to the credit of the asbestos and lead abatement special fund. L 1998, c 311, §20, also amended §342P-28, HRS, by, inter alia, amending the last sentence to require that fees be deposited to the credit of the noise, radiation, and indoor air quality special fund. The revisor added the word "or" in the last sentence of §342P-28 to require that fees be deposited to the credit of the "asbestos and lead abatement special fund or noise, radiation, and indoor air quality special fund", to conform to the amendments made by L 1998, c 242, §13 and c 311, §20. Section 342P-28, HRS, should be amended by deleting the brackets around the word "or" to ratify the revisor's addition of "or".

Section 8. L 1998, c 206, §2, enacted §351-62.6, HRS. Section 351-62.6(a), as enacted, makes reference to the "criminal injuries compensation fund under section 351-62.5". L 1998, c 206, §3, amended §351-62.5, HRS, by, inter alia, renaming the "criminal injuries compensation fund" the "criminal injuries compensation special fund". L 1998, c 240, §7, also amended §351-62.5 by substituting "crime victim compensation fund" for "criminal injuries compensation fund". Thus, as a result of the amendments made to §351-62.5, HRS, by L 1998, c 206, §3 and c 240, §7, the criminal injuries compensation fund was renamed the "crime victim compensation special fund". The revisor replaced the reference to "criminal injuries compensation fund" in §351-62.6(a), HRS, with "crime victim compensation special fund", to conform to the amendments made by L 1998, c 206, §3 and c 240, §7. Section 351-62.6(a), HRS, should be amended by deleting the brackets around "crime victim compensation special fund" to ratify the revisor's replacement of "criminal injuries compensation fund" with "crime victim compensation special fund".

Section 9. L 1998, c 240, §7, amended §351-64.5, HRS, by substituting "crime victim compensation fund" for "criminal injuries compensation fund". The criminal injuries compensation fund is established in §351-62.5, HRS. L 1998, c 206, §3, amended §351-62.5 by, inter alia, renaming the "criminal injuries compensation fund" the "criminal injuries compensation special fund". L 1998, c 240, §7, also amended §351-62.5 by substituting "crime victim compensation fund" for "criminal injuries compensation fund". Thus, as a result of the amendments made to §351-62.5, HRS, by L 1998, c 206, §3 and c 240, §7, the criminal injuries compensation fund was renamed the "crime victim compensation special fund". The revisor replaced the word "fund" in "crime victim compensation fund" in §351-64.5(b), HRS, with "special fund" to conform to the amendments made by L 1998, c 206, §3 and c 240, §7. Section 351-64.5(b), HRS, should be amended by deleting the brackets around "special fund" in "crime victim compensation special fund" to ratify the revisor's replacement of "fund" with "special fund".

Section 10. L 1998, c 240, §7, amended §351-70, HRS, by substituting "crime victim compensation fund" for "criminal injuries compensation fund". The criminal injuries compensation fund is established in §351-62.5, HRS. L 1998, c 206, §3, amended §351-62.5 by, inter alia, renaming the "criminal injuries compensation fund" the "criminal injuries compensation special fund". L 1998, c 240, §7, also amended §351-62.5 by substituting "crime victim compensation fund" for "criminal injuries compensation fund". Thus, as a result of the amendments made to §351-62.5, HRS, by L 1998, c 206, §3 and c 240, §7, the criminal injuries compensation fund was renamed the "crime victim compensation special fund". The revisor replaced the word "fund" in "crime victim compensation fund" in §351-70, HRS, with "special fund" to conform to the amendments made by L 1998, c 206, §3 and c 240, §7. Section 351-70, HRS, should be amended by deleting the brackets around "special fund" in "crime victim compensation special fund" to ratify the revisor's replacement of "fund" with "special fund".

Section 11. L 1998, c 240, §7, amended §351-84, HRS, by substituting "crime victim compensation fund" for "criminal injuries compensation fund". The criminal injuries compensation fund is established in §351-62.5, HRS. L 1998, c 206, §3, amended §351-62.5 by, inter alia, renaming the "criminal injuries compensation fund" the "criminal injuries compensation special fund". L 1998, c 240, §7, also amended §351-62.5 by substituting "crime victim compensation fund" for "criminal injuries compensation fund". Thus, as a result of the amendments made to §351-62.5, HRS, by L 1998, c 206, §3 and c 240, §7, the criminal injuries compensation fund was renamed the "crime victim compensation special fund". The revisor replaced the word "fund" in "crime victim compensation fund" in §351-84(b), HRS, with "special fund" to conform to the amendments made by L 1998, c 206, §3 and c 240, §7. Section 351-84(b), HRS, should be amended by deleting the brackets around "special fund" in "crime victim compensation special fund" to ratify the revisor's replacement of "fund" with "special fund".

Section 12. L 1998, c 240, §7, amended §354D-12, HRS, by substituting "crime victim compensation fund" for "criminal injuries compensation fund". The criminal injuries compensation fund is established in §351-62.5, HRS. L 1998, c 206, §3, amended §351-62.5 by, inter alia, renaming the "criminal injuries compensation fund" the "criminal injuries compensation special fund". L 1998, c 240, §7, also amended §351-62.5 by substituting "crime victim compensation fund" for "criminal injuries compensation fund". Thus, as a result of the amendments made to §351-62.5, HRS, by L 1998, c 206, §3 and c 240, §7, the criminal injuries compensation fund was renamed the "crime victim compensation special fund". The revisor replaced the word "fund" in "crime victim compensation fund" in §354D-12(b)(1), HRS, with "special fund" to conform to the amendments made by L 1998, c 206, §3 and c 240, §7. Section 354D-12(b)(1), HRS, should be amended by deleting the brackets around "special fund" in "crime victim compensation special fund" to ratify the revisor's replacement of "fund" with "special fund".

Section 13. L 1998, c 252, §4, amended §431:14A-103(e) and (f), HRS. Prior to amendment, subsection (f) referred to "insolvency fund, or education and training fund". L 1998, c 252, §4, amended subsection (f), by, inter alia, omitting the words "or education" before "and training fund" without bracketing or underscoring. The omission of "or education" appears to have occurred as a result of a simple oversight. Section 431:14A-103(f), HRS, should be amended by deleting the brackets around "or education" to ratify the revisor's replacement of "or education" before "and training fund".

Section 14. Section 468M-17, HRS, pertains to the adoption of rules. Section 468M-17, HRS, does not refer to regulations. However, the title of §468M-17 reads "Rules and regulations". Section 468M-17, HRS, should be amended by amending its title to

delete "and regulations" to make the title consistent with the contents of the section. Section 468M-17, HRS, should also be amended by deleting the brackets around the section number to ratify the revisor's numbering of the section.

Section 15. L 1998, c 258, §11, amended §485-16, HRS, by, inter alia, adding subsection (b). Section 485-16(b), HRS, makes several references to "principal place of business". However, the beginning of the first sentence of subsection (b) refers to "an investment adviser that maintains its principal place in a state...." The omission of the words "of business" after "principal place" appears to have occurred as a result of a simple oversight. Section 485-16(b), HRS, should be amended by deleting the brackets around the words "of business" to ratify the revisor's addition of the words "of business".

Section 16. Section 571-84, HRS, was amended by L 1997, c 317, §4 and c 318, §3. L 1997, c 317, §4, amended §571-84(a). L 1997, c 318, §3, made several amendments to §571-84. Subsection (e) was amended, inter alia, to include a reference to subsection (j). However, subsection (j) does not exist.

An earlier draft of H.B. No. 106, which later became Act 318, had amended §571-84 to include a new subsection (j) (H.B. No. 106, H.D.1, S.D.1). The final draft of H.B. No. 106 (H.D.1, S.D.1, C.D.1) deleted subsection (j), but did not delete the reference to subsection (j) found in subsection (e). Therefore, §571-84(e), HRS, should be amended to delete the reference to subsection (j).

Section 17. L 1998, c 269, §1, enacted two new sections, one of them §706-646, HRS. Section 706-646(2) makes reference to the "criminal injuries compensation commission". Section 351-11, HRS, establishes the criminal injuries compensation commission. L 1998, c 240, §4 amended §351-11 by renaming the "criminal injuries compensation commission" the "crime victim compensation commission". The revisor replaced "criminal injuries compensation commission" with "crime victim compensation commission" in §706-646(2), to conform to the amendment made by L 1998, c 240, §4. Section 706-646(2), HRS, should be amended by deleting the brackets around "crime victim compensation commission" to ratify the revisor's replacement of "criminal injuries compensation commission" with "crime victim compensation commission".

Section 18. Section 709-906, HRS, is entitled "Abuse of family and household members; penalty". However, the section itself refers to and defines "family or household member". Section 709-906, HRS, should be amended by amending its title to "Abuse of family or household members; penalty" to make the title consistent with the contents of the section. Support for this amendment is also found in the fact that L 1998, c 172, §1, amended §586-1, HRS, by, inter alia, amending the defined term of "Family and household members" to "Family or household member".

Section 19. Section 712A-4, HRS, enumerates the offenses for which property is subject to forfeiture under chapter 712A. L 1998, cc 155 and 307 amended §712A-4. Both acts added new offenses for which property is subject to forfeiture; c 155, insurance fraud and c 307, unauthorized entry into motor vehicle. The amendments were harmonized so that effect was given to each.

L 1997, c 277, §3, amended §712A-4, by adding trademark counterfeiting as an offense for which property is subject to forfeiture.

L 1998, c 155, §4, amended the 1997 version of §712A-4. However, L 1998, c 307, §1, used the pre-1997 version of §712A-4 for amendment, omitting the reference to trademark counterfeiting.

Section 712A-4, HRS, should be amended to delete the brackets around "trademark counterfeiting," to ratify the revisor's replacement of "trademark counterfeiting".

Section 20. The regulation of activity providers was first enacted in 1990 by Act 214 and was scheduled for repeal on June 30, 1991.

In 1991, Act 240 amended L 1990, c 214, to, inter alia, extend the repeal date to June 30, 1993. Act 240 was also conditioned with a repeal date of June 30, 1993 (L 1991, c 240, §4).

The legislature extended and, ultimately, deleted L 1990, c 214's repeal date. (See L 1992, c 231, L 1995, c 174, and L 1998, c 248.) However, L 1991, c 240, §4 was never amended to extend or delete c 240's June 30, 1993 repeal date. Although the lack of amendment to L 1991, c 240, §4, was apparently due to a simple oversight, the fact that the June 30, 1993 repeal date was never extended or deleted may raise ambiguity regarding the validity of the amendments that L 1991, c 240 made to L 1990, c 214.

The legislature's subsequent actions in amending L 1991, c 240, however, clearly indicate that the legislature intended the amendments made by L 1991, c 240 to continue beyond c 240's June 30, 1993 repeal date. L 1991, c 240, §4, should be amended by deleting the June 30, 1993 repeal date.

Section 21. L 1998, c 53, §1, amended §76-56, HRS. The prefatory language in §1 stated that "Section 76-28" was amended. However, §1 set forth and amended §76-56, HRS. The prefatory language in L 1998, c 53, §1, should be amended to state that it is "Section 76-56" that is amended.

Section 22. L 1998, c 78, §3, amended L 1988, c 202, §3. The prefatory language in L 1998, c 78, §3 stated that "Act 202, Session Laws of Hawaii 1998" was amended. However, the text of L 1988, c 202, §3 (as amended by L 1994, c 111, §4), is set forth in c 78, §3. Moreover, Conference Committee Report No. 41, dated May 1, 1998, regarding S.B. No. 2346 (Act 78) stated that "The purpose of this bill is to extend the sunset date of Act 202, Session Laws of Hawaii 1988, as amended by Act 111, Session Laws of Hawaii 1994,...." L 1998, c 78, §3, should be amended by amending the prefatory language to state that it is "Act 202, Session Laws of Hawaii 1988" that is amended.

Section 23. L 1998, c 176, §6, amended §171-2, HRS. The prefatory language in §6 stated that "Chapter 171-2" was amended. Chapter 171-2, HRS, does not exist. L 1998, c 176, §6, should be amended by amending the prefatory language to state that it is "Section 171-2" that is amended.

Section 24. L 1998, c 219, §6, amended §501-20, HRS, by adding five new definitions but set forth the five definitions with the section title.

The use of "definition" rather than "definitions" in the prefatory language in §6 appears to be the result of a typographical error. Thus, the prefatory language in §6 should be amended to replace "definition" with "definitions". Section 6 should also be amended by deleting the following:

"§501-20 Definitions. As used in this chapter, unless the context otherwise requires:"

to clarify that the five new definitions are to be added to, and are not to replace, the existing definitions in §501-20, HRS.

Section 25. L 1998, c 229, §1, amended chapter 323F, HRS, by adding two new sections; however, the prefatory language in '1 stated that "three new sections" were being added. L 1998, c 229, §1, should be amended by amending the prefatory language to state that chapter 323F, HRS, is amended by adding "two new sections".

Section 26. L 1998, c 242, §7, amended §342P-5, HRS. The prefatory language in §7 stated that "Section 342P-5, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:". However, §7 amended §342P-5, HRS, by amending the section title as well as subsections (a) and (b). L 1998, c 242, §7, should be amended by amending the prefatory language to include "the title and" before "subsections (a) and (b)" to clarify that §342P-5, HRS, is amended by amending the section title and subsections (a) and (b).

Section 27. L 1998, c 311, §15, amended §321-27, HRS. The prefatory language in §15 stated that §321-27, HRS, was amended "by amending its title and subsections (a) and (b) to read as follows:" However, §15 set forth §321-27, HRS, in its entirety, and also amended subsection (d). The prefatory language in L 1998, c 311, §15, should be amended by deleting "by amending its title and subsections (a) and (b)" to make the prefatory language consistent with the amendments set forth in §15.

Testimony in support of this measure was submitted by the Legislative Reference Bureau.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1430, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1240 Ways and Means on H.B. No. 877

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for Kuakini Medical Center to finance construction of, improvement to, and equipment for its health care facilities.

Your Committee finds that Kuakini Medical Center, a not-for-profit Hawaii corporation, and one or more of its not-for-profit affiliates, are engaged in the development of a health care facility and thereby serve the public. This bill authorizes the issuance of \$30,000,000 in special purpose revenue bonds. This bill also authorizes the issuance of additional refunding special purpose revenue bonds to refund the bonds originally authorized in the amount of \$20,000,000, under Act 16, Session Laws of Hawaii 1981, First Special Session, as well as the \$30,000,000 in special purpose revenue bonds authorized in this bill.

Your Committee has made one technical nonsubstantive amendment to this bill for purposes of clarification.

As affirmed by the record of votes of the members 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. 877, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 877, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Iwase, Nakata, Anderson).

SCRep. 1241 Ways and Means on H.B. No. 970

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for Pacific Cardiac Institute, Inc., a not-for-profit corporation that provides health care facilities.

Your Committee finds that the issuance of special purpose revenue bonds for a not-for-profit corporation that provides health care facilities will assist an organization like the Pacific Cardiac Institute, Inc., to acquire or lease land, acquire and install capital equipment, and plan, design, construct, and operate a health care facility that serves the public. Your Committee further finds that

diseases of the heart and circulatory system continue to rank near or at the top of disabling and fatal diseases. Only through diligent research, rigorous treatment programs and the like will we be able to successfully reduce the impact of this killer. Furthermore, there are not enough facilities on Oahu to adequately treat the people who have cardiac and circulatory illnesses except perhaps in the urban areas of Oahu.

Your Committee finds that the authorization provided in this bill will serve the public health, welfare, and safety of the people of this 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. 970, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Buen, Anderson).

SCRep. 1242 Ways and Means on H.B. No. 971

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for Wahiawa General Hospital, Inc., or its affiliate.

Your Committee finds that Wahiawa General Hospital is a not-for-profit Hawaii corporation engaged in the development of a health care facility which would serve the health needs of people in the Wahiawa area. Your Committee further finds that the activities and facilities of Wahiawa General Hospital constitute a health care project under part II, chapter 39A, Hawaii Revised Statutes, relating to special purpose revenue bonds, and the financing thereof is in the public interest.

The bonds issued under this bill would be used to retire outstanding debt on existing facilities or capital equipment, acquire or lease land, build a new facility, acquire and install capital equipment, or renovate or repair existing facilities.

As affirmed by the record of votes of the members 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. 971, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Buen, Anderson).

SCRep. 1243 Ways and Means on H.B. No. 972

The purpose of this bill is to issue special purpose revenue bonds for Wahiawa-Central Oahu Health Center, Inc.

Your Committee finds that the population of Central Oahu is growing and will continue to be the site of population growth in the foreseeable future. Wahiawa-Central Oahu Health Center, Inc., will be constructing a patient-focused facility with an outpatient diagnostics component, an emergency room, and an ambulatory surgical unit. This health care project is an appropriate recipient of special purpose revenue bonds.

As affirmed by the record of votes of the members 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. 972, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Anderson).

SCRep. 1244 Ways and Means on H.B. No. 973

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for Pacific Sports Medicine & Research Center, Inc., a not-for-profit corporation that provides health care facilities.

Your Committee finds that the issuance of special purpose revenue bonds will help a not-for-profit Hawaii corporation like the Pacific Sports Medicine & Research Center, Inc., engage in land acquisition or lease, purchase capital equipment, and design, construct, and operate a health care facility. Your Committee finds that the growth of the population on Oahu necessitates expansion of health care facilities. The population is moving away from urban Honolulu and into the Wahiawa, Mililani, central Oahu areas. Existing health facilities are concentrated in the urban Honolulu area while the need of health care facilities now extends beyond the urban boundaries. With the authorization provided in this bill, residents of Oahu can look forward to having more accessible health care services in the outlying areas as well.

As affirmed by the record of votes of the members 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. 973, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Anderson).

SCRep. 1245 Ways and Means on H.B. No. 1257

The purpose of this bill is to authorize the issuance of up to \$10,000,000 in special purpose revenue bonds to assist Pacific Saging Center, Inc., a Hawaii nonprofit corporation that provides health care facilities.

Your Committee agrees with the intent of this bill, which will encourage the development of health care in Hawaii. Your Committee finds that Pacific Saging Center, Inc., is engaged in the planning, design, and construction of a patient-focused facility, which will include such items and activities as a saging center, child care, adult care, mentoring programs, and activity centers. Your Committee further finds that Pacific Saging Center, Inc., may be assisted through the issuance of special purpose revenue bonds because its health care facility is a health care project pursuant to part II, chapter 39A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1617, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Anderson).

SCRep. 1250 Ways and Means on H.B. No. 1621

The purpose of this bill is to authorize the issuance of up to \$5,000,000 in special purpose revenue bonds to assist Pacific Community Health & Wellness, Inc., a Hawaii nonprofit corporation that provides health care facilities.

Your Committee agrees with the intent of this bill, and finds that this bill will encourage the development of health care in Hawaii. Your Committee finds that Pacific Community Health & Wellness, Inc., is engaged in the planning, design, and construction of a patient-focused facility and may be assisted through the issuance of special purpose revenue bonds because its health care facility is a health care project pursuant to part II, chapter 39A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1621, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Anderson).

SCRep. 1251 Ways and Means on H.B. No. 98

The purpose of this bill is to extend the pensioners' bonus being paid to retirants by the Employees' Retirement System of the State of Hawaii to July 1, 2001.

Your Committee finds that pension income remains static while the cost of living, whether medical, food, or other costs, continue to climb. For retirants in Hawaii, these increases can adversely affect their quality of life if they must forego adequate medical care or suitable nutrition. This measure will help retirants better cope with the cost of living in 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 is in accord with the intent and purpose of H.B. No. 98, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Tam, Taniguchi).

SCRep. 1252 Ways and Means on H.B. No. 1287

The purpose of this bill is to authorize the issuance of special purpose revenue bonds and refunding special purpose revenue bonds to assist the gas utility in providing gas service to the general public.

Your Committee finds that the provision of utility service to the public, such as gas service, is important to the public health, safety, and welfare. Gas is used for a variety of home functions including cooking and hot water for washing, clothes drying and the like. It is a good alternative to electricity if the power goes out. The bonds authorized by this measure will be used by The Gas Company to finance capital improvements to the underground transmission and distribution pipeline system.

As affirmed by the record of votes of the members 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. 1287, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Taniguchi, Anderson).

SCRep. 1253 Ways and Means on H.B. No. 221

The purpose of this bill is to amend the responsibilities of the Hawaii Tourism Authority with respect to the development of long-range policy plans.

In particular, this bill requires the Authority to:

- (1) Develop and complete a long-range policy plan for presentation to the Legislature by January 1, 2000, which shall identify other departments and agencies involved and specify a program of action for these departments and agencies; and
- (2) Require the strategic tourism marketing plan to implement the recommendations of the long-range policy plan, to be updated every two years rather than every three years.

Your Committee agrees with the intent of this bill, and notes that the Senate Committee on Economic Development specifically found that the Hawaii Tourism Authority had already undertaken this planning process with emphasis on certain issues, including current visitor research, brand marketing of Hawaii as a visitor destination, measures of effectiveness, and funding sources. Your Committee finds that long-range policy planning is critical to the long-term success of the authority and for the future of tourism 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 is in accord with the intent and purpose of H.B. No. 221, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Ige, D., Ige, M., Iwase, Taniguchi, Anderson).

SCRep. 1254 Ways and Means on H.B. No. 801

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for a processing enterprise.

Specifically, this measure authorizes a bond amount of \$3,000,000 to assist CEATECH USA in planning and building a processing plant for shrimp.

Your Committee finds that the financing for the construction of a shrimp processing plant is absolutely essential for the evolution and growth of a shrimp operation on Kauai which will yield large economic gains for the State as a whole. Your Committee finds that Kauai is primed to become a domestic supplier of shrimp, which for the most part is now imported from abroad. Kauai enjoys optimal geographic and climatic conditions for the production of shrimp, and the phasing out of the sugar industry means that an ample supply of land and labor is ready for use in a new industry.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 801, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Ige, D., Anderson).

SCRep. 1255 (Majority) Ways and Means on H.B. No. 854

The purpose of this bill is to reduce the maximum amount of general excise tax revenues that, by statute, must be deposited into the state educational facilities improvement special fund from \$90,000,000 per fiscal year to an unspecified amount.

Your Committee finds that section 237-31, Hawaii Revised Statutes, presently requires the sum of general excise tax revenues that represents the difference between \$90,000,000 and the proceeds from general obligation bond sales authorized for the purposes of the state educational facilities improvement special fund to be deposited to the credit of the special fund. In other words, if the State sells \$90,000,000 in general obligation bonds for the purposes of the special fund, then \$0 in general excise tax revenues need to be deposited to the credit of the special fund. On the other hand, if the State sells \$0 in general obligation bonds for the purposes of the special fund, then \$90,000,000 in general excise tax revenues need to be deposited to the credit of the special fund.

While well intentioned, your Committee finds that the \$90,000,000 base established by section 237-31, Hawaii Revised Statutes, substantially limits the State's cashflow at a time when every available tax dollar must be used to maintain essential government services. In addition, your Committee finds that the State cannot go on borrowing money without giving serious consideration to how it will eventually pay this money back with interest.

As affirmed by the record of votes of the members 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. 854, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, 2 (Ige, M., Anderson). Excused, 2 (Iwase, Nakata).

SCRep. 1256 Ways and Means on H.B. No. 1085

The purpose of this bill is to make an emergency appropriation to the Department of Education for operating costs required to fulfill the conditions of the Felix v. Cayetano consent decree and prevent the reduction or discontinuance of essential student services.

Your Committee finds that failure to adequately support the implementation of the Felix action plan and fulfill the conditions of the consent decree in a timely manner could result in severe fines and other draconian, court-imposed sanctions being levied on the Department of 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. 1085, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Nakata, Anderson).

SCRep. 1257 Ways and Means on H.B. No. 849

The purpose of this bill is to amend the definition of "special facility" in the aeronautics law to include air cargo facilities.

Your Committee agrees with the intent of this bill, and finds that it will assist the State's economy by allowing the Department of Transportation, with the approval of the Governor, to issue special facility revenue bonds for the construction, acquisition, remodeling, furnishing, and equipping of facilities for air cargo operations. This bill will also allow the department, with the approval of the Governor and without public bidding, to enter into special facility leases to construct, acquire, and remodel facilities for air cargo operations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 849, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, D., Anderson).

SCRep. 1258 Ways and Means on H.B. No. 1114

The purpose of this bill is to authorize the transfer of a homestead lessee's leasehold interest to a spouse, child, or grandchild who is at least one-quarter Hawaiian.

Your Committee finds that allowing the transfer of a homestead lease to a spouse, child, or grandchild who is at least one-fourth Hawaiian will assure that the leasehold will remain in the lessee's family. Your Committee recognizes that more and more native Hawaiians are part Hawaiians because of the high rate of intermarriage in Hawaii. Yet it is important that leaseholds remain as long as possible within the family that originally leased the property. A sense of place and a sense of belonging is important to any family, as well as a sense and feeling of continuity. This measure will help promote those goals.

As affirmed by the record of votes of the members 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. 1114, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, D., Anderson).

SCRep. 1259 Ways and Means on H.B. No. 1595

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Plasma Environmental Technologies.

This will help resolve some of the State's waste disposal problems, by encouraging the private development of one or more waste processing enterprises to convert waste materials into usable goods and remove the waste materials from the waste stream.

This bill assists Plasma Environmental Technologies in establishing one or more waste processing facilities by authorizing the issuance of special purpose revenue bonds in a total amount not to exceed \$60,000,000.

Your Committee finds that a waste processing facility may potentially address a variety of serious disposal problems facing the State, such as rapidly filling landfills and medical waste disposal. Your Committee also recognizes the importance of ensuring that the public has adequate opportunity to express its concerns regarding a proposed facility. Consequently, this bill provides that if the waste processing facility on Kauai does not propose an action specified in section 343-5(a), Hawaii Revised Statutes, the Department of Budget and Finance shall not issue any special purpose revenue bonds until an environmental impact statement is prepared and accepted on the waste processing facility in accordance with the other provisions of chapter 343, Hawaii Revised Statutes.

The bill also addresses potential problems regarding the size of the waste processing facility on Kauai and the temporary storage and transporting of wastes, by providing that no waste processing facility on Kauai established through the financing provided in the bill shall process waste generated from any county except the county of Kauai.

As affirmed by the record of votes of the members 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. 1595, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1260 Transportation and Intergovernmental Affairs on S.C.R. No. 104

The purpose of this measure is to request the President of the United States to establish the State of Hawaii as a global laboratory for research on threatened, endangered, and extinct species issues.

Testimony in support of this measure was received from the Board of Land and Natural Resources with suggested amendments.

Your Committee finds that efforts by public and private entities to aid the recovery of threatened and endangered animal and plant species in Hawaii have produced promising results. However, animal and plant species native to Hawaii continue to represent a large percentage of the threatened or endangered species in the United States. National focus and attention on Hawaii's threatened and endangered species is required.

Your Committee has amended this measure by:

- (1) Describing Hawaii's sensitivity to environmental issues and viability as a setting for further species recovery efforts; and
- (2) Requesting the President of the United States to encourage a coalition of federal agencies to develop a strategy and five-year plan in partnership with the State of Hawaii to protect and enhance Hawaii's unique species and establish the framework to allow creative solutions, increase public support and understanding, and encourage partnerships.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 104, as amended herein, and recommends that it be referred to the Committee on Labor and Environment, in the form attached hereto as S.C.R. No. 104, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Iwase).

SCRep. 1261 Transportation and Intergovernmental Affairs on S.R. No. 44

The purpose of this measure is to request the President of the United States to establish the State of Hawaii as a global laboratory for research on threatened, endangered, and extinct species issues.

Testimony in support of this measure was received from the Board of Land and Natural Resources with suggested amendments.

Your Committee finds that efforts by public and private entities to aid the recovery of threatened and endangered animal and plant species in Hawaii have produced promising results. However, animal and plant species native to Hawaii continue to represent a large percentage of the threatened or endangered species in the United States. National focus and attention on Hawaii's threatened and endangered species is required.

Your Committee has amended this measure by:

- (1) Describing Hawaii's sensitivity to environmental issues and viability as a setting for further species recovery efforts; and
- (2) Requesting the President of the United States to encourage a coalition of federal agencies to develop a strategy and five-year plan in partnership with the State of Hawaii to protect and enhance Hawaii's unique species and establish the framework to allow creative solutions, increase public support and understanding, and encourage partnerships.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 44, as amended herein, and recommends that it be referred to the Committee on Labor and Environment, in the form attached hereto as S.R. No. 44, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 1262 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on S.C.R. No. 178

The purpose of this measure is to direct the Department of Business, Economic Development, and Tourism (DBEDT) to develop a State Ocean and Coastal Resources Plan.

The measure also calls for DBEDT to work in conjunction with the University of Hawaii Economic Research Organization, the Department of Land and Natural Resources (DLNR), and the Departments of Health, Transportation, and Agriculture. The plan will be developed as a long-term plan to manage and maintain coastal resources and will include a State Waters Recreation Master Plan.

Testimony in support of this measure was received from the University of Hawaii and an individual. Testimony in opposition to this measure was received from DBEDT, DLNR, and Hawaii's Thousand Friends.

Your Committees find that the State's ocean and coastal resources are of inestimable value to the cultural and economic vitality of the citizens of Hawaii. Your Committees also find that strategic planning relating to managing these resources must be supported.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 178, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Ige, M., Kanno, Taniguchi, Anderson).

SCRep. 1263 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on S.R. No. 81

The purpose of this measure is to direct the Department of Business, Economic Development, and Tourism (DBEDT) to develop a State Ocean and Coastal Resources Plan.

The measure also calls for DBEDT to work in conjunction with the University of Hawaii Economic Research Organization, the Department of Land and Natural Resources (DLNR), and the Departments of Health, Transportation, and Agriculture. The plan will be developed as a long-term plan to manage and maintain coastal resources and will include a State Waters Recreation Master Plan.

Testimony in support of this measure was received from the University of Hawaii and an individual. Testimony in opposition to this measure was received from DBEDT, DLNR, and Hawaii's Thousand Friends.

Your Committees find that the State's ocean and coastal resources are of inestimable value to the cultural and economic vitality of the citizens of Hawaii. Your Committees also find that strategic planning relating to managing these resources must be supported.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 81, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Ige, M., Kanno, Taniguchi, Anderson).

SCRep. 1264 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on S.C.R. No. 207

The purpose of this measure is to determine the future disposition of Pier 2 in Honolulu Harbor.

Specifically, the measure requests the Director of Business, Economic Development, and Tourism (DBEDT) and the Chief Executive Officer of the Hawaii Community Development Authority (HCDA) to communicate in writing with the Director of Transportation and the Legislature no later than twenty days prior to the convening of the Regular Session of 2000 the following:

- (1) The intentions of DBEDT and HCDA regarding their interests in Pier 2, taking into consideration the Department of Transportation's plans to remove the structures located at Pier 2 and to commence design and construction of the new passenger terminal by July of 2000;
- (2) The date DBEDT plans to relocate Foreign Trade Zone No. 9, if at all; and
- (3) If DBEDT or HCDA objects to removal of the building at Pier 2 which houses Foreign Trade Zone No. 9 and commencement of design and construction of the new passenger terminal by July of 2000, the specific reasons for the objections and alternate solutions.

Testimony in support of the measure was received from DBEDT, HCDA, and the Department of Transportation.

Your Committees find that the rapidly growing cruise ship industry is a promising economic opportunity for the State of Hawaii. The United States Congress has recently passed legislation that would encourage development of the cruise industry in the United States, specifically within the State of Hawaii. Additionally, American Classic Voyages Co., the parent company of American Hawaii Cruises, will be providing interisland cruise ship services in Hawaii with two new United States-built ships accommodating 1900 passengers, with one scheduled to enter service in 2003 and the other in 2004. With the inclusion of these new vessels, the cruise ship industry in Hawaii is expected to create 2,000 jobs and generate an additional \$38,000,000 in annual tax revenues for Hawaii.

Your Committees further find that Pier 2 at Honolulu Harbor is the designated home-base for American Hawaii Cruises with the capability to berth two 850 foot cruise vessels. To accommodate increased cruise ship capacity, the Statewide Cruise Facility Study recommended the design and construction of new terminal facilities at Pier 2. The study further recommended that Foreign Trade Zone No. 9, which is operated by DBEDT and currently located at Pier 2, be relocated to allow for the construction of new terminal facilities at Pier 2.

Although Pier 2 is owned by the State, it is situated within the Fort Armstrong property which is currently under the jurisdiction of HCDA, not the Department of Transportation.

In order for construction of a new passenger terminal to be completed by 2003 to accommodate the two new ships from American Classic Voyages, Co., design and construction at Pier 2 must commence in the year 2000, thus necessitating an immediate and decisive course of action by all affected agencies of the State.

Your Committees believe that the measure will facilitate such a clear course of action.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 207, and recommend that it be referred to the Committee on Transportation and Intergovernmental Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Ige, M., Kanno, Nakata, Taniguchi).

SCRep. 1265 Economic Development on S.C.R. No. 12

The purpose of this measure is to support the efforts of federal, state, and local entities actively engaged in the Million Solar Roofs Initiative.

Your Committee received testimony in support of this measure from the Hawaii Renewable Energy Alliance, Kauai Electric and Citizens Utilities Company, Hawaiian Electric Industries, and one individual. The Department of Business, Economic Development, and Tourism submitted comments.

Your Committee finds that the Governor has written to President Clinton in support of the President's Climate Change Action Plan, stating that Hawaii seeks to maximize energy efficiency measures, particularly in the area of solar energy, and hopes to be a major participant the Department of Energy's Million Solar Roofs program.

Your Committee is equally supportive of these efforts to promote energy efficiency in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development 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, 1 (Taniguchi).

SCRep. 1266 Economic Development on S.C.R. No. 23

The purpose of this measure is to urge the Department of Business, Economic Development, and Tourism to create a branch within the research and economic analysis division devoted to research and promotion efforts in support of Hawaii's construction industry.

Your Committee received testimony in support of the intent of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the construction industry is one of those most affected by Hawaii's economic problems. Because it is closely tied to investment, it is extremely important to current economic well-being as well as to future growth.

Your Committee expressed considerable frustration that despite acknowledgement of the importance of construction activities, little coordinated effort appears to have been undertaken to assist the industry, while its size and economic contributions continue to fluctuate widely. Your Committee believes the focused approach of this Concurrent Resolution is necessary in order to rebuild a successful construction industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development 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, 1 (Taniguchi).

SCRep. 1267 Economic Development on S.R. No. 6

The purpose of this measure is to urge the Department of Business, Economic Development, and Tourism to create a branch within the research and economic analysis division devoted to research and promotion efforts in support of Hawaii's construction industry.

Your Committee received testimony in support of the intent of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the construction industry is one of those most affected by Hawaii's economic problems. Because it is closely tied to investment, it is extremely important to current economic well-being as well as to future growth.

Your Committee expressed considerable frustration that despite acknowledgement of the importance of construction activities, little coordinated effort appears to have been undertaken to assist the industry, while its size and economic contributions continue to fluctuate widely. Your Committee believes the focused approach of this Concurrent Resolution is necessary in order to rebuild a successful construction industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 6, 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, 1 (Taniguchi).

SCRep. 1268 Economic Development on S.C.R. No. 34

The purpose of this measure is to urge the Department of Agriculture, with assistance from the Department of Business, Economic Development, and Tourism and the University's extension service to develop a coordinated plan to provide assistance and support to citizen gardeners who may be interested in forming community-based home organic produce cooperatives.

Your Committee received testimony in support of this measure from the Department of Agriculture (DOA), the Department of Business, Economic Development, and Tourism, and the Office of Hawaiian Affairs.

Your Committee finds that at the current time, the organic farming industry is concentrated on large-scale activities, and promotion of backyard and other citizen organic farming activities would benefit the State by increasing the self-sufficiency of its residents. Many interested individuals would find the assistance provided under this measure vital for inducing wider participation in organic gardening.

Your Committee has amended this measure to make the University of Hawaii's College of Tropical Agriculture and Human Resources and its extension service the lead agency, with assistance from the DOA.

As affirmed by the record of votes of the members of your Committee on Economic Development 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, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1269 Economic Development on S.C.R. No. 47

The purpose of this measure is to urge the Governor to develop and implement a tourism marketing and promotion plan to attract participants and spectators of the 2000 Olympic Games in Australia to Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority (HTA).

Your Committee finds that HTA is working with the United States Olympic Committee and the individual sports governing bodies to attract qualifying and training activities centered around the 2000 Summer Olympics. Currently, those include the U.S. Basketball Association, the National Volleyball Association and the U.S. Swimming Association.

Your Committee supports the HTA in its efforts to capitalize on the opportunities that these and other Olympic related events offer for Hawaii's economy.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 47, 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, 1 (Taniguchi).

SCRep. 1270 Economic Development on S.C.R. No. 48

The purpose of this measure is to urge the Department of Business, Economic Development, and Tourism to work closely with the University of Hawaii, the Department of Agriculture, and private sector firms to develop strategies and coordinate initiatives to facilitate the growth of Hawaii's biotechnology industry.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and the Department of Agriculture.

Your Committee finds that Hawaii provides competitive advantages with its natural assets and scientific expertise through the research efforts of the University of Hawaii and the Hawaii Agriculture Research Center. Recently, the National Science Foundation announced the selection of the University for a new Marine Bioproducts Engineering Center.

Your Committee supports the coordination and planning activities of this Concurrent Resolution in order to further develop Hawaii's biotechnology industry.

As affirmed by the record of votes of the members of your Committee on Economic Development 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, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1271 Economic Development on S.C.R. No. 49

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism (DBEDT), with assistance from other agencies and interested parties, to implement a comprehensive, long-range strategy plan of action for the State's travel and tourism industry.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority (HTA).

Your Committee finds that currently the HTA is in the process of preparing a tourism strategic plan for the period from 1999 to 2005. The issues to be addressed include the location and level of optimum growth by island or county, research on current visitors, rejuvenation of the visitor plant, and brand marketing of Hawaii. Each strategy or action to address these and other issues will include roles and responsibilities of government and the private sector, measures of effectiveness, and funding sources.

Your Committee supports the work of the HTA, and has amended this measure to make HTA the lead agency for the actions outlined in this Concurrent Resolution, and to remove DBEDT from participation.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 49, 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. 49, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1272 Economic Development on S.C.R. No. 51

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a comprehensive assessment of Hawaii's strategic environmental, human, and technological resources and capabilities to support economic growth into the new millennium.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the approaching century presents unique opportunities for states such as Hawaii to develop new approaches for economic growth. Your Committee believes a range of alternatives should be assessed in order to enhance and promote Hawaii's strategic assets.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 51, 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, 1 (Taniguchi).

SCRep. 1273 Economic Development on S.C.R. No. 107

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a study of Japan's import behavior to assist and improve the efforts of Hawaii's businesses in conducting business with that country.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism (DBED&T).

Your Committee finds that there is a considerable variety of information and assistance currently available on this topic, and that as a result, DBED&T has been concentrating its efforts in providing briefings and seminars with timely and relevant Japanese market

information not readily available elsewhere. While your Committee is supportive of the current efforts of the department, your Committee believes the collaborative activities contained in this measure should be pursued.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 107, 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, 1 (Taniguchi).

SCRep. 1274 Economic Development on S.R. No. 47

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a study of Japan's import behavior to assist and improve the efforts of Hawaii's businesses in conducting business with that country.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism (DBED&T).

Your Committee finds that there is a considerable variety of information and assistance currently available on this topic, and that as a result, DBED&T has been concentrating its efforts in providing briefings and seminars with timely and relevant Japanese market information not readily available elsewhere. While your Committee is supportive of the current efforts of the department, your Committee believes the collaborative activities contained in this measure should be pursued.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 47, 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, 1 (Taniguchi).

SCRep. 1275 Economic Development on S.C.R. No. 117

The purpose of this measure is to requesting the Department of Land and Natural Resources to study the feasibility of constructing a boat ramp for use by recreational users at Cape Kumukahi/Kapoho Bay to alleviate the user conflict at the Pohoiki Boat Ramp.

Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that the study requested by this measure is in response to continuing conflicts of commercial and recreational fishing at the Pohoiki facility. While your Committee understands that such a study would require both financial and other resources, the members support development of alternative options to resolve the ongoing conflict.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 117, 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, 1 (Taniguchi).

SCRep. 1276 Economic Development on S.R. No. 55

The purpose of this measure is to requesting the Department of Land and Natural Resources to study the feasibility of constructing a boat ramp for use by recreational users at Cape Kumukahi/Kapoho Bay to alleviate the user conflict at the Pohoiki Boat Ramp.

Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that the study requested by this measure is in response to continuing conflicts of commercial and recreational fishing at the Pohoiki facility. While your Committee understands that such a study would require both financial and other resources, the members support development of alternative options to resolve the ongoing conflict.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 55, 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, 1 (Taniguchi).

SCRep. 1277 Economic Development on S.C.R. No. 118

The purpose of this measure is to request the Department of Land and Natural Resources to work in partnership with the County of Hawaii and all concerned parties to develop a master plan for keeping Pohoiki Boat Ramp safe and clean now and in the future.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR).

Your Committee finds that DLNR is working with the county to develop means of easing conditions at the Pohoiki Boat Ramp, and that the parties agree a long-term solution to the problems is necessary.

Your Committee supports these continuing efforts to resolve the conditions at Pohoiki, including the use of mediation services to address the diverse interests by the users of the boat ramp and surrounding area.

As affirmed by the record of votes of the members of your Committee on Economic Development 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 Transportation and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1278 Economic Development on S.R. No. 56

The purpose of this measure is to request the Department of Land and Natural Resources to work in partnership with the County of Hawaii and all concerned parties to develop a master plan for keeping Pohoiki Boat Ramp safe and clean now and in the future.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR).

Your Committee finds that DLNR is working with the county to develop means of easing conditions at the Pohoiki Boat Ramp, and that the parties agree a long-term solution to the problems is necessary.

Your Committee supports these continuing efforts to resolve the conditions at Pohoiki, including the use of mediation services to address the diverse interests by the users of the boat ramp and surrounding area.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 56, and recommends that it be referred to the Committee on Transportation and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1279 (Majority) Economic Development on S.C.R. No. 126

The purpose of this measure is to request the Hawaii Convention Center to allow Hawaii state and county government agencies to use the facilities when conducting government business.

Your Committee received comments on this measure from two members of the Convention Center Authority (CCA) Board. The Hawaii Tourism Authority testified in opposition.

Your Committee finds that as a result of its current bookings experiences, the CCA has solicited public comments and instituted a revised local use policy, including guidelines for use by government agencies.

Your Committee believes that a variety of alternatives should be explored in order to achieve maximum use of the convention center and ensure its success.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 126, 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, 1 (Ige, M.). Excused, 1 (Taniguchi).

SCRep. 1280 (Joint) Economic Development and Transportation and Intergovernmental Affairs on S.C.R. No. 177

the purpose of this measure is to request that the Governor promote, encourage, and stimulate private transportation businesses engaged in the tourism industry.

Your Committees received testimony in support of this measure from the Department of Transportation and the Hawaii Activities and Tours Association.

Your Committees find that this measure will support the ongoing partnerships between the public and private sectors, as well as encourage new opportunities for the private transportation sector, thus providing additional stimulus to Hawaii's economy.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 177, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Ige, D., Ige, M., Iwase, Taniguchi).

SCRep. 1281 Economic Development on S.C.R. No. 198

The purpose of this measure is to support the Aloha Racing Foundation, its sponsors, and the Waikiki Yacht Club in their endeavor to bring the America's Cup home to the United States.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the State is very supportive of Hawaii's entry in the America's Cup, and has provided a facility at Barber's Point for use by the Aloha Racing Foundation as well as access to Maui's super computer for vessel design through the High Technology Development Corporation. Your Committee acknowledges these efforts to encourage the Hawaii entry in the America's Cup competition.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 198 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, 1 (Taniguchi).

SCRep. 1282 Economic Development on S.C.R. No. 204

The purpose of this measure is to urge the Division of State Parks of the Department of Land and Natural Resources to conduct a feasibility study to consider the kinds of improvements that must be made to the Kukaniloko historic site near Wahiawa.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR), the Friends of Kukaniloko, and Life of the Land.

Your Committee finds that in 1997, DLNR developed a curatorship agreement with the Hawaiian Civic Club of Wahiawa and the Friends of Kukaniloko. These organizations assist with the care, management, and culturally appropriate interpretation of the site. In addition, DLNR is finalizing an interpretive plan for the Kukaniloko Birthstones site in cooperation with these organizations and the Wahiawa community.

Your Committee is strongly supportive of the continuation of these collaborative efforts to preserve and enhance this important cultural resource for Hawaii's people. Your Committee has requested additional information from DLNR regarding the costs associated with the feasibility study in this measure, for further discussions by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 204, 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, 1 (Taniguchi).

SCRep. 1283 Economic Development on S.R. No. 93

The purpose of this measure is to urge the Division of State Parks of the Department of Land and Natural Resources to conduct a feasibility study to consider the kinds of improvements that must be made to the Kukaniloko historic site near Wahiawa.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR), the Friends of Kukaniloko, and Life of the Land.

Your Committee finds that in 1997, DLNR developed a curatorship agreement with the Hawaiian Civic Club of Wahiawa and the Friends of Kukaniloko. These organizations assist with the care, management, and culturally appropriate interpretation of the site. In addition, DLNR is finalizing an interpretive plan for the Kukaniloko Birthstones site in cooperation with these organizations and the Wahiawa community.

Your Committee is strongly supportive of the continuation of these collaborative efforts to preserve and enhance this important cultural resource for Hawaii's people. Your Committee has requested additional information from DLNR regarding the costs associated with the feasibility study in this measure, for further discussions by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 93, 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, 1 (Taniguchi).

SCRep. 1284 (Majority) Economic Development on S.C.R. No. 206

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism (DBEDT) and the Department of Land and Natural Resources (DLNR), to identify suitable lands on Oahu, solicit proposals, and seek appropriate legislative approvals for the creation of a multi-purpose sports complex.

Your Committee received testimony in support of this measure from the DBEDT, DLNR, Hawaii International Motor Speedway, the Hawaiian Jockey Club, and one individual. The Department of the Attorney General, the Honolulu Police Department, the Hawaiian Humane Society, the First Christian Church (Disciples of Christ), the Hawai'i Coalition Against Legalized Gambling, and one individual testified against the inclusion of horse racing.

Your Committee finds that for Hawaii to succeed in an increasingly competitive tourism market, expansion and diversification of the activities available for visitors are critical factors. Sports is one of the areas that has tremendous potential and is a major focus for future development. As such, the development of a sports complex capable of sustaining professional sports would be beneficial to both residents and visitors alike.

Your Committee has also heard a number of concerns raised regarding the inclusion of "horse racing, and others" as part of the proposed sports complex activities. Testimony reflected the concerns that horse racing and pari-mutuel betting are linked, and that "other" sports could include cockfighting and dog racing.

Your Committee is supportive of the concept of a multi-purpose sports complex, and the benefits it would provide to the State. Your Committee has amended this measure to:

- (1) Amend its title to read:

"URGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO SEEK THE CREATION OF A MULTI-PURPOSE SPORTS COMPLEX"; and

- (2) Make DLNR the lead agency, with assistance from DBEDT, in identifying suitable state lands.

Your Committee wishes to point out, however, that the members believe the issues raised regarding horse racing and gambling merit further discussion. Your Committee has therefore retained this language in the Concurrent Resolution for additional consideration by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 206, 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. 206, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Ige, M.). Excused, 1 (Taniguchi).

SCRep. 1285 (Majority) Economic Development on S.C.R. No. 221

The purpose of this measure is to request that the Chairperson of the Board of Land and Natural Resources take immediate steps to formulate a new non-U.S. hunter licensing procedure.

Your Committee received testimony in support of this measure from the Hawaii Hunting Advisory Council, the Hawaii Rifle Association, the Hawaii Citizens' Rights PAC, and one individual. The Department of Land and Natural Resources (DLNR) submitted comments.

Your Committee finds that a commercial hunting industry on private property can provide environmental and economic benefits to local communities. However, unlike most mainland states, DLNR does not have the statutory authority to regulate the take of game mammals on private lands, and the department is also considering options to develop and promote commercial game bird hunting.

Your Committee is supportive of the intent of this measure, but believes that there are a number of issues, including safety, which must be addressed before initiating a new licensing system for foreign hunters and expanding the commercial hunting industry on private lands.

Your Committee has amended this measure to:

(1) Amend the title to read:

"REQUESTING THAT THE DEPARTMENT OF LAND AND NATURAL RESOURCES INVESTIGATE WAYS TO DEVELOP AND PROMOTE THE COMMERCIAL HUNTING INDUSTRY ON PRIVATE LANDS";

(2) Delete the entire contents of the Be It Resolved sections, and replace them with new language requesting the Department of Land and Natural Resources to work with private landowners, the Hunting Advisory Council, commercial shooting preserve operators, hunting guides, license vendors, and other interested constituents to discuss and investigate ways to develop and promote the commercial hunting industry on private lands in Hawaii, including:

(A) Possible changes in license requirements for foreign hunters;

(B) Impacts on public hunting opportunities on adjacent public lands;

(C) Impacts on adjacent protected native forest areas and ways to mitigate impacts;

(D) The department's ability to regulate the take and movement of game mammal populations on private lands to protect public interests;

(E) Liability issues;

(F) Ways to promote the commercial hunting industry on private lands; and

(G) Any other pertinent issues; and

(3) Request that DLNR report to the Legislature twenty days prior to the Regular Session of 2000.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 221, 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. 221, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Kawamoto). Excused, 1 (Taniguchi).

SCRep. 1286 (Joint) Economic Development and Labor and Environment on S.C.R. No. 43

The purpose of this measure is to express legislative support for proposed artificial reef and derelict wreck placement on the Voyager submarines, Hawaii dive site, Oahu, Hawaii.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, the Department of Business, Economic Development, and Tourism, BOATS/Hawaii Inc., Voyager Submarines Hawaii, and Atlantis Submarines.

Your Committees find that on August 28, 1998, the Board of Land and Natural Resources approved a Conservation District Use Permit, with twenty-seven conditions, to allow Voyager submarines to create an artificial reef, which is intended to enhance the marine biodiversity of the area.

Your Committees further find that a similar artificial reef program was established in 1989 by Atlantis Submarines. According to a recent research report, over one hundred forty different species of fish were identified at the Atlantis site.

Your Committees are supportive of these efforts to enhance Hawaii's marine environment, while creating additional attractions for visitors to the State.

Your Committees have amended this measure to add an additional Be It Resolved clause authorizing the Board of Land and Natural Resources to issue a non-exclusive easement to Voyager Submarines for the use of State-owned submerged lands.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 43, 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. 43, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chumbley, Fukunaga, Ihara, Taniguchi).

SCRep. 1287 (Joint) Economic Development and Labor and Environment on S.R. No. 23

The purpose of this measure is to express legislative support for proposed artificial reef and derelict wreck placement on the Voyager submarines, Hawaii dive site, Oahu, Hawaii.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, the Department of Business, Economic Development, and Tourism, BOATS/Hawaii Inc., Voyager Submarines Hawaii, and Atlantis Submarines.

Your Committees find that on August 28, 1998, the Board of Land and Natural Resources approved a Conservation District Use Permit, with twenty-seven conditions, to allow Voyager submarines to create an artificial reef, which is intended to enhance the marine biodiversity of the area.

Your Committees further find that a similar artificial reef program was established in 1989 by Atlantis Submarines. According to a recent research report, over one hundred forty different species of fish were identified at the Atlantis site.

Your Committees are supportive of these efforts to enhance Hawaii's marine environment, while creating additional attractions for visitors to the State.

Your Committees have amended this measure to add an additional Be It Resolved clause authorizing the Board of Land and Natural Resources to issue a non-exclusive easement to Voyager Submarines for the use of State-owned submerged lands.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 23, 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. 23, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chumbley, Fukunaga, Ihara, Taniguchi).

SCRep. 1288 (Joint) Economic Development and Labor and Environment on S.C.R. No. 202

The purpose of this measure is to request the Hawaii Forestry and Communities Executive Council and the Department of Health to convene a meeting of affected stakeholders to consider means to attract carbon investments to mitigate global warming through sustainable forestry in Hawaii.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and the Department of Hawaiian Home Lands.

Your Committees find that Hawaii has an opportunity to establish carbon offset forestry projects as a result of a unique combination of attributes. In addition, these projects can demonstrate that managing forests for carbon sequestration can be compatible with, and complementary to, managing for commercial high value timber and restoring native forests.

Your Committees are supportive of these efforts to generate additional investment and resource management opportunities for Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 202, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chumbley, Fukunaga, Ihara, Taniguchi).

SCRep. 1289 (Joint) Economic Development and Labor and Environment on S.R. No. 88

The purpose of this measure is to request the Hawaii Forestry and Communities Executive Council and the Department of Health to convene a meeting of affected stakeholders to consider means to attract carbon investments to mitigate global warming through sustainable forestry in Hawaii.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and the Department of Hawaiian Home Lands.

Your Committees find that Hawaii has an opportunity to establish carbon offset forestry projects as a result of a unique combination of attributes. In addition, these projects can demonstrate that managing forests for carbon sequestration can be compatible with, and complementary to, managing for commercial high value timber and restoring native forests.

Your Committees are supportive of these efforts to generate additional investment and resource management opportunities for Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 88, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chumbley, Fukunaga, Ihara, Taniguchi).

SCRep. 1290 Judiciary on S.C.R. No. 86

The purpose of this measure is to request the Auditor to conduct a follow-up management audit of the Child Support Enforcement Agency (CSEA).

Testimony in support of this measure was received from the Attorney General.

Your Committee finds that in 1992 and 1995, the Auditor conducted a management audit and a follow-up audit, respectively, of the CSEA.

Your Committee finds that problems identified in the 1992 audit were being addressed and improvements were occurring when the 1995 audit was conducted. Despite these improvements, the CSEA, the Auditor, and the Legislature still receive complaints by parents that over-charging errors in record keeping still occur. This measure will provide the public and government officials a report by which to evaluate what further changes, if any, need to be made to the CSEA to ensure fairness and equity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 86, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 1291 Judiciary on S.C.R. No. 160

The purpose of this measure is to request the Judicial Selection Commission to:

- (1) Establish and publicize specific written criteria by which it assesses the qualifications of judicial applicants; and
- (2) Study the feasibility of providing judges and justices with merit pay incentives.

Testimony in support of this measure was received from the Hawaii State Bar Association, League of Women Voters of Hawaii, and Common Cause Hawaii.

Your Committee finds that the establishment of specific written criteria for judicial selection, with the public's input, will diminish the perception of political favoritism in the selection of judges.

Your Committee finds that specific judicial selection guidelines will ensure more uniformity in selections and engender greater public confidence that judges are being chosen strictly on their qualifications. Additionally, this measure will promote more respect and confidence in the courts' rulings by elevating the selection process to a point that leaves little room for criticism.

Your Committee also finds that Hawaii continues to lose experienced judges due to pay issues. Hawaii is the only state in the nation that has not provided its judges with a pay raise in the past nine years. This measure will provide an opportunity for the State to evaluate whether a change in judicial pay is needed to encourage qualified judges and justices to remain in Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 160, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 1292 Judiciary on S.C.R. No. 219

The purpose of this measure is to direct the Legislative Reference Bureau to study the issues related to the practice of gift-giving by court reporters.

Testimony in support of this measure was received from Hilo Reporters, Hawaii Island Court Reporting, Inc., and an attorney. The Judiciary testified in support of the intent of this measure and the Hawaii State Bar Association Legislation Committee submitted background information on the matter.

Your Committee finds that anecdotal evidence indicates that giving and receiving of gifts leads some litigants to question the neutrality of the court reporter, the neutrality of the judicial process, and the veracity of any transcript produced by the court reporter.

Your Committee notes, however, that the Hawaii Supreme Court and the Hawaii Board of Certified Shorthand Reporters have adopted rules regarding court reporting.

Your Committee believes that the Hawaii Supreme Court is the institution best qualified to address this issue and report its findings to the Legislature.

Your Committee has amended this measure by directing the Hawaii Supreme Court to conduct a review of court rules to address the issue, and deleting references to the Legislative Reference Bureau.

Your Committee also has revised the title to read: REQUESTING THE HAWAII SUPREME COURT TO REVIEW COURT RULES AND, IF NECESSARY, ESTABLISH GUIDELINES FOR GIFT-GIVING BY COURT REPORTERS.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 219, 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. 219, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 1293 (Joint) Water, Land, and Hawaiian Affairs and Education and Technology on S.C.R. No. 109

The purpose of this measure is to request the relocation of the statue, "The Spirit of Lili'uokalani" from the State Capitol grounds to the Iolani Palace grounds.

Testimony in opposition to the measure was received from the Department of Land and Natural Resources, the State Foundation on Culture and the Arts, the Friends of Iolani Palace, the Association of Hawaiian Civic Clubs, and the Native Hawaiian Chamber of Commerce.

Your Committees find that although the majority of the testimony received was in opposition to the specific relocation of the statue to the Iolani Palace grounds, the consensual opinion was that the statue is less than ideally placed.

Gladys Brandt, a well-respected member of the Hawaiian community and the former co-chairperson of the jury that chose the existing site of the statue, was present at the hearing to provide your Committees with her insight as to why the statue is situated between the Palace and the State Capitol. Ms. Brandt stated that the current statue site was not the site originally envisioned by either the statue's artist or the jury empaneled to designate an appropriate site. In fact, the current site was selected as a compromise between what was thought of as being the most appropriate site, on the Iolani Palace grounds facing the Kamehameha Statue, and a site that was sufficiently strong enough to hold the weight of the statue without adversely impacting on the substructure beneath it.

Ms. Brandt further stated that the statue was not placed on the Iolani Palace grounds in deference to Queen Lili'uokalani's opinion that a statue of her brother, King David Kalakaua, Iolani Palace's creator, would not be appropriately situated on palace grounds.

Consequently, the statue was situated where it remains today, on an area where sufficient subterranean reinforcement exists to carry the weight of the statue.

In light of the information provided by testifiers and Ms. Brandt, your Committees agree that although the statue should not be placed on the Iolani Palace grounds as originally intended under this measure, the current placement of the statue is little more than a compromise between historic significance and physical practicality.

To ameliorate this compromise, your Committees have amended the measure by:

- (1) Adding provisions that establish a commission to deliberate and designate a new, more appropriate site for the statue;
- (2) Stating that the commission's membership shall be comprised of:
 - (A) One member from the State Foundation on Culture and the Arts;
 - (B) One member from the Office of Hawaiian Affairs;
 - (C) One member from the Friends of 'Iolani Palace;
 - (D) One member appointed by the President of the Senate; and
 - (E) One member appointed by the Speaker of the House of Representatives;
- (3) Designating as the chairperson of the commission the member from the State Foundation on Culture and the Arts;
- (4) Requesting that the commission determine the specific site to which the statue is to be relocated, the approximate cost of relocating the statue, and any ancillary concerns that may need to be addressed due to the relocation;

- (5) Requesting that the commission report its findings and recommendations to the Legislature not later than twenty days prior to the convening of the 2000 Regular Session;
- (6) Amending the transmittal clause to reflect the agencies affected by the measure; and
- (7) Amending the title and text of the measure to reflect the abovementioned amendments.

Your Committee's believe that the outcome of the commission's deliberations will result in a site that is cognizant of the political upheaval that deposed the Kingdom of Hawai'i's last reigning monarch, sensitive to her love of her home and the people of Hawaii, and at the same time reginal.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 109, 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. 109, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 6 (Chumbley, Chun, Kanno, Matsunaga, Tam, Tanaka).

SCRep. 1294 Transportation and Intergovernmental Affairs on S.C.R. No. 115

The purpose of this measure is to request the Department of Transportation to conduct a feasibility study to provide an alternate route for entering and exiting Wahiawa.

Testimony in support of this measure was received from the Department of Transportation, Whitmore Community Association, and one individual.

Your Committee finds that Wahiawa is experiencing serious traffic congestion on its two access routes. If one of the access routes is shut down due to flooding or other reasons, severe traffic congestion for Wahiawa residents and commuters would result. Your Committee believes that providing an alternate route for entering and exiting Wahiawa to relieve the traffic congestion and ensure adequate access to the area during emergency situations must be fully explored.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 115 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, 2 (Ige, D., Taniguchi).

SCRep. 1295 Transportation and Intergovernmental Affairs on S.R. No. 53

The purpose of this measure is to request the Department of Transportation to conduct a feasibility study to provide an alternate route for entering and exiting Wahiawa.

Testimony in support of this measure was received from the Department of Transportation, Whitmore Community Association, and one individual.

Your Committee finds that Wahiawa is experiencing serious traffic congestion on its two access routes. If one of the access routes is shut down due to flooding or other reasons, severe traffic congestion for Wahiawa residents and commuters would result. Your Committee believes that providing an alternate route for entering and exiting Wahiawa to relieve the traffic congestion and ensure adequate access to the area during emergency situations must be fully explored.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 53 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Ige, D., Taniguchi).

SCRep. 1296 (Joint) Transportation and Intergovernmental Affairs and Economic Development on S.C.R. No. 217

The purpose of this measure is to request improvements in security at Honokohau Marina, simplified rules governing the Honokohau Harbor, and improved maintenance of the Honokohau Harbor.

Your Committees received testimony in support of the intent of this measure from the Department of Land and Natural Resources (DLNR).

Your Committees find that DLNR is fully aware of the problems existing at Honokohau Harbor, as outlined in this measure, and the department is working to alleviate them. Your Committees have heard, however, that financial resources for increased enforcement and maintenance are limited to high priority actions and projects.

Your Committees further find that DLNR is currently working on a comprehensive review and revision of the rules to modernize and simplify their language, and support the department in this effort to reorganize the rules in a more usable format.

Your Committees support continued efforts by DLNR in this area. Your Committees have made a technical, nonsubstantive amendment to this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 217, 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. 217, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 4 (Ige, D., Ige, M., Iwase, Taniguchi).

SCRep. 1297 Water, Land, and Hawaiian Affairs on S.C.R. No. 203

The purpose of this measure is to request that the Office of Hawaiian Affairs pay for the creation and placement of historical signage for the King Kamehameha I Statue.

The King Kamehameha Celebration Commission, the entity responsible for the statue, had no objections to the concept of posting historic signage but did object to not being included in the decision making over the text and placement of any such signage. The Office of Hawaiian Affairs opposed adoption of the measure.

Your Committee finds that the King Kamehameha I Statue is one of Hawaii's most popular tourist and resident attractions, with, perhaps, a thousand people (including school children), visiting the site daily.

Astonishingly, in light of the importance of this historical figure to the people of Hawaii, the area surrounding the King Kamehameha I Statue contains no information indicating that Kamehameha I was a king, when he lived, what he accomplished, or his stature in Hawaiian history.

Your Committee believes that the establishment of historical signage near the King Kamehameha I Statue would offer a significant benefit for Hawaii's visitor industry and a source of pride for residents of the State.

In light of the concerns presented by the entity responsible for the statue, your Committee has amended the measure by including the King Kamehameha Celebration Commission within the transmittal clause and by making a technical, nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 203, 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. 203, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 1298 Water, Land, and Hawaiian Affairs on S.R. No. 89

The purpose of this measure is to request that the Office of Hawaiian Affairs pay for the creation and placement of historical signage for the King Kamehameha I Statue.

The King Kamehameha Celebration Commission, the entity responsible for the statue, had no objections to the concept of posting historic signage but did object to not being included in the decision making over the text and placement of any such signage. The Office of Hawaiian Affairs opposed adoption of the measure.

Your Committee finds that the King Kamehameha I Statue is one of Hawaii's most popular tourist and resident attractions, with, perhaps, a thousand people (including school children), visiting the site daily.

Astonishingly, in light of the importance of this historical figure to the people of Hawaii, the area surrounding the King Kamehameha I Statue contains no information indicating that Kamehameha I was a king, when he lived, what he accomplished, or his stature in Hawaiian history.

Your Committee believes that the establishment of historical signage near the King Kamehameha I Statue would offer a significant benefit for Hawaii's visitor industry and a source of pride for residents of the State.

In light of the concerns presented by the entity responsible for the statute, your Committee has amended the measure by including the King Kamehameha Celebration Commission within the transmittal clause and by making a technical, nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 89, 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. 89, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 1299 (Joint) Health and Human Services and Economic Development on S.C.R. No. 18

The purpose of this measure is to request that the Governor incorporate assistive technology considerations and language in all administration measures relating to persons with disabilities. The measure also requests the Department of Business, Economic Development, and Tourism to develop incentives to encourage out-of-state businesses and vendors that provide assistive technology devices to increase their supplies.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the State Planning Council on Developmental Disabilities, the Commission Persons with Disabilities, and Hawaii Assistive Technology Training & Services.

Your Committees find that assistive technology devices enable individuals with disabilities to see, hear, maneuver, and communicate, providing a vital means of performing activities related to daily life in an independent manner. Your Committees are strongly supportive of this measure as a means of attaining a higher quality of life for all persons with disabilities.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 18, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 1300 Health and Human Services on S.C.R. No. 91

The purpose of this measure is to request the University of Hawaii School of Public Health (UHSPH) to foster an improved partnership with the Department of Health (DOH).

Your Committee received testimony in support of this measure from the UHSPH. Informational testimony was received from the DOH.

The DOH and the UHSPH have collaborated over the past forty years, on assessment of needs, development of programs, and evaluation of those programs, as well as on research and training of public health professionals in Hawaii. However, budget restrictions of the past few years have reduced the extent of collaboration between the DOH and the UHSPH, resulting in reduced joint activities to their lowest point in over a decade. Stronger collaboration and cooperation between the DOH and the UHSPH affords an opportunity to benefit both organizations and the general public. This measure urges the DOH and the UHSPH to establish goals and objectives to accomplish a more formal partnership, including development of an action plan to enhance their collaborative relationship by establishing a more formal partnership involving joint agreements, activities, and appointments.

Your Committee has amended this measure on recommendation of the UHSPH by:

- (1) Changing the title to urge the DOH to foster an improved partnership with the UHSPH; and
- (2) Clarifying the relationship between the DOH and the UHSPH over the past forty years;
- (3) Changing from 200 to over 150 the number of graduate students with extensive experience and varied disciplinary degrees to consult and serve in the programs and research of the DOH;
- (4) Changing from "trained" to "qualified" public health personnel to augment teaching and research efforts;
- (5) Adding "faculty and students" in reference to new research and service venues for UHSPH;
- (6) Deleting reference to joint agreements, activities, and appointments;
- (7) Placing "Department of Health" before "University of Hawaii School of Public Health" in the first Resolved clause; and
- (8) Clarifying the goals and objectives BE IT RESOLVED clause.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 91, as amended herein, and recommends that it be referred to the Committee on Education and Technology, in the form attached hereto as S.C.R. No. 91, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1301 (Joint) Health and Human Services and Education and Technology on S.C.R. No. 121

The purpose of this measure is to establish a Joint Legislative Committee on Child and Adolescent Mental Health (JLC).

Your Committees received testimony in support of this measure from the Department of Health and Department of Education.

This measure is primarily intended to address the problems of implementing the requirements of the Felix consent decree. The State has until June 30, 2002, to comply with Felix by implementing a system of care to provide services for the Felix class.

The legislature has the duty and responsibility to oversee the process of Felix compliance. However, efforts to date during legislative hearings have not yielded satisfactory answers. This measure is intended to help the legislature keep abreast of Felix compliance measures with a view towards ensuring that the State meets the deadline. More importantly, your Committees are concerned that students under Felix receive the help and services they are entitled to by law.

Your Committees have amended this measure by:

- (1) Adding the Department of Human Services and the Department of Health to the expert panel;
- (2) Forming a resource committee under the JLC, composed of persons representing parent organizations, consumer groups, and provider groups; and
- (3) Specifying that the Legislative Reference Bureau assist the JLC.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 121, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 121, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Chumbley, Iwase, Matsunaga, Tam, Anderson).

SCRep. 1302 Health and Human Services on S.C.R. No. 149

The purpose of this measure is to request a study for a comprehensive review to assess services for deaf, hard of hearing, and deaf-blind populations.

Your Committee received testimony in support of this measure from the Department of Human Services, Commission on Persons with Disabilities, Hawaii State Coordinating Council on Deafness, Aloha State Association of the Deaf, Ka Kuli Advocates, and a private individual.

There are an estimated 72,000 persons with hearing loss in Hawaii, who receive inadequate or unacceptable levels of public and private services for the deaf, hard of hearing, and deaf-blind persons. This situation adversely impacts them, and their work, families, and social activities, resulting in an overall reduction in their quality of life. Services for them provided by public and private agencies tend to be fragmented and uncoordinated, making it difficult for them to receive all available services in the most efficient and cost effective manner. This measure requests the Commission on Persons with Disabilities to conduct a comprehensive review to assess services for deaf, hard of hearing, and deaf-blind persons.

Your Committee requests the Committee on Ways and Means to include a budget proviso to appropriate funds for the expenses of the task force in an amount of \$6,000, for fiscal year 1999-2000, and \$12,000, for fiscal year 2000-2001, under HTH 520 for purposes of implementing this measure.

Your Committee has amended this measure by including in the task force, representatives from the Hawaii Registry of Interpreters for the Deaf, Kapiolani Community College Interpreter Education Program, and Vocational Rehabilitation and Services for the Blind Division.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 149, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 149, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1303 Health and Human Services on S.C.R. No. 151

The purpose of this measure is to request the Department of Health (DOH) to develop and implement a five-year statewide, comprehensive strategic plan for services and supports for individuals with developmental disabilities.

Your Committee received testimony in support of this measure from the Department of Health (DOH), State Planning Council on Developmental Disabilities, Office of Hawaiian Affairs, The Arc of Hilo, The Arc in Hawaii, Goodwill Industries Hawaii, and Hawaii Government Employees Association.

There are an estimated 12,040 persons in Hawaii with developmental disabilities. Of these, over 2,400 are served by the DOH, Developmental Disabilities Division (DDD). Section 333F-2(a), Hawaii Revised Statutes, requires the DOH to "develop, lead, administer, coordinate, monitor, evaluate, and set direction for a comprehensive system of supports and services for persons with developmental disabilities or mental retardation..." The DDD last developed a plan for 1990-1994, entitled "A Plan for Services for Persons with Developmental Disabilities or Mental Retardation, 1990-1994". This measure requests the DOH to produce another five-year plan, considering the development of significant changes in the developmental disabilities service system.

Your Committee's intent is that the DOH have flexibility in determining the matters to be included in the statewide, comprehensive plan, even though this measure is very specific in enumerating the contents of the plan which are intended to be guidelines rather than mandates.

Your Committee has amended this measure by:

- (1) Including the participation of the Department of Human Services in the development and implementation of the plan;
- (2) Including the collective bargaining exclusive representatives of the DOH employees in the development and implementation of the plan; and
- (3) Requesting the Director of Health to report to the Legislature on the plan and its implementation before the Regular Sessions of 2002, 2003, 2004, 2005, and 2006.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 151, 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. 151, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1304 (Joint) Health and Human Services and Transportation and Intergovernmental Affairs on S.C.R. No. 199

The purpose of this measure is to urge the United States Congress, the President of the United States, and the Secretary of Health and Human Services to support the Hawaii Congressional Delegation's efforts to amend the Social Security Act to increase Hawaii's federal medical assistance percentage (FMAP).

Your Committees received testimony in support of this measure from the Department of Human Services (DHS), Department of Accounting and General Services (DAGS), State Planning Council on Developmental Disabilities, and Healthcare Association of Hawaii.

The federal government bases its payment to states for the Medicaid program on FMAP, which is a formula that yields the per capita income for a state. However, Hawaii's inordinately high cost of living is not reflected in FMAP. This measure requests support to change the FMAP formula for Hawaii, which would result in Hawaii receiving more Medicaid funds from the federal government.

According to DAGS, the State currently recovers about \$20 million under FMAP. An increase in the FMAP rate for Hawaii would bring in additional federal dollars of about \$7 million per year for each percentage point increase. Your Committees believe that the State stands to gain a huge amount of federal money through an increase in the FMAP rate for Hawaii.

According to DHS, the increase in federal moneys for Hawaii would partially off-set the anticipated cutback in federal funding due to the Balanced Budget Act of 1997, which is estimated to be 29 per cent in the next five years that would require additional general funds to maintain levels of services required for adequate health care.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 199, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Ige, D., Iwase, Taniguchi, Anderson).

SCRep. 1305 (Joint) Labor and Environment and Health and Human Services on S.C.R. No. 64

The purpose of this measure is to direct the Commission on Persons with Disabilities, the Department of Human Services, and the Department of Human Resources Development to conduct a comprehensive review of Hawaii laws that provide for public employment of severely handicapped persons.

Testimony in support of this measure was received from the Department of Human Services, the State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, the Hawaii State Coordinating Council on Deafness, the Aloha State Association of the Deaf, and Goodwill Industries Hawaii. Oral testimony in support of the measure was presented by Kahuli Advocates and a concerned citizen. The Department of Health testified in support of the intent of the measure.

Your Committees find that Act 111, Session Laws of Hawaii 1980, was enacted to provide public employment opportunities for people with disabilities. This measure provides an opportunity to revisit that law to enable persons with severe disabilities to live an independent, productive life through public employment.

Your Committees also find that the consumer and family member perspective will be invaluable to this study. Accordingly, your Committees have amended this measure by including a person with a disability and a family member of a person with a disability as a part of the group conducting the study. A technical, nonsubstantive amendment was also made.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.C.R. No. 64, 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. 64, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Chumbley, Ihara, Iwase, Anderson).

SCRep. 1306 (Joint) Labor and Environment and Education and Technology on S.C.R. No. 141

The purpose of this measure is to designate state worksites as School-to-Work sponsoring agencies.

Testimony in support of this measure was received from the Department of Education, the University of Hawaii, and the School-to-Work Executive Council.

Your Committees find that designating state worksites as School-to-Work sponsoring agencies would provide a larger spectrum of career choices and experiences for interested students. Your Committees also feel that designating county worksites as School-to-Work sponsoring agencies will more fully implement the School-to-Work system.

After consulting with the chairperson of your Committee on Transportation and Intergovernmental Affairs, your Committees have amended this measure by adding a provision requesting that the Mayors of each county designate county worksites as School-to-Work sponsoring agencies, and amending the title to reflect this addition.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 141, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 141, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Chumbley, Fukunaga, Ihara, Matsunaga, Tam).

SCRep. 1307 (Joint) Labor and Environment and Education and Technology on S.R. No. 62

The purpose of this measure is to designate state worksites as School-to-Work sponsoring agencies.

Testimony in support of this measure was received from the Department of Education, the University of Hawaii, and the School-to-Work Executive Council.

Your Committees find that designating state worksites as School-to-Work sponsoring agencies would provide a larger spectrum of career choices and experiences for interested students. Your Committees also feel that designating county worksites as School-to-Work sponsoring agencies will more fully implement the School-to-Work system.

After consulting with the chairperson of your Committee on Transportation and Intergovernmental Affairs, your Committees have amended this measure by adding a provision requesting that the Mayors of each county designate county worksites as School-to-Work sponsoring agencies, and amending the title to reflect this addition.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 62, 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. 62, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Chumbley, Fukunaga, Ihara, Matsunaga, Tam).

SCRep. 1308 (Joint) Labor and Environment and Commerce and Consumer Protection on S.C.R. No. 188

The purpose of this measure is to request the Department of Human Resources Development to create a job classification for advanced practice registered nurses (APRN).

Testimony in support of this measure was received from the Hawaii Government Employees Association, the University of Hawaii School of Nursing, and the Hawaii Nurses Association.

Your Committees find that the current lack of advanced practice registered nurse positions and class specifications prevents the State from recruiting, retaining, and appropriately utilizing these specially trained nurses. In rural areas, correctional facilities, and other settings where it is difficult to recruit doctors, APRN's can be a valuable resource.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 188, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 2 (Chumbley, Fukunaga).

SCRep. 1309 (Joint) Labor and Environment and Commerce and Consumer Protection on S.R. No. 85

The purpose of this measure is to request the Department of Human Resources Development to create a job classification for advanced practice registered nurses (APRN).

Testimony in support of this measure was received from the Hawaii Government Employees Association, the University of Hawaii School of Nursing, and the Hawaii Nurses Association.

Your Committees find that the current lack of advanced practice registered nurse positions and class specifications prevents the State from recruiting, retaining, and appropriately utilizing these specially trained nurses. In rural areas, correctional facilities, and other settings where it is difficult to recruit doctors, APRN's can be a valuable resource.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 85, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 3 (Chumbley, Fukunaga).

SCRep. 1310 (Joint) Economic Development and Health and Human Services on S.C.R. No. 50

The purpose of this measure is to request the Department of Agriculture to perform a feasibility study on the potential of establishing a medicinal herb industry in Hawaii.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. The Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources presented comments.

Your Committees find that the medicinal herb industry has the potential to be a lucrative venture for Hawaii. The rapidly expanding interest and use of alternative medicine and alternative pharmaceuticals worldwide has created an enormous market for medicinal herbs.

Your Committees have amended this measure to include the Department of Health as a participating agency in this feasibility study.

As affirmed by the records of votes of the members of your Committees on Economic Development and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 50, 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. 50, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 1311 (Joint) Economic Development and Transportation and Intergovernmental Affairs on S.C.R. No. 132

The purpose of this measure is to request the United States Environmental Protection Agency (EPA) to implement the 1996 Food Quality Protection Act using sound science and real-world data from the data call-in process for realistic risk assessments.

Your Committees received testimony in support of this measure from the Department of Agriculture (DOA), the Department of Health, the Hawaii Farm Bureau Federation, the Hawaii Cattlemen's Council, the Hawaii Coffee Association, Hawaiian Commercial & Sugar Co., the Hawaii Pest Control Association, the Hawaii Agriculture Research Center, the Pineapple Growers Association, the Hawaii Food Manufacturers Association, the Hawaii Pork Industry Association, UAP Pacific, the Hawaii Export Nursery Association, the Hawaii Macadamia Nut Association, the Hawaii Papaya Industry Association, Murrayair Limited, Brewer Environmental Industries, RESCUE Hawaii, Maui Pineapple Company, Gay & Robinson, Inc., and Sugarland Farms, Inc.

Your Committees find that implementation of the Food Quality Protection Act (FQPA) of 1996 is of critical concern to Hawaii's agricultural industry. The industry fully supports the goals of the FQPA to reaffirm the safety of the American food supply by establishing a "reasonable standard of no harm" for pesticide residues. At issue is implementation in a manner that does not jeopardize the safety, availability, or affordability of the farm products that are essential for maintaining a healthy diet. In particular, the industry is concerned that the risk determinations used by the EPA for pest control products are not based on good science and real-world data.

Your Committees believe that the industry has valid concerns, which should be fully considered in order to ensure appropriate implementation of the FQPA. Your Committees have addressed an additional concern raised by the DOA regarding the potential cost of developing real-world data. Your Committees have amended this measure to add:

- (1) A Whereas clause on the prohibitive cost of developing real-world data;
- (2) A Be It Further Resolved clause to request that pesticide registrants and the U.S. Environmental Protection Agency support minor use registrations by reserving a meaningful portion of the risks projected from the use of a pesticide or a class of pesticides for minor uses; and
- (3) The American Crop Protection Association, the American Farm Bureau Federation, and Responsible Industry for a Sound Environment to the list of organizations receiving a copy of the Concurrent Resolution.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 132, as amended herein, and recommend that it be referred to the Committee on Labor and Environment, in the form attached hereto as S.C.R. No. 132, S.D. I.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Ige, D., Ige, M., Iwase, Taniguchi).

SCRep. 1312 (Joint) Economic Development and Health and Human Services on S.R. No. 72

The purpose of this measure is to urge state agencies, including the Department of Health, the Department of Agriculture, and the Department of Education to promote awareness of the importance of eating five or more fruits and vegetables daily.

Your Committees received testimony in support of this measure from the Department of Health (DOH), the Department of Agriculture (DOA), the Department of Education (DOE), the Vegetarian Society of Hawaii, and three individuals.

Your Committees find that since 1992, the DOH nutrition branch has been the official licensing agency for the Five a Day Program in Hawaii, and maintains an active coalition of health, education, and food industry representatives to support annual awareness campaigns. In addition, the DOA and the DOE are active participants in promoting healthy eating through a variety of promotional materials and activities.

As affirmed by the records of votes of the members of your Committees on Economic Development and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 72, and recommend that it be referred to the Committee on Education and Technology.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 1313 (Joint) Economic Development and Health and Human Services on S.C.R. No. 164

The purpose of this measure is to urge state agencies, including the Department of Health, the Department of Agriculture, and the Department of Education to promote awareness of the importance of eating five or more fruits and vegetables daily.

Your Committees received testimony in support of this measure from the Department of Health (DOH), the Department of Agriculture (DOA), the Department of Education (DOE), the Vegetarian Society of Hawaii, and three individuals.

Your Committees find that since 1992, the DOH nutrition branch has been the official licensing agency for the Five a Day Program in Hawaii, and maintains an active coalition of health, education, and food industry representatives to support annual awareness campaigns. In addition, the DOA and the DOE are active participants in promoting healthy eating through a variety of promotional materials and activities.

As affirmed by the records of votes of the members of your Committees on Economic Development and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 164, and recommend that it be referred to the Committee on Education and Technology.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 1314 (Majority) Economic Development on S.C.R. No. 165

The purpose of this measure is to request the Department of Land and Natural Resources, with assistance from the private sector, the military, and other concerned organizations to form a task force to facilitate and create artificial near-shore habitats where appropriate, and to create an adopt-a-reef program.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs. The Department of Land and Natural Resources submitted comments.

Your Committee finds that Hawaii is home to eighty-five percent of our nation's total reef habitat, and Hawaii's nearshore areas are a critical natural resource for the community. For many reasons, these nearshore areas are in decline, and a coordinated effort is necessary in order to reverse the decline and restore fish populations.

Your Committee has amended this measure to add representatives to the task force from the native Hawaiian fishing communities and the environmental communities, and to add the President of the Senate and the Speaker of the House of Representatives to those receiving a certified copy of this Concurrent Resolution.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 165, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 165, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 1315 (Majority) Economic Development on S.R. No. 73

The purpose of this measure is to request the Department of Land and Natural Resources, with assistance from the private sector, the military, and other concerned organizations to form a task force to facilitate and create artificial near-shore habitats where appropriate, and to create an adopt-a-reef program.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs. The Department of Land and Natural Resources submitted comments.

Your Committee finds that Hawaii is home to eighty-five percent of our nation's total reef habitat, and Hawaii's nearshore areas are a critical natural resource for the community. For many reasons, these nearshore areas are in decline, and a coordinated effort is necessary in order to reverse the decline and restore fish populations.

Your Committee has amended this measure to add representatives to the task force from the native Hawaiian fishing communities and the environmental communities, and to add the President of the Senate and the Speaker of the House of Representatives to those receiving a certified copy of this Resolution.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 73, 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. 73, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 1316 Education and Technology on S.C.R. No. 6

The purpose of this measure is to encourage the medical and nursing schools of the University of Hawaii to include pain management and palliative care in their required curriculum.

Testimony in support of this measure was received from the Executive Office on Aging, Commission on Persons with Disabilities, and the Roman Catholic Church in the State of Hawaii. Testimony in support with amendments was received from the Hawaii Nurses Association.

Your Committee finds that palliative care and adequate pain management are essential for patients who are terminally ill. Unfortunately, adequate levels of this care have not always been available. Barriers range from a health care model that has tended to treat all diseases very aggressively to unfounded fears regarding the administration of controlled substances.

Your Committee further finds that dying patients must receive the best possible care to ease pain and make the dying process as dignified as possible. With knowledge of palliative care and pain management, these new health care professionals will be better prepared to deal with dying patients.

This measure will encourage increased education about palliative care and pain management for health care professionals who have severely ill and dying patients. Your Committee finds that quality health care professional education will allow all individuals to make informed decisions about how they choose to live and die.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 6, 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 (Bunda, Chumbley, Matsunaga).

SCRep. 1317 Education and Technology on S.R. No. 9

The purpose of this measure is to encourage all schools in Hawaii to include music as a regular and integral part of their core curriculum.

Testimony in support of this measure was submitted by the Department of Education, and the members of the Task Force on Music Education in Hawaii.

Your Committee finds much scientific research stating that music is an indispensable factor in learning and the development of the human brain. The study of music not only provides direct educational benefits, but also allows for the preservation and perpetuation of culture and the quality of life in our society.

Your Committee has amended this measure to add a requirement that the Department of Education and the Task Force on Music Education in Hawaii work together to ensure that music education is adequately incorporated into the Hawaii Content and Performance Standards, and the curricula of all schools. Your Committee has also made other technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 9, 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. 9, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1318 Education and Technology on S.C.R. No. 28

The purpose of this measure is to encourage all schools in Hawaii to include music as a regular and integral part of their core curriculum.

Testimony in support of this measure was submitted by the Department of Education, and the members of the Task Force on Music Education in Hawaii.

Your Committee finds much scientific research stating that music is an indispensable factor in learning and the development of the human brain. The study of music not only provides direct educational benefits, but also allows for the preservation and perpetuation of culture and the quality of life in our society.

Your Committee has amended this measure to add a requirement that the Department of Education and the Task Force on Music Education in Hawaii work together to ensure that music education is adequately incorporated into the Hawaii Content and Performance Standards, and the curricula of all schools. Your Committee has also made other technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 28, 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. 28, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1319 Education and Technology on S.C.R. No. 70

The purpose of this measure is to request the Department of Education to prepare an architectural plan which includes the participation of the community prior to establishing middle schools.

Verbal testimony in support of this measure was given by two concerned individuals. The Department of Education submitted testimony in opposition to this measure.

Your Committee finds that this measure, and its companion, S.R. No. 97, S.D. 1, as well as S.C.R. No. 210, S.D. 1, and its companion, S.R. No. 96, S.D. 1, address community concerns about the Department of Education's middle school policy and implementation plan. Your Committee further finds that while the Department of Education has attested to its consultation with district superintendents and various community members in formulating the middle school policy, many other community members and concerned parents claim that they were not adequately informed of the impact and repercussions of Department of Education's middle school plan.

Your Committee has amended this measure by:

- (1) Amending the title to read as follows:
"URGING THE DEPARTMENT OF EDUCATION TO SUSPEND THE ESTABLISHMENT OF ANY ADDITIONAL MIDDLE SCHOOLS";
- (2) Adding the request that the Department of Education suspend the establishment of any additional middle schools;
- (3) Requesting the Department of Education review research studies, including any Legislative Reference Bureau studies, and consider parent, student, and community input when developing future middle school plans; and
- (4) Deleting the requirement that the Department of Education develop an architectural plan regarding its middle school implementation.

Your Committee notes that S.C.R. No. 210, S.D. 1, also refers to the Department of Education's middle school plan, by requesting the the Legislative Reference Bureau study the implications of the middle school plan. It is the intent of your Committee that this study be part of the basis for the middle school policy reform addressed in this measure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 70, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 70, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1320 Education and Technology on S.R. No. 97

The purpose of this measure is to request the Department of Education to prepare an architectural plan which includes the participation of the community prior to establishing middle schools.

Verbal testimony in support of this measure was given by two concerned individuals. The Department of Education submitted testimony in opposition to this measure.

Your Committee finds that this measure, and its companion, S.C.R. No. 70, S.D. 1, as well as S.C.R. No. 210, S.D. 1, and its companion, S.R. No. 96, S.D. 1, address community concerns about the Department of Education's middle school policy and implementation plan. Your Committee further finds that while the Department of Education has attested to its consultation with district superintendents and various community members in formulating the middle school policy, many other community members and concerned parents claim that they were not adequately informed of the impact and repercussions of Department of Education's middle school plan.

Your Committee has amended this measure by:

- (1) Amending the title to read as follows:
"URGING THE DEPARTMENT OF EDUCATION TO SUSPEND THE ESTABLISHMENT OF ANY ADDITIONAL MIDDLE SCHOOLS";
- (2) Adding the request that the Department of Education suspend the establishment of any additional middle schools;
- (3) Requesting the Department of Education review research studies, including any Legislative Reference Bureau studies, and consider parent, student, and community input when developing future middle school plans; and
- (4) Deleting the requirement that the Department of Education develop an architectural plan regarding its middle school implementation.

Your Committee notes that S.C.R. No. 210, S.D. 1, also refers to the Department of Education's middle school plan, by requesting the the Legislative Reference Bureau study the implications of the middle school plan. It is the intent of your Committee that this study be part of the basis for the middle school policy reform addressed in this measure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 97, 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. 97, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1321 Education and Technology on S.C.R. No. 83

The purpose of this measure is to urge the establishment of an insurance institute at the College of Business Administration of the University of Hawaii.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that an institute devoted to insurance could meet the training and development needs of Hawaii's insurance-related industries and serve as a centralized source of information and expertise for other professionals and the community at large.

Your Committee has amended this measure to require the University of Hawaii College of Business Administration to study the feasibility of establishing such an insurance institute, instead of simply urging the establishment of the institute. Your Committee believes that given the economic times, a feasibility study would provide all parties with full knowledge of the costs and benefits of the insurance institute and will provide a solid first step towards its establishment. Your Committee has further amended this measure to require that the University of Hawaii consult with various groups involved in the insurance industry for the feasibility study.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 83, 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. 83, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1322 Education and Technology on S.R. No. 37

The purpose of this measure is to urge the establishment of an insurance institute at the College of Business Administration of the University of Hawaii.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that an institute devoted to insurance could meet the training and development needs of Hawaii's insurance-related industries and serve as a centralized source of information and expertise for other professionals and the community at large.

Your Committee has amended this measure to require the University of Hawaii College of Business Administration to study the feasibility of establishing such an insurance institute, instead of simply urging the establishment of the institute. Your Committee believes that given the economic times, a feasibility study would provide all parties with full knowledge of the costs and benefits of the insurance institute and will provide a solid first step towards its establishment. Your Committee has further amended this measure to require that the University of Hawaii consult with various groups involved in the insurance industry for the feasibility study.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 37, 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. 37, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1323 Education and Technology on S.C.R. No. 105

The purpose of this measure is to request the University of Hawaii Community Colleges to establish and operate the Pacific Center for Advanced Technology Training and Education.

Testimony in support of this measure was submitted by the University of Hawaii Community Colleges.

Your Committee finds that with all the recent advancements in telecommunications and information technologies, Hawaii is presented with significant new opportunities to develop and diversify its economy. The Pacific Center for Advanced Technology Training and Education will provide education and training programs and services that will meet national and international industry standards. Your Committee further finds that the University of Hawaii Community Colleges have the expertise and experience to establish such a center.

Your Committee has amended this measure to add a requirement for the University of Hawaii to report to the Legislature on the status of the implementation of this measure prior to the convening of next regular legislative session. Your Committee believes that this will allow for the timely establishment of the Pacific Center for Advanced Technology Training and Education.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 105, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 105, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1324 Education and Technology on S.R. No. 45

The purpose of this measure is to request the University of Hawaii Community Colleges to establish and operate the Pacific Center for Advanced Technology Training and Education.

Testimony in support of this measure was submitted by the University of Hawaii Community Colleges.

Your Committee finds that with all the recent advancements in telecommunications and information technologies, Hawaii is presented with significant new opportunities to develop and diversify its economy. The Pacific Center for Advanced Technology Training and Education will provide education and training programs and services that will meet national and international industry standards. Your Committee further finds that the University of Hawaii Community Colleges have the expertise and experience to establish such a center.

Your Committee has amended this measure to add a requirement for the University of Hawaii to report to the Legislature on the status of the implementation of this measure prior to the convening of next regular legislative session. Your Committee believes that this will allow for the timely establishment of the Pacific Center for Advanced Technology Training and Education.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 45, 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. 45, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1325 Education and Technology on S.C.R. No. 131

The purpose of this measure is to request the Legislative Reference Bureau to review the adequacy of the Department of Education's language arts program for the Hawaii Creole English speaking students with limited English proficiency.

Testimony in support of this measure was submitted by the University of Hawaii College of Language, Linguistics, and Literature, the University of Hawaii Department of English as a Second Language, and three concerned individuals. The Department of Education submitted comments on this measure.

Your Committee finds that an estimated eighty percent of public school students are Hawaii Creole English ("pidgin") speakers. There is no doubt a linguistic difference between Hawaii Creole English and standard English. Special programs are needed for these students to achieve their full academic potential, which draw on research in education and second language acquisition. These programs must include an awareness that this situation is different and unique and requires educational approaches which reflect this difference.

Your Committee has amended this measure to add information on Project Akamai, a program that was administered by the Department of Education, and involved 800 ninth and tenth grade Hawaii Creole English speaking students, which subsequently received positive reviews.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 131, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 131, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1326 Education and Technology on S.C.R. No. 166

The purpose of this measure is to request the Board of Land and Natural Resources to allow a portion of the Nike base at Mokuleia to be used by Leeward Community College for the establishment of telescope facilities and for the development of an international science teacher training center.

Testimony in support of this measure was submitted by the University of Hawaii, the Department of Education, and the Department of Land and Natural Resources.

Your Committee finds that this measure will provide for remote-operated telescopes that will be operated by Leeward Community College for programs of the IMPACT Consortium as well as for teachers and students in the K-12 educational systems in Hawaii. By locating the telescopes at this site, the IMPACT Consortium will link Hawaii with the rest of the world by establishing networks of science programs for educational reform both nationally and internationally.

Your Committee has amended this measure to add a requirement that Leeward Community College work to address any concerns that may arise from the community regarding the establishment of this center. Your Committee has further amended this measure to request that Leeward Community College submit a report to the Legislature on the status of this measure's implementation prior to the convening of the next legislative session. Your Committee believes that this will provide for the timely establishment of the telescope facilities and the International Science Teacher Training Center.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 166, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 166, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1327 Education and Technology on S.R. No. 74

The purpose of this measure is to request the Board of Land and Natural Resources to allow a portion of the Nike base at Mokuleia to be used by Leeward Community College for the establishment of telescope facilities and for the development of an international science teacher training center.

Testimony in support of this measure was submitted by the University of Hawaii, the Department of Education, and the Department of Land and Natural Resources.

Your Committee finds that this measure will provide for remote-operated telescopes that will be operated by Leeward Community College for programs of the IMPACT Consortium as well as for teachers and students in the K-12 educational systems in Hawaii. By locating the telescopes at this site, the IMPACT Consortium will link Hawaii with the rest of the world by establishing networks of science programs for educational reform both nationally and internationally.

Your Committee has amended this measure to add a requirement that Leeward Community College work to address any concerns that may arise from the community regarding the establishment of this center. Your Committee has further amended this measure to request that Leeward Community College submit a report to the Legislature on the status of this measure's implementation prior to the convening of the next legislative session. Your Committee believes that this will provide for the timely establishment of the telescope facilities and the International Science Teacher Training Center.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 74, 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. 74, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1328 Education and Technology on S.C.R. No. 176

The purpose of this measure is to request that the University of Hawaii partner with the Bishop Museum for research assistance, thereby enabling the museum to maintain a high standard of excellence in research.

Testimony in support of this measure was submitted by the University of Hawaii, the Bishop Museum, and two concerned individuals.

Your Committee finds that collaborative efforts between the Bishop Museum and the University of Hawaii to support the museum's research mission already exist. Further, the extent and quality of the museum's holdings, as well as its personnel, are also vitally important to a number of the University of Hawaii's research and academic programs.

Your Committee has amended this measure as provided by the Bishop Museum's testimony to better reflect the current status of the relationship between the University of Hawaii and the Bishop Museum. As amended, this measure requires the University of Hawaii and the Bishop Museum to formalize and strengthen their collaboration to enable both institutions to maintain a high standard of excellence in research. Further, as amended, this measure requires the University of Hawaii and the Bishop Museum to submit a report reviewing current areas of collaboration and proposed areas of collaboration to the Legislature prior to the next legislative session.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 176, 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. 176, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1329 Education and Technology on S.C.R. No. 180

The purpose of this measure is to request the Department of Education and the University of Hawaii to submit separate reports on their plans for the improvement of marine education.

Testimony in support of this measure was submitted by the Department of Education, the Waikiki Aquarium, and two concerned individuals.

Your Committee finds that marine and aquatic education is an important component of environmental education, with the primary focus being the interactions and processes surrounding the nature of the marine and aquatic environments. Your Committee believes that it is essential that marine education be supported to the fullest extent in this island state.

Your Committee has amended this measure to add an additional requirement that the Department of Education and the University of Hawaii work together to develop a strategy to teach discipline-based information as the knowledge bridge for the solution of problems within the context of marine environment and its resources. As amended, this measure will require that the findings of this collaboration be included in the respective reports submitted to the Legislature.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 180, 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. 180, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1330 Education and Technology on S.C.R. No. 210

The purpose of this measure is to request that the Department of Education reconsider its timetable for further implementation of the Middle School Concept Plan, and that the Legislative Reference Bureau conduct a study on the Department of Education's plan.

Testimony in support of this measure was submitted by Life of the Land and many concerned parents and students. Testimony in opposition to this measure was submitted by the Department of Education.

Your Committee finds that this measure and its companion, S.R. No. 96, S.D. 1, as well as S.C.R. No. 70, S.D. 1, and its companion, S.R. No. 97, S.D. 1, address community concerns about the Department of Education's middle school policy and implementation plan. Your Committee believes that the Department of Education must reform its middle school policy.

Your Committee has amended this measure to:

- (1) Amend the title to read as follows:
"REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY ON THE DEPARTMENT OF EDUCATION'S PLAN TO MOVE SIXTH GRADE STUDENTS FROM ELEMENTARY SCHOOLS TO INTERMEDIATE SCHOOLS"; and
- (2) Delete the request that the Department of Education reconsider its timetable for the implementation of its middle school plan.

As amended, this measure requests the Legislative Reference Bureau to conduct a study on the Department of Education's middle school plan. This study shall also include an examination of the feasibility of alternative educational plans, such as the combination of intermediate schools with elementary schools.

Your Committee notes that S.C.R. No. 70, S.D. 1, and its companion S.R. No. 97, S.D. 1, both request the Department of Education to suspend the implementation of the middle school plan, and to consult with parents, students, and community members when developing any future middle school policy. It is the intent of your Committee that the Department of Education carefully review the findings of the Legislative Reference Bureau, as prescribed in this measure, before further implementation of any middle school plan.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 210, 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. 210, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1331 Education and Technology on S.R. No. 96

The purpose of this measure is to request that the Department of Education reconsider its timetable for further implementation of the Middle School Concept Plan, and that the Legislative Reference Bureau conduct a study on the Department of Education's plan.

Testimony in support of this measure was submitted by Life of the Land and many concerned parents and students. Testimony in opposition to this measure was submitted by the Department of Education.

Your Committee finds that this measure and its companion, S.C.R. No. 210, S.D. 1, as well as S.C.R. No. 70, S.D. 1, and its companion, S.R. No. 97, S.D. 1, address community concerns about the Department of Education's middle school policy and implementation plan. Your Committee believes that the Department of Education must reform its middle school policy.

Your Committee has amended this measure to:

- (1) Amend the title to read as follows:
"REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY ON THE DEPARTMENT OF EDUCATION'S PLAN TO MOVE SIXTH GRADE STUDENTS FROM ELEMENTARY SCHOOLS TO INTERMEDIATE SCHOOLS"; and
- (2) Delete the request that the Department of Education reconsider its timetable for the implementation of its middle school plan.

As amended, this measure requests the Legislative Reference Bureau to conduct a study on the Department of Education's middle school plan. This study shall also include an examination of the feasibility of alternative educational plans, such as the combination of intermediate schools with elementary schools.

Your Committee notes that S.C.R. No. 70, S.D. 1, and its companion S.R. No. 97, S.D. 1, both request the Department of Education to suspend the implementation of the middle school plan, and to consult with parents, students, and community members when developing any future middle school policy. It is the intent of your Committee that the Department of Education carefully review the findings of the Legislative Reference Bureau, as prescribed in this measure, before further implementation of any middle school plan.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 96, 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. 96, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1332 Transportation and Intergovernmental Affairs on S.C.R. No. 36

The purpose of this measure is to request the Director of Civil Defense to conduct a study reviewing the State Civil Defense system.

Your Committee received testimony from the Hawaii State Coordinating Council on Deafness and one individual requesting that the study also address the accessibility of disaster-related information, services, and resources to persons with disabilities. The State Civil Defense submitted testimony indicating there is a lack of time and funding to conduct the study requested in this measure.

Your Committee finds that the State Civil Defense system is under strict budget limitations and may not be able to accommodate the study and review proposed by this measure. However, your Committee believes that the accessibility of disaster-related information, services, and resources to persons with disabilities must be addressed. In acknowledgement of the budget limitations of the State Civil Defense System, your Committee has amended this measure by replacing the contents of this measure with language that urges Hawaii's congressional delegation to initiate, support and assist efforts to obtain federal funding for:

- (1) A study on the accessibility of disaster-related information, services, and resources to persons with disabilities in Hawaii, including persons who are deaf; and
- (2) The necessary improvements to Hawaii's Civil Defense system to enhance the accessibility of disaster-related information services, and resources to persons with disabilities.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs 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, 5. Noes, none. Excused, 3 (Buen, Bunda, Ige, D.).

SCRep. 1333 Transportation and Intergovernmental Affairs on S.R. No. 14

The purpose of this measure is to request the Director of Civil Defense to conduct a study reviewing the State Civil Defense system.

Your Committee received testimony from the Hawaii State Coordinating Council on Deafness and one individual requesting that the study also address the accessibility of disaster-related information, services, and resources to persons with disabilities. The State Civil Defense submitted testimony indicating there is a lack of time and funding to conduct the study requested in this measure.

Your Committee finds that the State Civil Defense system is under strict budget limitations and may not be able to accommodate the study and review proposed by this measure. However, your Committee believes that the accessibility of disaster-related information, services, and resources to persons with disabilities must be addressed. In acknowledgement of the budget limitations of the State Civil Defense System, your Committee has amended this measure by replacing the contents of this measure with language that urges Hawaii's congressional delegation to initiate, support and assist efforts to obtain federal funding for:

- (1) A study on the accessibility of disaster-related information, services, and resources to persons with disabilities in Hawaii, including persons who are deaf; and
- (2) The necessary improvements to Hawaii's Civil Defense system to enhance the accessibility of disaster-related information services, and resources to persons with disabilities.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.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 S.R. No. 14, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Buen, Bunda, Ige, D.).

SCRep. 1334 Judiciary on S.C.R. No. 93

The purpose of this measure is to request a study regarding the issue of personal privacy and commercial use of personal information.

Testimony in support of this measure was received from the Office of Information Practices, Associated Credit Bureaus, Inc., Legislative Information Services of Hawaii, Inc., and League of Women Voters of Hawaii. Testimony in support with amendments was received from Goodsill Anderson Quinn and Stifel on behalf of Associated Credit Bureaus, Inc., Hawaii Insurers Council, and Retail Merchants of Hawaii. Testimony opposed to this measure was received from the Hawaii Bankers Association.

Your Committee finds that electronically stored personal information is being maintained by an increasing number of private sector companies. This information is a vital part of a service economy because it provides businesses, consumers, government, and law enforcement with valuable information. Unfortunately, this practice lies at the core of our citizens' constitutional right to privacy.

This measure will allow for an initial survey among concerned citizens and interested groups regarding participation in an appropriate forum to assist the State in determining a proper balance between an established right of privacy and the need of businesses to efficiently utilize consumer information to support legitimate business purposes.

Your Committee has amended this measure by adding Associated Credit Bureaus, Inc., Hawaii Insurers Council, and Retail Merchants of Hawaii as participants in the study.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, 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. 93, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 1335 Judiciary on S.C.R. No. 127

The purpose of this concurrent resolution is to request a study to determine if Hawaii's administrative procedure act and public agency meetings and records laws are currently drafted to ensure that discussions, deliberations, decisions, and actions of the government are conducted as openly as possible.

Your Committee finds that the intent of Chapter 91, the Administrative Procedure Act, and Chapter 92F, the Uniform Information Practices Act (Modified), is to allow public participation in the development of agency regulations and public access to agency proceedings and records, respectively. Your Committee further finds that public access to government needs to be balanced with creating government that is overburdensome in its attempts to be inclusive. Your Committee notes that the Lieutenant Governor's "Slice Waste and Tape" (SWAT) initiative to reduce the regulatory burden of rules and unintended negative consequences of such upon those they are intended to protect, is a complementary initiative which should be monitored and relevant recommendations of the SWAT should be considered as part of this study.

Testimony in support of this concurrent resolution was submitted by the Office of Information Practices, the League of Women Voters of Hawaii, and Common Cause Hawaii. Testimony from the Office of the Lieutenant Governor was submitted regarding the Lieutenant Governor's efforts to reduce the number of burdensome administrative rules adopted pursuant to the administrative procedure act.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 127, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 1336 (Joint) Judiciary and Education and Technology on S.C.R. No. 158

The purpose of this measure is to request that the Legislative Reference Bureau convene a working group to study possible legislation relating to unlawful activities conducted on personal computers.

Testimony in support of this measure was received from the Honolulu Police Department.

Your Committees find that the growth of technology and the increased use of personal computers has caused an increase in criminal activity conducted by and through computers. Unfortunately, criminal laws have not necessarily kept up with the new technology to cover these activities and abuses.

Your Committees have amended this measure by adding the Honolulu Police Department to the working group and deleting the paragraph with the language providing that representatives shall be deemed to speak on behalf of the organizations and that organizations that do not participate shall be deemed to support the working group unless they formally refuse participation.

As affirmed by the records of votes of the members of your Committees on Judiciary and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 158, 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. 158, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 6 (Bunda, Chun Oakland, Ihara, Tam, Anderson, Slom).

SCRep. 1337 (Joint) Judiciary and Education and Technology on S.R. No. 66

The purpose of this measure is to request that the Legislative Reference Bureau convene a working group to study possible legislation relating to unlawful activities conducted on personal computers.

Testimony in support of this measure was received from the Honolulu Police Department.

Your Committees find that the growth of technology and the increased use of personal computers has caused an increase in criminal activity conducted by and through computers. Unfortunately, criminal laws have not necessarily kept up with the new technology to cover these activities and abuses.

Your Committees have amended this measure by adding the Honolulu Police Department to the working group and deleting the paragraph with the language providing that representatives shall be deemed to speak on behalf of the organizations and that organizations that do not participate shall be deemed to support the working group unless they formally refuse participation.

As affirmed by the records of votes of the members of your Committees on Judiciary and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 66, 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. 66, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 6 (Bunda, Chun Oakland, Ihara, Tam, Anderson, Slom).

SCRep. 1338 (Joint) Water, Land, and Hawaiian Affairs and Education and Technology on S.C.R. No. 185

The purpose of this measure is to encourage the County of Maui to restore Moku'ula and Loko O Mokuhinia.

The measure also calls for the County of Maui to work in concert with the Friends of Moku'ula to resolve any land issues regarding the area now known as Maluuluolele Park and to further work with the Friends of Moku'ula to address any other concerns regarding the restoration of Moku'ula and Loko O Mokuhinia.

Testimony in support of the measure was received from the Representative from the Seventh Representative District of the State of Hawaii, the Mayor of Maui County, four Councilmembers of the Maui County Council, the Friends of Moku'ula, the Ka'anapali Beach Hotel, Lahaina Town Action Committee, and a number of concerned citizens.

Your Committees find that prior to contact with Western civilization, Moku'ula was considered as the axis mundi or "piko" (center) of spiritual and political power among the highest ranking ali'i of Hawai'i. It is at Moku'ula, at the den known as Kalua 'O Kiha (The Pit of Kiha), that the deified mo'o goddess, Kihawahine, the progenitor of the Pi'ilani Line of Maui chiefs, lives. The fishpond surrounding Moku'ula, Loko O Mokuhinia (Fishpond of Mokuhinia), served as a natural moat surrounding Moku'ula. The fishpond was stocked with the Ali'i's favorite fish, served as a lo'i kalo (taro field), and was fed by the streams of Kau'aula and Pahumanamana.

Moku'ula and Loko O Mokuhinia were home to and the sacred retreat of the Kings and Queens of Hawai'i up to the time of Kamehameha V. In fact, Moku'ula served as a resting place for Keopuolani, Nahiena'ena, the children of Kauikeauoli (King Kamehameha III), along with many other ali'i in a mausoleum built especially for them.

Since the property's ceding to the County of Maui, diversion of water from the streams that fed Loko O Mokuhinia eventually led to the filling of the loko and the establishment of a county ball park.

Recent archaeological evidence shows that Moku'ula and Loko O Mokuhinia, connecting pathways, and an old pier located on the island remain intact. Due to this information, there is significant interest in restoring and preserving Moku'ula and Loko O Mokuhinia for the purposes of educating and preserving the historical and spiritual significance of this place.

To this end, your Committees also find that a community-based non-profit organization known as Friends of Moku'ula, Inc., has been created to conduct activities that will lead to the restoration and preservation of Moku'ula and Loko O Mokuhinia and all other related sites.

Your Committees have amended the measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees believe that the measure will lead to widespread support to the restoration of this culturally and historically significant site.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 185, 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. 185, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 6 (Chumbley, Chun, Kanno, Matsunaga, Tam, Tanaka).

SCRep. 1339 (Joint) Water, Land, and Hawaiian Affairs and Education and Technology on S.R. No. 82

The purpose of this measure is to encourage the County of Maui to restore Moku'ula and Loko O Mokuhinia.

The measure also calls for the County of Maui to work in concert with the Friends of Moku'ula to resolve any land issues regarding the area now known as Maluuluolele Park and to further work with the Friends of Moku'ula to address any other concerns regarding the restoration of Moku'ula and Loko O Mokuhinia.

Testimony in support of the measure was received from the Representative from the Seventh Representative District of the State of Hawaii, the Mayor of Maui County, four Councilmembers of the Maui County Council, the Friends of Moku'ula, the Ka'anapali Beach Hotel, Lahaina Town Action Committee, and a number of concerned citizens.

Your Committees find that prior to contact with Western civilization, Moku'ula was considered as the axis mundi or "piko" (center) of spiritual and political power among the highest ranking ali'i of Hawai'i. It is at Moku'ula, at the den known as Kalua 'O Kiha (The Pit of Kiha), that the deified mo'o goddess, Kihawahine, the progenitor of the Pi'ilani Line of Maui chiefs, lives. The fishpond surrounding Moku'ula, Loko O Mokuhinia (Fishpond of Mokuhinia), served as a natural moat surrounding Moku'ula. The fishpond was stocked with the Ali'i's favorite fish, served as a lo'i kalo (taro field), and was fed by the streams of Kau'aula and Pahumanamana.

Moku'ula and Loko O Mokuhinia were home to and the sacred retreat of the Kings and Queens of Hawai'i up to the time of Kamehameha V. In fact, Moku'ula served as a resting place for Keopuolani, Nahiena'ena, the children of Kauikeauoli (King Kamehameha III), along with many other ali'i in a mausoleum built especially for them.

Since the property's ceding to the County of Maui, diversion of water from the streams that fed Loko O Mokuhinia eventually led to the filling of the loko and the establishment of a county ball park.

Recent archaeological evidence shows that Moku'ula and Loko O Mokuhinia, connecting pathways, and an old pier located on the island remain intact. Due to this information, there is significant interest in restoring and preserving Moku'ula and Loko O Mokuhinia for the purposes of educating and preserving the historical and spiritual significance of this place.

To this end, your Committees also find that a community-based non-profit organization known as Friends of Moku'ula, Inc., has been created to conduct activities that will lead to the restoration and preservation of Moku'ula and Loko O Mokuhinia and all other related sites.

Your Committees have amended the measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees believe that the measure will lead to widespread support to the restoration of this culturally and historically significant site.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 82, 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. 82, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 6 (Chumbley, Chun, Kanno, Matsunaga, Tam, Tanaka).

SCRep. 1340 Economic Development on S.C.R. No. 110

The purpose of this measure is to request the Governor to appoint an advisory task force on promoting cultural diversity.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, the Hawai'i Civil Rights Commission, and TEMARI, Center for Asian and Pacific Arts.

Your Committee finds that honoring the different cultures in Hawaii will make a strong statement that Hawaii's strength as a society is based upon mutual respect for one another. A celebration in honor of Hawaii's diverse cultures will be beneficial for residents and visitors alike, as a means to showcase the contributions of many ethnic groups. Hawaii's children, in particular, will benefit through better understanding and an increased tolerance for diversity.

Your Committee has amended this measure to:

- (1) Change the title to read:

"REQUESTING THAT THE HAWAII COUNCIL OF HERITAGE AND CULTURE CONSIDER A MONTH-LONG CELEBRATION IN HONOR OF HAWAII'S DIVERSE CULTURES";

- (2) Delete the WHEREAS clause regarding establishment of a task force;
- (3) Change the BE IT RESOLVED clause to reflect the title change; and
- (4) Transmit certified copies of this Concurrent Resolution to the Hawaii Council of Heritage and Culture in place of the Governor.

As affirmed by the record of votes of the members of your Committee on Economic Development 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, 1 (Taniguchi).

SCRep. 1341 Economic Development on S.R. No. 48

The purpose of this measure is to request the Governor to appoint an advisory task force on promoting cultural diversity.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, the Hawai'i Civil Rights Commission, and TEMARI, Center for Asian and Pacific Arts.

Your Committee finds that honoring the different cultures in Hawaii will make a strong statement that Hawaii's strength as a society is based upon mutual respect for one another. A celebration in honor of Hawaii's diverse cultures will be beneficial for residents and visitors alike, as a means to showcase the contributions of many ethnic groups. Hawaii's children, in particular, will benefit through better understanding and an increased tolerance for diversity.

Your Committee has amended this measure to:

- (1) Change the title to read:

"REQUESTING THAT THE HAWAII COUNCIL OF HERITAGE AND CULTURE CONSIDER A MONTH-LONG CELEBRATION IN HONOR OF HAWAII'S DIVERSE CULTURES";

- (2) Delete the WHEREAS clause regarding establishment of a task force;
- (3) Change the BE IT RESOLVED clause to reflect the title change; and
- (4) Transmit certified copies of this Resolution to the Hawaii Council of Heritage and Culture in place of the Governor.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 48, 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. 48, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1342 (Joint) Government Operations and Housing and Education and Technology on S.C.R. No. 162

The purpose of this measure is to request state agencies to consult with the State Procurement Office before purchasing or installing computer hardware.

Testimony supporting the intent of this measure was received from the Judiciary. Testimony supporting this measure with amendments was received from the State Procurement Office. Testimony in opposition to this measure was received from the University of Hawaii.

Your Committees find that it is in the interest of the State and its citizens to take advantage of information available from the Chief Procurement Officer when acquiring computer systems for use in State agencies.

Your Committees have amended this measure by:

- (1) Adding a Whereas clause that acknowledges the Auditor's concerns regarding procurement;
- (2) Including, in the second Whereas clause, communication systems as possible ways to achieve agency goals and objectives;
- (3) Adding a Be it Resolved clause requesting the Governor to coordinate compliance with this Concurrent Resolution;
- (4) Correcting references to the "State Procurement Policy Office" to the "State Procurement Policy Board", and to the "State Procurement Officer" to the "Chief Procurement Officer".

As affirmed by the records of votes of the members of your Committees on Government Operations and Housing and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 162, 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. 162, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Chumbley, Levin, Matsunaga, Matsuura, Anderson).

SCRep. 1343 Government Operations and Housing on S.C.R. No. 215

The purpose of this measure is to request the Department of Accounting and General Services to disallow state employees from driving home state-owned vehicles unless the nature of their job makes it vitally important that they do so.

Your Committee received comments on this measure from the Department of Accounting and General Services.

Your Committee finds that while only two hundred of the 4,500 state vehicles are taken home by state employees, this still represents a potentially costly liability problem for the State, which should be addressed. Your Committee is particularly concerned that the State can ill afford any additional costs in the face of Hawaii's continuing economic constraints.

Your Committee has amended this measure to:

- (1) Add three additional Whereas clauses concerning the detrimental effect of liability costs, the kinds of vehicles being driven to and from work, and the necessity for better monitoring; and
- (2) Add the use of a state-owned vehicle in case of an emergency in the first Be It Resolved clause.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 215, 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. 215, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Levin, Matsunaga, Matsuura, Anderson).

SCRep. 1344 Government Operations and Housing on S.R. No. 98

The purpose of this measure is to request the Senate Committee on Government Operations and Housing to assess productivity and efficiency in state and county government.

Your Committee finds that a more productive and efficient government reduces the cost to provide government services, whereby taxpayers receive more government services at a lower costs.

Your Committee finds that the Senate Committee on Government Operations and Housing has subject matter jurisdiction over all legislation relating to government operations. Additionally, the Senate Committee on Government Operations and Housing is in the best position to receive input from State and county agencies and proactively address the relevant issues by recommending changes to improve the efficiency and productivity of government operations.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 98 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 (Levin, Matsunaga, Matsuura, Anderson).

SCRep. 1345 Government Operations and Housing on S.R. No. 69

The purpose of this measure is to request a review of the conditions of the capitol reflecting pond.

Your Committee finds that there is a problem of uncontrolled growth of algae in the reflecting pool which is unsightly and produces an unpleasant odor. Your Committee further finds that maintenance of the reflecting pool is costing the State \$74,100 annually which includes the cost of continuous cleaning of the pool in an attempt to control the algae.

Your Committee finds that this measure will assist in addressing the condition of the capitol reflecting pond and will provide suggested solutions to the algae problem in order to maintain the beauty and dignity of the capitol.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 69 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 (Levin, Matsunaga, Matsuura, Anderson).

SCRep. 1346 Government Operations and Housing on S.C.R. No. 172

The purpose of this measure is to request State agencies to submit an electronic copy of documents produced for the Legislature.

Common Cause Hawaii and an individual testified in support of the measure.

Each session the Legislature requests various reports or studies from state agencies to assist it in its consideration of legislative issues. Copies of the reports are distributed to legislators, but are generally only available to the public upon payment of a photocopying fee. Since State agencies are required to charge fifty cents per page for photocopying, obtaining agency reports can create a financial hardship for members of the public.

Your Committee finds that having State agencies' legislative reports available in electronic form on the Internet would allow for greater and less costly public access to information, thereby facilitating public participation in the legislative process and promoting openness in government. Submitting a report in electronic form should not be burdensome for State agencies or cause them to incur additional costs since they currently generate and maintain these types of reports in an electronic format.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 172, 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 (Levin, Matsunaga, Matsuura, Anderson).

SCRep. 1347 Government Operations and Housing on S.C.R. No. 88

The purpose of this measure is to request the identification of any problematic areas of the existing condominium property regime law.

Testimony in support of this measure was submitted by the Community Associations Institute and the Hawaii Council of Associations of Apartment Owners. The Real Estate Commission submitted testimony in opposition to this measure.

Your Committee finds that a many consumers affected are confused and often have difficulty understanding the statute and regulations regarding the condominium property regime law. This measure will provide for an examination of the defects of Hawaii's existing condominium laws.

Your Committee finds that the function of county zoning and county land development ordinances and rules is to protect public health, safety and welfare. There is a need for clarification of whether condominiums are subject or should be subject to county land use regulatory authority, and to ensure that projects created and established as condominium property regimes conform to the provisions of underlying county zoning ordinances and development requirements.

Your Committee has amended this measure to:

- (1) Change the title to read as follows:

"REQUESTING THE ESTABLISHMENT OF A TASK FORCE TO STUDY THE PROBLEMS ASSOCIATED WITH THE CONDOMINIUM PROPERTY REGIME LAW, AND PUBLIC HEARINGS ON SUBJECTING CONDOMINIUMS TO COUNTY ZONING ORDINANCES AND DEVELOPMENT REQUIREMENTS";

- (2) Require the Real Estate Commission to convene a task force, including representatives from the Community Associations Institute and the Hawaii Council of Associations of Apartment Owners, and other appropriate associations, to study the problems associated with the condominium law; and
- (3) Require the Governor and Mayors of every county to hold public hearings on subjecting condominium property regimes to county zoning ordinances and development requirements.

Testimony submitted by the Community Associations Institute and the Hawaii Council of Associations of Apartment Owners expressed a willingness to serve on the task force on a voluntary basis. Given the current difficult economic times, and the Real Estate Commission's limited resources, your Committee believes that participation on this task force should be on a voluntary basis.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 88, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.C.R. No. 88, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Levin, Matsunaga, Matsuura, Anderson).

SCRep. 1348 (Joint) Government Operations and Housing and Transportation and Intergovernmental Affairs on S.C.R. No. 144

The purpose of this measure is to acknowledge and support the State of Hawaii's HOPE VI grant application to assist public housing projects and to urge the United States Department of Housing and Urban Development to act favorably on the application.

Your Committees received testimony in support of this measure from the Housing and Community Development Corporation of Hawaii (HCDC), the Mayor Wright Tenants Association, and one individual.

Your Committees find that if the State is successful in its application for the HOPE VI project, it could mean up to \$35,000,000 in funds to revitalize Hawaii's aging public housing stock and surrounding communities.

Your Committees are very supportive of HCDC's efforts to find alternative funding sources for public housing upgrades, and believe HCDC should apply for these funds on an annual basis. Your Committees have amended this measure according, to add an additional Be It Resolved clause urging HCDC to apply for the HOPE VI program on an annual basis as a means of revitalizing Hawaii's public housing projects.

As affirmed by the records of votes of the members of your Committees on Government Operations and Housing and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 144, 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. 144, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 7 (Hanabusa, Ige, D., Iwase, Levin, Tanaka, Taniguchi, Anderson).

SCRep. 1349 (Joint) Commerce and Consumer Protection and Health and Human Services on S.C.R. No. 129

The purpose of this measure is to request the State Insurance Commissioner to investigate and determine the fairness of the eligible charge reimbursement rates of mutual benefit societies operating in this State.

The Health Systems Corporation presented testimony in support of the measure. The West Hawaii Regional MAC, and two individuals, while not present, submitted testimony in support of the measure. The Hawaii Medical Service Association presented comments on the measure. Legislative Information Services of Hawaii, Inc., while not present, also submitted comments.

Your Committees find that the issue of provider reimbursement for health care services is a matter that affects all parties involved in the provision or receipt of health care. Insurers must provide comprehensive coverage that meets the needs of their insureds and that is affordable for individuals, groups, and employers.

Reimbursement rates may not always cover the costs of providing service, thereby creating a hardship on providers, especially those in rural areas where health care is more costly in general. Providers who are not willing to accept the insurer's participating provider reimbursement rate must rely upon receiving payment directly from their patients who may fail to make payment or whose payments may not cover the provider's costs. Low reimbursement rates may affect the availability of health care or the quality of health care available to consumers.

This measure would address some of the concerns raised by the issue of provider reimbursement rates by requesting the Insurance Commissioner to investigate and determine the fairness of reimbursement rates.

Upon careful consideration of all the testimony, your Committees have amended this measure by:

- (1) Deleting references to the Hawaii Health Systems Corporation except in the last paragraph;
- (2) Adding a statement that clarifies that health maintenance organizations (HMOs) also make reimbursements to hospitals;
- (3) Broadening the scope of the investigation to include the reimbursement rates of HMOs, and amending the title of the measure accordingly;
- (4) Requesting that the investigation include:
 - (A) A comparison of reimbursement rates, coverages, and administrative fees between mutual benefit societies and for-profit insurers;
 - (B) A determination of whether the elimination of special participating provider fee caps will increase premium costs and who will pay for any cost increase; and
 - (C) A determination of whether mandated changes in coverage or payment schedules will violate the Employee Retirement Income Security Act;

and
- (5) Making technical amendments.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 129, 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. 129, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 1350

Commerce and Consumer Protection on S.C.R. No. 136

The purpose of this measure is to request that the Legislative Auditor conduct a study assessing the impact of including coverage for naturopathic services in personal injury protection (PIP) benefits under the motor vehicle insurance law.

The Hawaii Society of Naturopathic Physicians and three individuals submitted testimony in support of the measure. The State Insurance Commissioner, State Farm Insurance and an individual submitted testimony in opposition to the measure.

Your Committee finds that one in three Americans already use some form of alternative medicine. However, naturopathic services were omitted from the mandatory personal injury protection benefits of the Motor Vehicle Insurance Reform Act of 1997. Due to the increased demand for naturopathic care, a study into the impact of including naturopathic services in personal injury protection benefits would provide the Legislature with current information in order to make sound policy decisions.

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. 136, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1351 Commerce and Consumer Protection on S.C.R. No. 147

The purpose of this measure is to request the Insurance Commissioner to conduct a comprehensive comparative analysis of health plans.

The Insurance Commissioner submitted comments on the measure. The Hawaii Medical Service Association submitted testimony in support of the measure.

Your Committee finds that an understanding of the differences between health plans in the State is in the best interests of the State and its consumers. This measure would further this interest by requiring the Insurance Commissioner to conduct a comprehensive comparison between health plans with respect to organization structure, tax status, types of plans, accreditation status, and other factors.

Your Committee further finds that a comparative review of health plans should include a review of dental plans, and that the Auditor, rather than the Insurance Commissioner, is better situated to conduct a comparison between health plans with respect to tax issues. Accordingly, your Committee has amended this measure by:

- (1) Broadening the scope of the Insurance Commissioner's review to include dental plans;
- (2) Requesting the Auditor to assess the inequities or unevenness of the tax laws and other laws in relation to mutual benefit societies and all of insurance; and
- (3) Making technical amendments, including changing the title, to reflect the above changes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 147, 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. 147, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1352 Commerce and Consumer Protection on S.R. No. 94

The purpose of this measure is to request the Insurance Commissioner to conduct a comprehensive comparative analysis of health plans.

The Insurance Commissioner submitted comments on the measure. The Hawaii Medical Service Association submitted testimony in support of the measure.

Your Committee finds that an understanding of the differences between health plans in the State is in the best interests of the State and its consumers. This measure would further this interest by requiring the Insurance Commissioner to conduct a comprehensive comparison between health plans with respect to organization structure, tax status, types of plans, accreditation status, and other factors.

Your Committee further finds that a comparative review of health plans should include a review of dental plans, and that the Auditor, rather than the Insurance Commissioner, is better situated to conduct a comparison between health plans with respect to tax issues. Accordingly, your Committee has amended this measure by:

- (1) Broadening the scope of the Insurance Commissioner's review to include dental plans;
- (2) Requesting the Auditor to assess the inequities or unevenness of the tax laws and other laws in relation to mutual benefit societies and all of insurance; and
- (3) Making technical amendments, including changing the title, to reflect the above changes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 94, 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. 94, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1353 Commerce and Consumer Protection on S.C.R. No. 148

The purpose of this measure is to request the Public Utilities Commission (PUC) to open a separate docket to consider whether a need exists for the construction of the proposed Kamoku-Pukele 138,000 volt transmission line before all other issues raised by this project are considered.

Na Leo Pohai, Life of the Land and several individuals presented testimony in support of the measure. The State Public Utilities Commission, the Division of Consumer Advocacy and Hawaiian Electric Company presented testimony in opposition to the measure. Although not present at the hearing, sixteen individuals submitted written testimony in support of the measure.

Your Committee finds that the proposed Kamoku-Pukele 138,000 volt transmission line project was first proposed in 1971 to include overhead lines along Palolo Avenue. It was challenged in the courts by a group of Palolo Valley residents. The lawsuit was settled in 1980 when it was agreed the Palolo Avenue line would be placed underground. However the Palolo line was never constructed. In 1992 and 1995, the project was proposed again. Under that proposal, now in its Final Environmental Impact Statement stage, the transmission line would run through a Conservation District and State Recreation Area on Wa'ahila Ridge. This proposal has raised grave concerns among the several affected communities.

Your Committee believes that the issue of need for the proposed project has never been adequately addressed or expressly evaluated by the PUC, and should be clearly defined before the PUC addresses any formal application for the construction of the proposed Kamoku-Pukele line.

Your Committee has amended this measure to:

- (1) Request the PUC bifurcate the Kamoku-Pukele docket, if it is opened, so that the issue of need for the project is first resolved prior to consideration of other issues;
- (2) Request the PUC to recess the docket for ninety days, if it determines that a need exists for the proposed project;
- (3) Amend the title to conform to the above amendments; and
- (3) Make technical, non-substantive amendments.

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. 148, 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. 148, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Matsuura).

SCRep. 1354 Commerce and Consumer Protection on S.R. No. 63

The purpose of this measure is to request the Public Utilities Commission (PUC) to open a separate docket to consider whether a need exists for the construction of the proposed Kamoku-Pukele 138,000 volt transmission line before all other issues raised by this project are considered.

Na Leo Pohai, Life of the Land and several individuals presented testimony in support of the measure. The State Public Utilities Commission, the Division of Consumer Advocacy and Hawaiian Electric Company presented testimony in opposition to the measure. Although not present at the hearing, sixteen individuals submitted written testimony in support of the measure.

Your Committee finds that the proposed Kamoku-Pukele 138,000 volt transmission line project was first proposed in 1971 to include overhead lines along Palolo Avenue. It was challenged in the courts by a group of Palolo Valley residents. The lawsuit was settled in 1980 when it was agreed the Palolo Avenue line would be placed underground. However the Palolo line was never constructed. In 1992 and 1995, the project was proposed again. Under that proposal, now in its Final Environmental Impact Statement stage, the transmission line would run through a Conservation District and State Recreation Area on Wa'ahila Ridge. This proposal has raised grave concerns among the several affected communities.

Your Committee believes that the issue of need for the proposed project has never been adequately addressed or expressly evaluated by the PUC, and should be clearly defined before the PUC addresses any formal application for the construction of the proposed Kamoku-Pukele line.

Your Committee has amended this measure to:

- (1) Request the PUC bifurcate the Kamoku-Pukele docket, if it is opened, so that the issue of need for the project is first resolved prior to consideration of other issues;
- (2) Request the PUC to recess the docket for ninety days, if it determines that a need exists for the proposed project;
- (3) Amend the title to conform to the above amendments; and
- (3) Make technical, non-substantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 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 Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Matsuura).

SCRep. 1355 (Joint) Health and Human Services and Commerce and Consumer Protection on S.C.R. No. 193

The purpose of this measure is to establish a task force to conduct a comprehensive review and to identify resources necessary to ensure a patient's right to safety and quality nursing care in hospitals, clinics, and home health care settings.

Your Committees received testimony in support of this measure from the Department of Health (DOH), Hawaii Nurses' Association (HNA), Hawaii Chapter of the American Psychiatric Nurses Association, and two private individuals. Testimony in opposition was received from the Healthcare Association of Hawaii.

Hawaii's health care system is undergoing a dramatic transformation due to an increased emphasis on managed care, changes in health care financing and delivery of service, and deregulation of the industry, resulting in unprecedented competition and consolidation among providers. These trends have resulted in an increased focus by many Hawaii providers on survival with a strong emphasis on financial performance, blurring their mission of providing accessible, high quality health care.

Nurses are the front line of medical care in hospitals, clinics, and home health care. Nurses are also employees of institutional or corporate providers of medical care who are most affected by the transformation in the health care system. This measure is intended to ensure that quality patient care from nurses is not sacrificed or compromised in the name of cost containment initiatives.

Your Committees have amended this measure on the recommendation of the Healthcare Association of Hawaii (HAH) by:

- (1) Deleting the title and inserting a new title to urge the HNA and HAH to begin discussions to identify problems and provide solutions for acute-care issues relating to patient safety, nursing care, and the potential nursing shortage;
- (2) Deleting Whereas clauses referencing trends, cost containment effects, Lewin-VHI Inc.'s report, longer hospital stays, mortality rates, Institute of Medicine's report, and American Nurses' Association activities;
- (3) Deleting BE IT RESOLVED clauses relating to the task force and the transmittal clause;
- (4) Inserting new BE IT RESOLVED clauses requesting the HNA and HAH to:
 - (A) Begin discussions to identify and solve acute-care issues relating to patient safety, nursing care, and the potential nursing shortage; and
 - (B) Submit a report to the legislature; and
- (5) Amending the BE IT RESOLVED clause relating to transmittal of certified copies to reflect the amendments to the measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 193, 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. 193, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Bunda, Hanabusa, Iwase, Matsuura, Anderson).

SCRep. 1356 Commerce and Consumer Protection on S.C.R. No. 14

The purpose of this measure is to request the Public Utilities Commission to submit proposed legislation on promoting competition in the electric utility industry in the State.

The Public Utilities Commission (PUC), Consumer Advocate, Department of Business, Economic Development, and Tourism, and Life of the Land presented testimony in support of the measure. An individual, who was not present, submitted supporting testimony. The Hawaiian Electric Company and Kauai Electric presented testimony in opposition to the measure.

Your Committee finds that Docket No. 96-0493, relating to the feasibility of increasing or promoting competition in the electric utility industry in the State, is presently pending before the PUC. The PUC testified that position statements filed in October, 1998, indicate that there are many differences between the parties on this issue. Therefore, the PUC intends to hold further proceedings in order to resolve these differences.

Your Committee finds that the development of proposed legislation on promoting competition in the electric utility industry should await the outcome of the docket. Accordingly, your Committee has amended this measure by:

- (1) Requesting the PUC to submit a status report on Docket No. 96-0493, rather than proposed legislation; and
- (2) Making technical amendments.

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. 14, 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. 14, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Matsuura).

SCRep. 1357 (Joint) Commerce and Consumer Protection and Health and Human Services on S.C.R. No. 5

The purpose of this measure is to request that the Director of Commerce and Consumer Affairs convene a task force to study, report on, and make recommendations related to the regulation of the health care professions.

The Hawaii Medical Service Association presented testimony in support of the measure. The Hawaii Medical Association, while not present, submitted testimony supporting the measure. The Department of Commerce and Consumer Affairs and the Hawai'i Nurses' Association presented comments on the measure.

The Pew Health Professions Commission (Pew Commission), a charitable trust that supports nonprofit activities, convened a task force to explore ways to move the current health professions regulatory system towards a system that meets consumers' reasonable expectations of access to comprehensive, appropriate, cost-effective, and high quality health services.

Your Committees find that the task force's October 1998 report provides legislators and regulators with a tool to develop a state regulatory system that meets evolving consumer protection needs. Therefore, this measure requests that the Director of Commerce and Consumer Affairs convene a task force to review the Pew Report and make recommendations for legislation.

Your Committees find, however, that some of the statements in this measure may be misleading in their depiction of the current state of Hawaii's regulatory situation, and further, that some of the sweeping reforms proposed by the Pew report are more controversial and less practicable than others. Accordingly, your Committees have amended this measure by:

- (1) Deleting the following statements:
 - (A) That the scopes of practice of some licensed occupations and professions are unnecessarily monopolistic and restrict consumers' access to other qualified practitioners;
 - (B) That current state requirements do not assess or guarantee continuing competence;
 - (C) That professional regulation is not sufficiently integrated or coordinated with other public and private consumer protection structures and processes;
 - (D) The Pew Commission's recommendation that states enact and implement scopes of practice that are nationally uniform for each profession, based on the standards and models developed by the national policy advisory board;
 - (E) The Pew Commission's recommendation that states require their regulated health care practitioners to demonstrate throughout their career competence in the knowledge, judgment, technical skills, and interpersonal skills relevant to their jobs; and
 - (F) The Pew Commission's recommendation that states standardize entry-to-practice requirements and limit them to competence assessments for health professionals in order to facilitate the physical and professional mobility of health professionals;
- (2) Requesting that, in addition to the Pew Report, the Task Force review other documents and reports related to the regulation of health professionals; and
- (3) Making technical, nonsubstantive amendments for purpose of clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 5, 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. 5, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 1358 Commerce and Consumer Protection on S.C.R. No. 30

The Purpose of this measure is to request the Legislative Reference Bureau (LRB) to investigate and study the feasibility of systematically undergrounding overhead utility facilities on islands with populations exceeding 500,000.

The Department of Transportation, Hawaiian Electric Company, Kauai Electric, Life of the Land, Na Leo Pohai, GTE Hawaiian Tel, and several individuals presented testimony in support of the measure. Although not present at the hearing, Hawaii's Thousand Friends and nineteen individuals submitted written testimony in support of the measure.

Your Committee finds that there is increasing interest throughout the state regarding undergrounding of overhead utility facilities such as electrical lines, transportation camera links and telephone and television cables. However, there is very little Hawaii-based factual data available to policymakers regarding this issue.

Your Committee further finds that in order to fully consider the benefits and costs of systematically placing overhead lines and cables underground, more information is needed. Therefore, a comprehensive study which evaluates the economic, safety, health, environmental and cultural concerns should be undertaken in order to develop a sound policy on this issue.

Your Committee has amended this measure to:

- (1) Include the following groups to be consulted for the requested study: The Legislative Reference Bureau, The Neighborhood Commission, Oceanic Cable Company, City and County of Honolulu Department of Transportation Services, Life of the Land, a representative of small business, The Sierra Club of Hawaii and Kauai Electric Company;
- (2) Include the following additional areas to be studied: resource allocation and cost apportionment; and
- (3) Make technical and non-substantive amendments.

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.C.R. No. 30, 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. 30, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Matsuura).

SCRep. 1359 (Joint) Education and Technology and Transportation and Intergovernmental Affairs on S.C.R. No. 90

The purpose of this measure is to request the Governor to release all Federal Impact Aid funds directly to the Board of Education and the Department of Education upon receipt from the Federal government.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Parent, Teacher, and Student Association, the parents and students of Radford High School, and a concerned individual. The Department of Budget and Finance submitted comments on this measure.

Your Committees find that Federal Impact Aid funds are not deposited to the general fund, and are deposited directly into Department of Education accounts. However, any excess Impact Aid funds received, that were unbudgeted by the Department of Education, are deposited into the Department's account and an equal amount of general funds are restricted by the Department of Budget and Finance.

This year, due to a miscalculation by the federal Department of Education, Hawaii will be receiving \$16 million in excess Federal Impact Aid that has not been budgeted by the Department of Education. Under current practice, when the Department of Education receives this money, a corresponding \$16 million of general funds would be restricted. The Department must then petition the Governor to release the funds to the Department.

Your Committees believe that this restriction of general funds is unfair to the Department of Education. There is no doubt that the Department will be able to use both the general funds and any excess Federal Impact Aid. Your Committees believe that Federal Impact Aid should be regarded as supplemental, unbudgeted funds and that the Department of Education should be allowed to keep any excess Federal Impact Aid.

Your Committees have amended this measure to:

1. Amend the title to read:
"REQUESTING RELEASE OF ALL RESTRICTED GENERAL FUNDS DUE TO THE BUDGETING TO FEDERAL IMPACT AID RECEIPTS DIRECTLY TO THE DEPARTMENT OF EDUCATION AND THAT THE BUDGET FOR SCHOOL OPERATIONS NOT BE REDUCED BY FEDERAL IMPACT AID";
2. Reflect the current process for budgeting for Federal Impact Aid;
3. Request that the Governor release all restricted general funds due to the budgeting of Federal Impact Aid receipts directly to the Board of Education and the Department of Education;

4. Request that the Federal Impact Aid be regarded as supplemental unbudgeted funds and, as such, no general funds should be restricted for excess Federal Impact Aid that was previously unbudgeted; and
5. Request that the Department of Education consider utilizing Federal Impact Aid moneys for facilities repair and improvement, in addition to supplementing teachers' salaries.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 90, 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. 90, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Chumbley, Matsunaga, Taniguchi).

SCRep. 1360 (Joint) Education and Technology and Health and Human Services on S.C.R. No. 119

The purpose of this measure is to request that the Department of Education and the Department of Health develop a plan to provide all Hawaii public school children with the opportunity to have a nutritious breakfast.

Testimony in support of this measure was submitted by the Department of Education, the Office of the Governor, and the Good Beginnings Alliance. The Department of Health verbally amended its written testimony of opposition to one of support for this measure.

Your Committees find that the Departments of Education, Health, and Human Services, along with the University of Hawaii Center on the Family, the Good Beginnings Alliance, and the Office of the Governor have already formed a performance partnership on nutrition. This partnership is committed to improve nutrition outcomes for children, and to keep them safe, healthy, and ready to succeed in school.

Because work relating to this measure has already begun, your Committees have amended this measure to:

- (1) Reflect the current status of the performance partnership in providing nutritious breakfasts to all of Hawaii's children;
- (2) Include the Department of Human Services, the University of Hawaii's Center on the Family, the Office of the Governor, and the Good Beginnings Alliance as collaborators in this effort; and
- (3) Require that the status of implementing this measure be reported back to the Legislature before the next legislative session.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 119, 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. 119, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Chumbley, Iwase, Matsunaga, Tam, Anderson).

SCRep. 1361 (Joint) Education and Technology and Transportation and Intergovernmental Affairs on S.C.R. No. 145

The purpose of this measure is to request the Board of Education and the Department of Education (DOE) to identify the full cost of educating federally connected children with disabilities.

Your Committees received testimony in support of this measure from the DOE and one individual.

Your Committees find that activities have been initiated within the DOE to identify these costs and to work with the State's congressional delegation to address this critical issue. Your Committees believe this information is vital in order to ensure these children receive all appropriate services, and support the DOE's continued effort to maximize federal funding resources.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 145, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Chumbley, Matsunaga, Taniguchi).

SCRep. 1362 (Joint) Education and Technology and Transportation and Intergovernmental Affairs on S.R. No. 90

The purpose of this measure is to request the Board of Education and the Department of Education (DOE) to identify the full cost of educating federally connected children with disabilities.

Your Committees received testimony in support of this measure from the DOE and one individual.

Your Committees find that activities have been initiated within the DOE to identify these costs and to work with the State's congressional delegation to address this critical issue. Your Committees believe this information is vital in order to ensure these children receive all appropriate services, and support the DOE's continued effort to maximize federal funding resources.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 90, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Chumbley, Matsunaga, Taniguchi).

SCRep. 1363 Health and Human Services on S.C.R. No. 77

The purpose of this measure is to request the Child Protective Services Roundtable (CPS Roundtable) to form a task force to examine and discuss selected issues relating to child abuse.

Your Committee received testimony in support of this measure from the Department of Human Services and Department of the Prosecuting Attorney of the City and County of Honolulu.

The CPS Roundtable is an ad hoc group of social and health service providers, foster parents, guardians ad litem, legal and medical professionals, educators, law enforcement representatives, child protective services social workers, family members of abused children, survivors of child abuse and neglect, legislators, and family court judges and social workers. The CPS Roundtable has been instrumental in improving the child protective services system, including enactment of its recommendations in Act 134, Session Laws of Hawaii 1998, the omnibus child protection bill. The CPS Roundtable is continuing to meet and to discuss issues relating to child protection, in the recognition that the child protective services system is not perfect. This measure requests the CPS Roundtable to examine issues concerning:

- (1) Reporting of child abuse;
- (2) Effective consent under the Penal Code;
- (3) Procedures relating to out-of-family abuse;
- (4) Age of majority;
- (5) Manner in which guardian ad litem services are provided;
- (6) Licensing and training requirements for specially licensed relative foster boarding homes;
- (7) Incidences of child exploitation and their relationship to child abuse and neglect; and
- (8) Other circumstances that endanger the welfare of a child in cases of criminal child abuse.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, 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, none.

SCRep. 1364 Health and Human Services on S.C.R. No. 122

The purpose of this measure is to request the convening of a hunger and food security task force to develop a system for providing valid and reliable estimates of hunger and food insecurity.

Your Committee received testimony in support of this measure from the Office of Community Services, Hawaii Foodbank, Maui Foodbank, University of Hawaii College of Tropical Agriculture and Human Resources, and God's Store House Food Pantry at Word of Life.

An estimated 115,000 adults and children in Hawaii may face hunger or food insecurity as a consequence of welfare reform and a stagnant State economy. This could result in a \$1.3 million shortfall in food under the food stamp program for fiscal years 1997-2002, which is equivalent to an estimated 115,000,000 pounds of food.

There are nationally developed methods to monitor food insecurity, available and tested for cultural validity in Hawaii, that are used by the Hawaii Foodbank and the State Department of Health. However, data is not available to monitor food insecurity by

geographic areas or other demographic indices in Hawaii that can be used to guide public policy decisions. The intent of this measure is to develop a system for providing valid and reliable estimates of food insecurity with appropriate geographical and demographic identifiers that can be used by public and private organizations to assist those in need.

Your Committee has amended this measure on the recommendation of the Hawaii Foodbank, Inc., by:

- (1) Changing, in the first WHEREAS clause, the number of adults and children from 90,359 to 115,000;
- (2) Changing, in the sixth WHEREAS clause, the term "residents" to "households" in reference to the 9.2 per cent of Hawaii's population and the pounds of food from 114,280,000 to "an estimated 115,000,000";
- (3) Requesting the convening of a Hunger and Food Insecurity Ad Hoc Committee instead of a task force; and
- (4) Specifying that the ad hoc committee develop a preliminary report which is to be included in the report to the legislature from the Office of Community Services.

Your Committee has also amended the title to reflect the convening of a "Hunger and Food Insecurity Ad Hoc Committee" and to correct a typographical error.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 122, 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. 122, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1365 Health and Human Services on S.C.R. No. 63

The purpose of this measure is to request the Patient's Bill of Rights Task Force (task force) to study the advisability and feasibility of creating a data bank with provider information for access by health care consumers.

Your Committee received testimony in support of this measure from the Insurance Commissioner, Hawaii Medical Service Association, and Hawaii Nurses' Association. Testimony in opposition was received from the Hawaii Medical Association.

Your Committee finds that a patient's selection of a health care provider is an important decision from the standpoint of a health consumer's perspective. The selection of a health care provider could affect the right diagnosis or proper treatment of an illness or disease, and could literally mean a life and death decision for the patient.

The task force was created by Act 178, Session Laws of Hawaii under the Insurance Commissioner for the purpose of reviewing various laws which provide protection of patient's rights and responsibilities regarding health care. This measure requests the task force to also study the advisability and feasibility of creating a data bank with provider information for access by health care consumers, and to make recommendations on other issues relating to improving access to information about health care providers.

Your Committee has amended this measure by:

- (1) Deleting reference to a life and death decision for the patient from the second WHEREAS clause; and
- (2) Including the Hawaii Insurers Council in the study.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 63, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1366 Health and Human Services on S.C.R. No. 74

The purpose of this measure is to request the Department of Health to conduct a study of latex products in use in Hawaii in hospitals, clinics, and medical facilities.

Your Committee received testimony in support of this measure from the Hawaii Medical Association and Allegiance Healthcare Corporation. Informational testimony was submitted by the Department of Health (DOH) and Kaiser Permanente.

There are a number of scientific reports pointing to allergic reactions among medical and dental personnel who wear latex gloves. These reactions include a rash or contact dermatitis, anaphylaxis, suffocation, and even death. Individuals who commonly wear latex gloves include doctors, dentists, nurses, dental assistants, and laboratory technicians. Recent studies have claimed that as high as ten percent of health care and medical professionals who wear latex gloves suffer from allergic reaction. This measure is intended to

gather information on the nature and extent of allergic reactions to latex products in Hawaii, and to reduce the incidence of allergic reactions.

Your Committee has amended this measure by deleting the title and contents and by:

- (1) Requesting the health care industry of Hawaii, medical device manufacturing industry, and the DOH to encourage compliance with the Occupational Safety and Health Administration's bloodborne pathogen regulations regarding latex products, to establish clinically sound protocols and management strategies to address latex allergies, and to educate health care workers about latex allergies;
- (2) Requesting the DOH to form a committee to advise and assist in the implementation of this measure;
- (3) Specifying representation on the committee from the Hawaii Nurses Association, Hawaii Medical Association, Healthcare Association of Hawaii, Hawaii Dental Association, Hawaii Primary Care Association, Federation of Physicians and Dentists, and fire and police departments of each county; and
- (4) Clarifying the basis and scope of the latex problem.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 74, 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. 74, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1367 Health and Human Services on S.R. No. 28

The purpose of this measure is to request the Patient's Bill of Rights Task Force (task force) to study the advisability and feasibility of crating a data bank with provider information for access by health care consumers.

Your Committee received testimony in support of this measure from the Insurance Commissioner, Hawaii Medical Service Association, and Hawaii Nurses' Association. Testimony in opposition was received from the Hawaii Medical Association.

Your Committee finds that a patient's selection of a health care provider is an important decision from the standpoint of a health consumer's perspective. The selection of a health care provider could affect the right diagnosis or proper treatment of an illness or disease, and could literally mean a life and death decision for the patient.

The task force was created by Act 178, Session Laws of Hawaii under the Insurance Commissioner for the purpose of reviewing various laws which provide protection of patient's rights and responsibilities regarding health care. This measure requests the task force to also study the advisability and feasibility of creating a data bank with provider information for access by health care consumers, and to make recommendations on other issues relating to improving access to information about health care providers.

Your Committee has amended this measure by:

- (1) Deleting reference to a life and death decision for the patient from the second WHEREAS clause; and
- (2) Including the Hawaii Insurers Council in the study.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 28, 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. 28, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1368 (Joint) Health and Human Services and Education and Technology on S.C.R. No. 113

The purpose of this measure is to request the Department of Health (DOH), with the assistance of the Hawaii Health Systems Corporation (HHSC) and the University of Hawaii School of Nursing (UH), to develop a program enabling nurses employed by the State of Hawaii to obtain advanced nursing degrees.

Your Committees received testimony in support of this measure from the UH, HHSC, Hawaii Nurses' Association, and Hawaii Government Employees Association. The DOH supported the intent of this measure, but had some concerns.

Your Committees find that advanced degree nurses can perform a wide range of responsibilities as primary care providers who can effectively respond to the dynamic changes in the health care system as clinical nurse specialists, nurse practitioners, or nurse midwives. Highly trained nurses improve health care services, especially in rural areas where access to physicians may be difficult. This measure is intended to facilitate those outcomes. Your Committees also find that since nurses with advanced degrees can bill

third-party insurers for reimbursement for their services, the State could receive more insurance moneys from billings by advanced degree nurses working for the State.

Your Committees have amended this measure by clarifying the title and the body to reflect that the DOH, Department of Human Resources Development, and the HHSC, with the assistance of the UH, are requested to develop the program.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology 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 that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 113, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chumbley, Iwase, Matsunaga, Tam, Anderson).

SCRep. 1369 Water, Land, and Hawaiian Affairs on S.C.R. No. 56

The purpose of this measure is to urge the President and Congress of the United States of America to assist in the process of Hawaiian self-governance.

Your Committee finds that the community of Hawaii is now undergoing a remarkable period of reflection and adjustment as it reviews the history of the overthrow of the sovereign and independent nation of Hawaii on January 17, 1893. On that date, the nation of Hawaii was overthrown as a direct consequence of the United States' military committing the first overt act of landing in Hawaii and supporting a handful of men in the takeover of the constitutional monarchy of Hawaii in contravention to international customary and treaty laws of that time.

In 1898, the Joint Resolution entitled "Joint Resolution to provide the annexing of the Hawaiian Islands to the United States", approved July 7, 1898 (30 Stat 70), ceded absolute title of all public lands held by the Republic of Hawaii, including the government and crown lands of the former Kingdom of Hawaii, to the United States, but mandated that the revenue generated from these lands be used "solely for the benefit of the inhabitants of the Hawaiian Islands for educational and other purposes".

The public property of the Hawaiian Islands as well as the sovereignty transferred in 1898 became the basis upon which the Territory of Hawaii and eventually the State of Hawaii, both entities created by the United States Congress, assumed title over its ceded lands and jurisdiction over the former Hawaiian citizens and their descendants.

On November 23, 1993, in recognition of the past wrongdoings committed by the United States of America, United States President William Jefferson Clinton signed into effect Public Law 103-150, a joint resolution that acknowledged the one hundredth anniversary of the January 17, 1893, overthrow of the Kingdom of Hawaii and that it was contrary to the laws of the United States Constitution and international law.

Your Committee understands the hardship and disappointment that many Hawaiians have experienced over the ensuing years since the overthrow in 1893. After a century of denial, the United States of America finally acknowledged its part in the wrongful dispossession of a duly recognized sovereign governmental entity.

Upon this acknowledgment, your Committee believes that the time has come for the United States of America, the State of Hawaii, and the Hawaiian people to move toward consummating a healing process that will be mutually beneficial to all parties involved. Your Committee also believes that although the controversies, issues, and breaches of trust that have occurred since the annexation of Hawaii to the United States of America are longstanding, solutions and remedies for these problems are still attainable. To this end, your Committee recommends that a comprehensive approach be taken in resolving outstanding federal and state issues involving the Hawaiian people.

In light of these beliefs, your Committee has amended the measure by:

- (1) Inserting provisions that call for the Governor to designate an official state contact to work with the federal government on ceded land issues and the political status of Hawaiians;
- (2) Inserting provisions that call for the completion of a comprehensive inventory of the public land trust;
- (3) Inserting provisions that call for the establishment of a joint committee whose purpose is to resolve the issue of past revenue owed by the State to the Office of Hawaiian Affairs for the use of ceded lands; and
- (4) Adding the appropriate affected agencies to the list of agencies to whom copies of the measure will be transmitted;
- (5) Amending the title to reflect the abovementioned inclusions; and
- (6) 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 Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 56, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 1370 (Joint) Health and Human Services and Education and Technology on S.C.R. No. 112

The purpose of this measure is to request the Department of Health (DOH), Hawaii Health Systems Corporation (HHSC), Hawaii Nurses' Association (HNA), and the University of Hawaii School of Nursing (UH) to develop a plan that will eliminate or greatly reduce needlestick injuries incurred by nurses and other health care workers.

Your Committees received testimony in support of this measure from the HHSC, UH, Hawaii Government Employees Association, and Hawaii Nurses' Association. Testimony in opposition was received from the DOH.

Needlestick injuries pose a serious health and safety concern for nurses because of the possibility of transmitting diseases, such as hepatitis B and C, HIV, and AIDS. These diseases are often fatal to nurses who incur needlestick injuries. Nurses comprise twenty-four per cent of the cases of HIV infection among health care workers known or thought to have been infected by a needlestick. This measure is intended to facilitate the elimination or minimization of needlestick injuries for Hawaii's nurses through the use of safer medical devices and safer workplace practices.

Your Committees have amended this measure by:

- (1) Deleting the title and inserting a title to urge the development and use of workplace safety protocols addressing needlestick injuries;
- (2) Clarifying that all health care systems have in place by January 1, 2000, workplace safety protocols addressing needlestick injuries and safer medical devices, including retractable syringes, to assure workplace safety;
- (3) Deleting Resolved language referring to development of a plan of action and prevention plan, and to a report to the Legislature; and
- (4) Adding organizations to the transmittal clause.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 112, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 112, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chumbley, Iwase, Matsunaga, Tam, Anderson).

SCRep. 1371 Education and Technology on S.C.R. No. 58

The purpose of this measure is to urge the State Foundation on Culture and Arts and the Office of Hawaiian Affairs to work expeditiously with Halau Haloa in the planning for the eighth Pacific Festival of Arts.

Testimony in support of the measure was received from the Ewa Beach Community Association, the Ilioulaokalani Coalition, the World Invitational Hula Festival, Halau o Kekuhi, Halau Hula o Mililani, the Hawaii Academy of Arts, Music and Dance Halau Mele, and an individual. Testimony in support of the measure with amendments was received from Halau Haloa, Waianae Hawaiian Civic Club, Kuhaihalau Pa Olapa Kahiko, Halau Hana Keaka, and two individuals. The State Foundation on Culture and the Arts commented on the measure.

Your Committee finds that this Pacific Festival of Arts occurs every four years to encourage the indigenous people of the Pacific nations to showcase their arts. The next Pacific Festival of Arts is to be held in the year 2000 in Noumea, New Caledonia.

Your Committee also finds that the Governor has asked Halau Haloa to work with the State Foundation on Culture and the Arts concerning the official delegation to the eighth Pacific Festival of Arts. Since this gubernatorial request, Halau Haloa has met with the State Foundation on Culture and the Arts, as well as the Office of Hawaiian Affairs to apprise these agencies of the planning and preparation. Apparently, despite these meetings, Halau Haloa has struggled for the past three years to carry out the planning for the eighth Pacific Festival of Arts, without assistance from the State Foundation on Culture and the Arts and the Office of Hawaiian Affairs due to financial and personnel shortages in both agencies.

Your Committee believes that this measure will provide the support necessary to move this initiative forward.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 58, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1372 Education and Technology on S.C.R. No. 186

The purpose of this measure is to request the Hawaii Council of Private Schools to report on its actions, functions, and duties.

Testimony in support of this measure was received from the Hawaii Council of Private Schools.

Your Committee finds there is a need for a formal document articulating the responsibilities agreed to by the Hawaii Council of Private Schools, following the passage of Act 188, Session Laws of Hawaii 1995. Additionally, this measure provides an official recognition of the work being done by the Council.

Your Committee further finds that this measure will demonstrate to parents and educators the trust the Legislature has placed in the Hawaii Council of Private Schools.

Your Committee has amended this measure by:

- (1) Adding language that recognizes the Hawaii Council of Private Schools for its excellent work with Hawaii's private schools;
- (2) Requiring that the report to be prepared by the Hawaii Council of Private Schools for the Legislature be made biennially;
- (3) Deleting the paragraph that requests the "Hawaii Council of Private Schools, with the assistance of the Department of Education, to ensure all students attending licensed private schools meet all the statewide performance standards to qualify for graduation"; and
- (4) Deleting the word "independent" when referring to the Hawaii Council of Private Schools because it operates under the auspices of the Hawaii Association of Independent Schools, rather than as an independent agency.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 186, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 186, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1373 Education and Technology on S.R. No. 83

The purpose of this measure is to request the Hawaii Council of Private Schools to report on its actions, functions, and duties.

Testimony in support of this measure was received from the Hawaii Council of Private Schools.

Your Committee finds there is a need for a formal document articulating the responsibilities agreed to by the Hawaii Council of Private Schools, following the passage of Act 188, Session Laws of Hawaii 1995. Additionally, this measure provides an official recognition of the work being done by the Council.

Your Committee further finds that this measure will demonstrate to parents and educators the trust the Legislature has placed in the Hawaii Council of Private Schools.

Your Committee has amended this measure by:

- (1) Adding language that recognizes the Hawaii Council of Private Schools for its excellent work with Hawaii's private schools;
- (2) Requiring that the report to be prepared by the Hawaii Council of Private Schools for the Legislature be made biennially;
- (3) Deleting the paragraph that requests the "Hawaii Council of Private Schools, with the assistance of the Department of Education, to ensure all students attending licensed private schools meet all the statewide performance standards to qualify for graduation"; and
- (4) Deleting the word "independent" when referring to the Hawaii Council of Private Schools because it operates under the auspices of the Hawaii Association of Independent Schools, rather than as an independent agency.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 83, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 83, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1374 Transportation and Intergovernmental Affairs on S.C.R. No. 45

The purpose of this measure is to urge the United States Government to restore redress funds to compensate individuals of Japanese ancestry who were unjustly interned during World War II.

Testimony in support of this measure was received from the Hawaii Civil Rights Commission, Japanese American Citizens League of Honolulu, American Friends Service Committee, Hawaii Building and Construction Trades Council AFL-CIO, Campaign for Justice: Redress NOW for Japanese Latin Americans!, and four individuals.

Your Committee finds that the funds appropriated by the federal government for redress payments to individuals of Japanese ancestry who were unjustly interned during World War II have been fully expended. Therefore, there are insufficient funds to pay all of the remaining claims by Japanese Americans and Japanese Latin Americans. Your Committee believes that additional federal funds need to be appropriated to satisfy these remaining claims and to fulfill the intent of the Civil Liberties Act of 1988.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 45 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Buen, Bunda, Ige, D.).

SCRep. 1375 Transportation and Intergovernmental Affairs on S.R. No. 25

The purpose of this measure is to urge the United States Government to restore redress funds to compensate individuals of Japanese ancestry who were unjustly interned during World War II.

Testimony in support of this measure was received from the Hawaii Civil Rights Commission, Japanese American Citizens League of Honolulu, American Friends Service Committee, Hawaii Building and Construction Trades Council AFL-CIO, Campaign for Justice: Redress NOW for Japanese Latin Americans!, and four individuals.

Your Committee finds that the funds appropriated by the federal government for redress payments to individuals of Japanese ancestry who were unjustly interned during World War II have been fully expended. Therefore, there are insufficient funds to pay all of the remaining claims by Japanese Americans and Japanese Latin Americans. Your Committee believes that additional federal funds need to be appropriated to satisfy these remaining claims and to fulfill the intent of the Civil Liberties Act of 1988.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 25 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Buen, Bunda, Ige, D.).

SCRep. 1376 Transportation and Intergovernmental Affairs on S.C.R. No. 168

The purpose of this measure is to request the federal government to declare the lands under the Leilehua Golf Course to be surplus to their needs and to provide for their return to the State as ceded lands.

Your Committee held a hearing on a proposed Senate draft of this measure which requests the Department of Transportation to propose long-term solutions to traffic and parking problems at Waimea Bay and to estimate the costs of a feasibility study for the design and construction of scenic lookout.

Testimony in support of the proposed Senate draft was received from the Department of Transportation and one individual.

Your Committee finds that the Waimea Bay area is a very popular area with residents and tourists for its scenery and recreational activities which creates severe traffic congestion problems in the area especially during holidays and when special events are held at Waimea Bay. Therefore, every effort must be made to assure that the area is relieved of the increased traffic congestion while allowing residents and tourists to safely enjoy the scenery and recreational activities.

Your Committee has amended this measure by replacing its contents with the proposed Senate draft of this measure which also requires the Department of Transportation to report its findings and recommendations to the Legislature no later than twenty days before the convening of the Regular Session of 2000.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 168, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 168, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1377 (Joint) Commerce and Consumer Protection and Health and Human Services on S.C.R. No. 111

The purpose of this measure is to request the Insurance Commissioner to convene a working group to study the use of genetic test results for insurance coverage purposes.

The Department of Health, AARP, the Hawaii Medical Association and American Cancer Society presented testimony in support of the measure. The American Council on Life Insurers presented testimony in opposition to the measure. The State Insurance Commissioner and State Farm Insurance presented comments on the measure.

The Executive Office on Aging and the Commission on Persons with Disabilities presented testimony requesting that they not be included in the working group.

Your Committee finds that technological advances in genetic testing have raised valid concerns regarding the proper use of genetic information and testing. Your Committee further finds that more information is needed on several related issues including the definition of the term "genetic information" and what the term encompasses, sound underwriting standards, the accuracy of genetic testing technologies, alleged past abuses of personal information in insurance underwriting and under what circumstances would it be appropriate to use "genetic information" in insurance underwriting.

Your Committee has amended this measure to:

- (1) Remove the Executive Office of Aging, the State Commission on Persons with Disabilities and State Farm Insurance from the working group;
- (2) Add the Alzheimer's Disease Foundation, the Breast Cancer Support Group, a community-based board certified genetic professional and the Legislative Reference Bureau to the working group; and
- (3) Make technical and non-substantive amendments.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.C.R. No. 111, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 111, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Bunda, Hanabusa, Iwase, Anderson).

SCRep. 1378 (Joint) Commerce and Consumer Protection and Health and Human Services on S.R. No. 49

The purpose of this measure is to request the Insurance Commissioner to convene a working group to study the use of genetic test results for insurance coverage purposes.

The Department of Health, AARP, the Hawaii Medical Association and the American Cancer Society presented testimony in support of the measure. The American Council on Life Insurers presented testimony in opposition to the measure. The State Insurance Commissioner and State Farm Insurance presented comments on the measure.

The Executive Office on Aging and the Commission on Persons with Disabilities presented testimony requesting that they not be included in the working group.

Your Committee finds that technological advances in genetic testing have raised valid concerns regarding the proper use of genetic information and testing. Your Committee further finds that more information is needed on several related issues including the definition of the term "genetic information" and what the term encompasses, sound underwriting standards, the accuracy of genetic testing technologies, alleged past abuses of personal information in insurance underwriting and under what circumstances would it be appropriate to use "genetic information" in insurance underwriting.

Your Committee has amended this measure to:

- (1) Remove the Executive Office of Aging, the State Commission on Persons with Disabilities and State Farm Insurance from the working group;
- (2) Add the Alzheimer's Disease Foundation, the Breast Cancer Support Group, a community-based board certified genetic professional and the Legislative Reference Bureau to the working group; and
- (3) Make technical and non-substantive amendments.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 49, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 49, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Bunda, Hanabusa, Iwase, Anderson).

SCRep. 1379 Labor and Environment on Gov. Msg. No. 203

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF ENVIRONMENTAL QUALITY CONTROL

GENEVIEVE SALMONSON, for terms to expire June 30, 1999, and June 30, 2003,

Upon review of the background information submitted by the nominee, your Committee finds that Genevieve Salmonson is an experienced professional with six years experience as General Manager of Honolulu Recovery Systems, Inc. In her capacity as General Manager, she supervised twenty-five employees in coordinating sales and marketing efforts for one of Hawaii's leading refuse management and recycling companies. Previous to this she was Vice President of United Tire and Recapping Co., Ltd. She supervised six employees in coordinating marketing and sales.

Ms. Salmonson serves on the State Task Force to Reduce Solid Waste Partnership for the Environment. She has also served on the Clean Hawaii Center Board of Directors. She participated in re-writing the State's integrated solid waste recycling policies as well as producing draft legislation to reduce the volume of solid waste produced in Hawaii.

Testimony in support of Ms. Salmonson was received from the current Director of the Office of Environmental Quality Control, the Energy Conservation Branch Manager of the Department of Business, Economic Development, and Tourism, a Councilmember of the City and County of Honolulu, Tomra Pacific, Inc., Kano Trucking, Maui Research and Technology Center, and three individuals. The Environmental Center offered comments regarding the nomination.

Ms. Salmonson represented herself as a fair and diligent person who would bring intelligence and diligence to the position. While awaiting confirmation, she has met with the outgoing director, members of the environmental community, and other state agencies. She has expressed her commitment to work closely with the community to continue and enhance the role of the Office of Environmental Quality Control as an information office and environmental watch dog.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Fukunaga, Ige, M., Ihara).

SCRep. 1380 Transportation and Intergovernmental Affairs on H.B. No. 602

The purpose of this measure is to extend the time period in which to record the transfer of ownership of a trailer from twenty to thirty days and increase the fee for failure to comply with the recording of a transfer of ownership from \$5 to \$50.

Your Committee finds that this measure will encourage timely recordation of the transfer of ownership of a trailer. Your Committee has amended this measure to reflect the language of the S.B. No. 662, S.D. 1, by increasing the fee for untimely recordation to \$10 rather than \$50.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 602, 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, 3 (Ige, D., Inouye, Iwase).

SCRep. 1381 Education and Technology on H.B. No. 746

The purpose of this measure is to designate hula as the official dance of the State of Hawaii.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Japan Hula Association, the Halau Ho'okipa Aloha, Ka Leo O Na Hula, A.C., and three concerned individuals.

Your Committee finds that because hula is indigenous to Hawaii, it has significant historical and cultural importance to this State. Traditional hula plays a significant role in perpetuating the Hawaiian culture, unique and vital to this State. The formal recognition of hula as the State dance will not only ensure and promote the future survival of hula, but also of the Hawaiian culture for generations to come.

Your Committee has made a technical, nonsubstantive amendment to correct a historical inaccuracy.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 746, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 746, 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 (Bunda, Chumbley, Matsunaga).

SCRep. 1382 Economic Development on H.B. No. 1180

The purpose of this measure is to authorize the department of land and natural resources to specify in its rules that any marine life taken from the waters of the northwestern Hawaiian islands (NWHI) may not be possessed and sold under the authority of a license issued by the department.

Testimony in support of this measure was received from the Board of Land and Natural Resources, Hawaii Fishermen's Foundation, Hawaii Audubon Society, and Evirowatch.

Your Committee finds that under a license issued by the Department of Land and Natural Resources, marine life from the NWHI, including lobsters, may be sold in the State. However, recent changes in federal laws have allowed undersized lobsters and lobsters with eggs (berried lobsters) harvested from NWHI to appear in local markets. If licensed fisheries continue to be permitted to harvest these lobsters, your Committee believes that Hawaii's lobster population stock and Hawaii's lobster industry may be in jeopardy.

Your Committee has amended this measure by narrowing the scope of this measure to allow the department to prohibit the possession and sale of berried, undersized, or out-of-season lobsters taken from the waters of the northwestern Hawaiian islands.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1180, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 1383 Labor and Environment on H.B. No. 102

The purpose of this measure is to eliminate the ambiguity in penalties assessed against employers who fail to pay wages.

Specifically, the measure establishes that the penalties assessed shall be in amounts equal to unpaid wages.

Testimony in support of this measure was presented by the Department of Labor and Industrial Relations. Testimony supporting the measure with amendments was received from Consumer Lawyers of Hawaii and the National Employment Lawyers Association.

Your Committee finds that the amendments proposed in this measure clarify the original intent of the law that the amount of the penalty assessed against an employer who fails to pay wages in a timely manner should be equal to the amount of unpaid wages and interest of six per cent.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 102, 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, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1384 Labor and Environment on H.B. No. 1124

The purpose of this measure is to conform existing state law to the federal Rehabilitation Act Amendments of 1998.

This measure changes the name of the State Advisory Council on Rehabilitation to State Rehabilitation Council and increases the number of members on the council from nineteen to twenty-one. In addition, this measure requires the State Rehabilitation Council to:

- (1) Set goals and priorities for the State relating to vocational rehabilitation;
- (2) Advise the vocational rehabilitation division of the department of human services; and
- (3) Assist in the preparation of the state plan and amendments to the plan, applications, reports, needs, assessment, and evaluations; and
- (4) Review and analyze the performance of the vocational rehabilitation division and vocational rehabilitation services provided by other State agencies.

Testimony in support of this measure was received from the Department of Human Services, and the Commission on Persons with Disabilities.

Your Committee finds that this measure will conform state law with the federal Rehabilitation Act Amendments of 1998. These additional requirements of the State Rehabilitation Council reflect the intent to increase the involvement of the Council in improving services and to assure closer relationships with other government programs that are required to provide services to persons with disabilities.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1124, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 1385 Judiciary on H.B. No. 1431

The purpose of this bill is to require financial disclosures, without dollar amounts, from members of the University of Hawaii Board of Regents, the Board of Land and Natural Resources, the Board of Agriculture, and the Hawaiian Homes Commission.

Your Committee finds that members of these boards currently do not file financial disclosure statements, even though their respective executive directors or equivalent positions are required to file such statements. Your Committee further finds that financial disclosure statements are required from equivalent state officeholders, either by statute or, in the case of judges, by Supreme Court rule. Your Committee believes that this bill strikes an appropriate balance between disclosure of financial interests and privacy by not requiring that the actual dollar value of an interest be reported.

Testimony in support of this measure was received from the Hawaii State Ethics Commission, the League of Women Voters, and Common Cause Hawaii. Testimony stating no opposition to this measure was received from the Board of Land and Natural Resources. Testimony in opposition to this measure was received from the University of Hawaii Board of Regents.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1431, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1386 Judiciary on H.B. No. 83

The purpose of this bill, as received by your Committee, is to repeal, until June 30, 2001, the current exemption for attorneys, heads of executive departments, elected officials, judges, ministers or priests, practicing physicians or dentists, and active members of the armed forces, police and fire departments, from jury service.

Your Committee finds that the selection of a jury from a representative cross-section of the citizens of this State is crucial to our justice system. It is estimated that approximately 67,000 people meet one or more of the above exemptions. Although your Committee believes that there is a need for a truly representative jury pool, your Committee recognizes that the deletion of some current exemptions may cause hardships to the individual exempted as well as to their clients or to the citizenry at large.

Testimony in support of this measure was submitted by the Judiciary and Common Cause Hawaii. Testimony in opposition to this measure was submitted by the Office of the Public Defender, the Honolulu Police Department, and the Hawaii Medical Association.

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

- (1) Retaining the attorney exemption, but clarifying that the attorney must be practicing to be exempted from jury service;
- (2) Changing the effective date to January 1, 2000, and extending the repeal date from June 30, 2001 to June 30, 2003; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 83, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 83, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Tanaka, Anderson).

SCRep. 1387 Judiciary on H.B. No. 77

The purpose of this bill is to improve the current real property encroachment laws by:

- (1) Including industrial property under the de minimus structure position discrepancy of 0.25 feet;
- (2) Making the owner of the property upon which the improvement is substantially located responsible when the owner who constructed the improvement is not readily identifiable; and
- (3) Eliminating the requirement that the structure position discrepancy be in existence on the effective date of Act 131, Session Laws of Hawaii 1997, for the law regarding de minimus encroachments to apply.

Your Committee finds that the current laws applicable to de minimus encroachments on commercial and residential property should, in fairness, apply to industrial property as well.

Testimony in support of this measure was submitted by the Hawaii Association of Realtors, Real Estate Update, Inc., and Title Guaranty of Hawaii, Inc.

Upon further consideration, your Committee has amended this measure by making a technical, non-substantive change for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 77, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 77, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1388 Judiciary on H.B. No. 1492

The purpose of this bill is to clarify the definition of contraband as used for the offense of promoting prison contraband in the second degree.

Your Committee finds that section 710-1022, Hawaii Revised Statutes (relating to the offense of promoting prison contraband in the first degree), deals exclusively with dangerous instruments and drugs. However, section 710-1023 (relating to the offense of promoting prison contraband in the second degree) also includes dangerous instruments and drugs within the definition of "contraband," thus causing overlapping of the two offenses.

Your Committee notes that this overlapping between the offenses of promoting prison contraband in the first and in the second degree have restricted the State to charging the lesser offense when dangerous instruments and drugs are involved. Accordingly, your Committee finds that this bill is necessary to clarify the distinctions between the two offenses and to permit the State to charge the higher offense when dangerous instruments and drugs are involved in promoting prison contraband cases.

Testimony in support of this measure was submitted by the Department of Public Safety, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1492 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1389 Judiciary on H.B. No. 1496

The purpose of this bill, as received by your Committee, is to:

- (1) Create a new misdemeanor offense to knowingly manufacture, sell, transfer, possess or transport a butterfly knife;
- (2) Create a new class C felony offense to knowingly possess or intentionally use or threaten to use a butterfly knife while engaged in the commission of a crime; and
- (3) Delete "butterfly knife" from the prohibition against carrying deadly or dangerous weapons concealed upon a person's self or within a vehicle.

Your Committee finds that certain types of knives, particularly switchblade and butterfly knives, are associated with gang activity. Your Committee believes that butterfly knives (also known as balisongs or gravity knives) appear to be covered within the statutory definition of switchblade knives. However, your Committee further finds that although switchblade knives are presently illegal, stores openly sell, and minors can readily purchase, butterfly knives.

Your Committee is aware, however, that the Hawaii Supreme Court, in In the Interest of John Doe, (FC-J No. 91-55223), has held that a butterfly knife does not have a blade that opens automatically by operation of inertia, gravity, or both, and thus is not a switchblade knife under section 134-52, Hawaii Revised Statutes. The court reasoned that the legislative history of section 134-52 did not expressly indicate whether the legislature intended to include butterfly knives under this statute. Therefore, it is your Committee's intent to clarify that butterfly knives should be treated in the same manner as switchblade knives.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and a private citizen. Testimony in opposition to this measure was submitted by the Office of the Public Defender and the Pedoy School of Escrima.

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

- (1) Retaining existing law, which includes "butterfly knife" in the prohibition against carrying deadly or dangerous weapons concealed upon a person's self or within a vehicle;
- (2) Clarifying that butterfly knives are subject to the same prohibitions as switchblade knives; and
- (3) Creating a class C felony offense for sales of such knives to minors.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1496, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1496, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1390 Judiciary on H.B. No. 72

The purpose of this bill is to amend the campaign spending law with respect to the voluntary expenditure limit and public matching funds provisions. Specifically the bill:

- (1) Amends the definition of "qualifying contribution" to clarify that makers of such contributions cannot have contributed more than \$100 during any matching payment period;
- (2) Deletes the exemption for certain fundraising costs from the voluntary campaign expenditures limit;
- (3) Repeals a provision permitting a candidate to withdraw an affidavit of compliance with voluntary spending limits;
- (4) Moves the deadline for filing affidavits of compliance to the date of filing nomination papers;
- (5) Clarifies that expenditure limits apply to each election;
- (6) Changes the time period within which candidates who exceed spending limits must notify all contributors from the same day to thirty days;
- (7) Amends the distribution procedure for the Hawaii Election Campaign Fund, if near depletion, to distribution by order in which application filed;
- (8) Clarifies that the maximum amount of public matching funds available to any candidate is based on the maximum expenditure limit per election;
- (9) Allows the minimum qualifying contributions for each election to be based on the total qualifying contributions to date instead of just those relating to the particular election (primary, general, or special) for which matching funds are sought;
- (10) Changes the deadline for application for matching funds from sixty to thirty days after the general election;
- (11) Changes the time by which initial public funds checks must be issued from ten to twenty days after application;
- (12) Deletes a provision that a candidate less than one percent over expenditure limits need only return twenty-five percent of public funds; and
- (13) Clarifies that all unspent public funds must be returned.

Your Committee finds that the changes to the elections law made by this bill will promote fairness in the campaign process, more effective use of public matching funds for their intended purpose, and encourage compliance with voluntary spending limits.

Your Committee's reading of this bill is that it will change the matching fund requirements by allowing candidates to meet the minimum contribution requirement based on their total qualifying contributions collected during any matching payment period, even if

their qualifying contributions for that particular election would otherwise fall below the minimum. Thus, a candidate who raises only the minimum amount necessary for the primary election, but then raises a greater qualifying amount for the general election, will be able to collect matching funds for the general election based on the qualifying amount collected toward the general election. Similarly, a candidate who raises the minimum qualifying amount for the primary election but raises less than the minimum amount for the general election will still qualify for matching funds for the money raised for the general election, because the total of primary and general election contributions will be greater than the minimum amount required. Your Committee further finds that the law needs clarification to prohibit the use of public funds to match any portion of a contribution of more than one hundred dollars.

Testimony in support of this measure was submitted by the Campaign Spending Commission, the American Civil Liberties Union of Hawaii, the League of Women Voters, and Common Cause Hawaii.

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

- (1) Deleting its contents and substituting the contents of S.B. 629, S.D. 1, which is similar, but retains the provision exempting fundraiser expenses from spending limits, deletes a provision requiring a candidate who exceeds spending limits by one percent or less to return only 25 percent of public funds, and adds a provision that preserves the amendments made by this bill when the amendments made to chapter 11, Hawaii Revised Statutes, are repealed and reenacted;
- (2) Deleting proposed new language to clarify the method by which matching funds are allocated between the primary and general elections, at the request of the Campaign Spending Commission; and
- (3) Retaining existing language requiring that a candidate seeking matching funds not be unopposed, even though the requirement is stated elsewhere in the law, at the request of the Campaign Spending Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 72, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 72, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1391 Judiciary on H.B. No. 165

The purpose of this bill, as received by your Committee, is to:

- (1) Include within the definition of "contribution" for election campaign purposes:
 - (A) Gifts to committees for political purposes; and
 - (B) The payment by a political party or other entity of compensation for services rendered at no charge or at an unreasonably low charge for political purposes; and
- (2) Subject political parties to the same campaign contribution limits applicable to persons and other entities.

Your Committee finds that this measure will help reduce campaign contribution and spending abuses, and increase public confidence in the political process. However, your Committee notes that S.B. 630, S.D. 1, is the intended vehicle for these purposes. Your Committee further believes that in addition to the changes proposed by this measure as received, and proposed by S.B. 630, S.D. 1, campaign contribution abuses will be further curtailed by lowering the maximum amount that may be contributed to a political party during a two year election cycle.

Testimony in support of this measure was submitted by the Campaign Spending Commission, the League of Women Voters, and Common Cause Hawaii.

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

- (1) Deleting its contents;
- (2) Reinserting a provision subjecting political parties to the same contribution limits applicable to other persons and entities; and
- (3) Inserting a provision reducing the maximum allowable contribution to a political party to \$25,000, which is similar to federal law.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 165, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 165, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1392 Commerce and Consumer Protection on H.B. No. 328

The purpose of this measure is to expand the group of physicians qualified to provide substance abuse services as part of a treatment plan for alcohol or drug dependence.

Chapter 431, Hawaii Revised Statutes (HRS), requires health plan hospital and medical benefits to include treatment services for mental illness, alcohol dependence, and drug dependence. Substance abuse services must be provided by certified substance abuse staff which currently includes professionals and paraprofessionals with current full certification as substance abuse counselors or program administrators under chapter 321, HRS, and physicians holding a current American Society of Addiction Medicine certificate.

This measure would expand the definition of "certified substance abuse staff" to include physicians who are board certified in psychiatry and who have additional qualifications in addiction psychiatry from the American Board of Psychiatry and Neurology.

Your Committee has amended this measure by replacing its contents with the contents of a similar measure, S.B. No. 134, S.D. 1, H.D. 1. As amended, this measure provides that the term "certified substance abuse staff" includes physicians who are "board certified in addiction psychiatry", rather than "board certified in psychiatry with added qualifications in addiction psychiatry conferred by the American Board of Psychiatry and Neurology".

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. 328, 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. 328, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 1393 Commerce and Consumer Protection on H.B. No. 562

The purpose of this measure is to establish additional labeling requirements for macadamia nuts and macadamia nut products.

The Department of Agriculture and Hawaiian Sun Products, Inc. submitted testimony in opposition to the measure.

Your Committee finds that the State has an interest in distinguishing its locally-grown, high quality macadamia nuts from macadamia nuts grown in other parts of the world. This measure provides the local macadamia nut industry with greater flexibility in identifying its nuts as a product of Hawaii while ensuring that only packages containing one hundred percent locally-grown macadamia nuts may bear the descriptions "Hawaii-Grown" or "Hawaiian".

Your Committee further finds, however, that the proposed requirement that products containing less than one hundred per cent Hawaii-grown macadamia nuts state the geographic origin and weight of the non-Hawaii-grown macadamia nuts on the product's principal display panel would be unduly burdensome on processors of macadamia nut products. Processors unable to comply with the requirement may be compelled to move their businesses out of the State.

Additionally, enforcement of the above labeling requirement would be problematic since it would be difficult to identify the source and the amount of the foreign macadamia nuts in a blended macadamia nut product. Further, the State would not have jurisdiction over the labeling of products produced outside of Hawaii.

Based on the above considerations, your Committee has amended this measure by deleting the requirement that a macadamia nut product comprised of less than one hundred per cent Hawaii-grown macadamia nuts state the geographic origin and the weight of the non-Hawaii-grown nuts on the product's principal display panel.

Your Committee has also amended this measure's effective date.

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. 562, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 562, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 1394 Commerce and Consumer Protection on H.B. No. 1401

The purpose of this measure is to prevent theft of motor vehicles by unidentified tow trucks and protect an owner from damages caused by towing companies while the motor vehicle is being towed.

More specifically, this measure provides that:

- (1) Towing companies must insure their tow vehicles as required under the motor vehicle insurance law and the insurance must cover all damages that may occur to a towed vehicle while being towed and stored;
- (2) A towing company may not collect charges for a tow if it failed to comply with the insurance requirements;
- (3) If a towing company does not comply with the insurance and signage requirements, any person, including the registered owner, lienholder, or insurer of the vehicle, may sue the company for any resulting damages and, if that person prevails, the sum of not less than \$1,000 or threefold damages plus reasonable attorneys' fees and costs shall be awarded; and
- (4) The current provision allowing maximum towing fees and credit card and automatic teller machine (ATM) accommodations for payment of towing fees be made permanent by repealing the drop-dead provision.

Your Committee finds that theft of motor vehicles by unidentified tow trucks is a problem in this State. This measure will require tow trucks to identify themselves. In addition, the insurance coverage required by this measure will protect an owner from damages caused by towing companies while the motor vehicle is being towed.

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. 1401, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 1395 Commerce and Consumer Protection on H.B. No. 664

The purpose of this measure is to allow depository financial services loan companies to hold up to a quarter of their total reserves in securities listed on the National Market system of the National Association of Securities Dealers Automated Quotation (NASDAQ) System stock market.

The Commissioner of Financial Institutions, though not present at the hearing, submitted testimony expressing no opposition to the bill. The National Association of Securities Dealers and the Hawaii Financial Services Association presented testimony in support of the measure.

Your Committee finds that NASDAQ is the fastest growing stock market in the United States, ranks second among the world's securities markets in dollar volume, and has a total market value exceeding \$2.1 trillion. The NASDAQ stock market lists nearly 5,400 companies and trades more shares per day than any other major American market. The listing requirements for the NASDAQ National Market exceed those of the American Stock Exchange and are similar to the New York Stock Exchange.

This measure allows depository financial services loan companies (FLSCs) to hold up to twenty-five per cent of their total reserves in securities listed on the NASDAQ National Market, the New York or the American stock exchanges. Your Committee finds that this measure gives FSLCs greater flexibility in managing their reserves without compromising consumer protection.

Your Committee has amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 664, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 664, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 1396 Ways and Means on H.B. No. 310

The purpose of this bill is to require funding for coaches' salaries, athletic health care trainers' salaries, athletic equipment and supplies, and the transportation of athletic teams to be considered standard workload increase items when the Director of Finance plans and budgets for new schools.

In addition, this bill requires the Department of Education to:

- (1) Study the implications of setting coaches' salaries in the same manner as other teachers;
- (2) Study the implications of increasing coaches' salaries in the same manner as A-Plus site supervisors and drivers education instructors; and
- (3) Report its finding and recommendations to the Legislature prior to the convening of the Regular Session of 2000.

Your Committee finds that students who attend new schools have a right to participate in appropriately funded athletic programs from the first day of the school year. While it is unrealistic for new schools to have—or expect—a full complement of athletic facilities

on the first day of school, it is clear that appropriate funding for coaches' salaries, athletic health care trainers' salaries, athletic equipment and supplies, and the transportation of athletic teams should be available on the first day of the school year--if not sooner.

Your Committee also finds that athletic coaches have not had a pay increase since September 1, 1990. Part of the problem--aside from the lack of money, is that there is no mechanism (such as collective bargaining) for awarding coaches regular pay increases.

As affirmed by the record of votes of the members 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. 310, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Taniguchi, Anderson).

SCRep. 1397 Ways and Means on H.B. No. 531

The purpose of this bill is to appropriate funds for the operation of the KASHBOX and the Ho'omana drug treatment programs.

In addition, this bill requires the Department of Public Safety, as part of the consideration for the expansion of the KASHBOX program, to undertake a gender equity assessment of its current programs to assure that women have the same access to substance abuse treatment as their male counterparts.

Your Committee finds that the Waiawa correctional facility's KASHBOX substance abuse treatment program has been highly successful since its opening in 1990. Out of four hundred ninety-three inmates treated by that program, two hundred ninety-seven inmates have graduated from the program, with an average retake rate of thirty-eight per cent. Your Committee further finds, however, that the proposed budget for the KASHBOX program falls short of what the program needs in order to continue into the next biennium.

In addition, your Committee agrees with the bill's finding that the situation for incarcerated women is equally critical as for incarcerated males. The Ho'omana substance abuse program, at the women's community correctional center, is as successful and essential as its male counterpart KASHBOX. However, the Ho'omana program is able to serve only a small portion of Hawaii's incarcerated female population because of severe underfunding. Increased availability of drug treatment programs will help female inmates achieve parole expeditiously and reduce the rate of female inmate recidivism. Your Committee finds that this bill will provide needed funding to these important programs.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated in section 2 of the bill with a blank 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 H.B. No. 531, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 531, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1398 Ways and Means on H.B. No. 557

The purpose of this bill is to appropriate funds to conduct research on tropical flowers and to promote the tropical flower industry.

Your Committee finds that the tropical flora industry in Hawaii which has long been a staple industry for Hawaii's farming community needs continued support and marketing promotion in order to sustain its supremacy. For example, there is foreign competition from such countries as Thailand which also grows and exports orchids. As other countries also find the export value of tropical plants and flowers, Hawaii may find serious challenges to its industry that grows orchids, anthuriums, and green plants used for landscaping and home decorations.

Your Committee has amended this bill by deleting the specific dollar amounts provided in each category.

As affirmed by the record of votes of the members 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. 557, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 557, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1399 Ways and Means on H.B. No. 677

The purpose of this bill is to support the pursuit of an alternative clean energy power station.

Specifically, this bill appropriates \$100,000 for the University of Hawaii to study the feasibility of constructing an ocean floating, all-natural clean energy power station in Hawaii.

Your Committee finds that our island state is dependent on fossil fuel energy, but has been a leader in seeking ways to develop alternative forms of energy. It is in the best interests of the State to continue to lead the nation in this effort, because each day our demand for renewable energy continues to grow. Because of our unique geographic features, Hawaii can pursue avenues that are not available to other states regarding alternative energy resources. Your Committee finds that pursuing the construction of an ocean floating all-natural clean energy power station is an important project for the entire State.

Your Committee has amended this measure by changing the specific amount appropriated to a blank amount to encourage further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 677, 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. 677, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1400 Ways and Means on H.B. No. 743

The purpose of this bill is to require health-related insurance policies and like entities to provide coverage for services rendered by advanced practice registered nurses.

Specifically, this measure requires such coverage under accident and sickness policies, mutual benefit society contracts, workers' compensation policies, motor vehicle insurance policies, and health maintenance organization plans.

Your Committee finds that recent legislation authorized certification status to advanced practice registered nurses and furthermore granted them prescriptive authority. Your Committee further finds that requiring insurance policies to cover the services of these nurses will provide greater substance to their certification status and powers. Your Committee also believes that coverage for advanced practice registered nurse services will ultimately lower the cost of health-related insurance while maintaining a high quality of health care 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. 743, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Taniguchi, Anderson).

SCRep. 1401 Ways and Means on H.B. No. 842

The purpose of this bill is to exempt small glass containers holding two and a half ounces or less from the advance glass disposal fee.

The bill also increases the amount of the advance disposal fee from fifteen one thousandths of a cent to one and one-half cents for each glass container, although your Committee finds that the original rate set forth was due to a typographical error in earlier legislation.

Your Committee finds that the containers made exempt under this bill are used by food processors in the State. The relief provided to small business will be significant, compared to the overall loss to the fund, which will be less than \$10,000 annually.

As affirmed by the record of votes of the members 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. 842, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1402 Ways and Means on H.B. No. 898

The purpose of this bill is to establish a separate agricultural water supply and delivery system for the Upcountry region on Maui.

Your Committee finds that the Upcountry region on Maui is famous for its unique agricultural products such as the distinctively sweet Maui onion, the beautifully colorful protea, and the sweet and delicate persimmon. The commercial success of these products, however, is dependent on the ability of Upcountry farmers to withstand long and severe droughts.

This bill addresses this problem by providing a separate agricultural water supply and delivery system to ensure the economic viability of the region's agricultural products.

Your Committee has amended the bill by changing the appropriation amounts in section 5 of the bill to blank amounts and by making a technical change that has no substantive effect.

As affirmed by the record of votes of the members 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. 898, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 898, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, D., Anderson).

SCRep. 1403 Ways and Means on H.B. No. 949

The purpose of this bill is to enhance the use of agricultural districts by promoting the use of agricultural subdivisions through the Agribusiness Development Corporation.

The subdivided lots would be used solely for the production of plant and animal life, including general farming and the production of livestock and poultry. The lots would also be no less than twenty acres in size and would generally be exempt from county subdivision ordinances.

Your Committee finds that further discussion on this measure in conference is warranted in light of on-going budgetary issues that directly affect the purposes of this bill. Therefore, your Committee has amended the bill by changing the effective date to June 29, 3010 to accommodate that 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. 949, 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. 949, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1404 Ways and Means on H.B. No. 983

The purpose of this measure is to appropriate additional revolving funds in fiscal year 1998-1999, to allow the Agribusiness Development Corporation to reimburse the papaya industry for securing patent licenses needed to commercialize the transgenic papaya and to allow the Agribusiness Development Corporation to carry out its ongoing projects.

Your Committee finds that development of the transgenic papaya, which is resistant to the ringspot virus, has been of significant benefit in rebuilding Hawaii's papaya industry after its devastation by the ringspot virus disease. This bill will allow the Agribusiness Development Corporation to reimburse the industry for these efforts to revitalize an important Hawaii crop.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 983 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Taniguchi, Anderson).

SCRep. 1405 Ways and Means on H.B. No. 1006

The purpose of this bill is to create a centralized criminal defendant database and develop a sentencing simulation model.

Your Committee finds that criminal justice data currently is maintained separately by various agencies, including the Department of the Attorney General, the Department of Public Safety, and the Judiciary, and that each agency maintains data from different components of the criminal justice system. Your Committee believes that the integration of data from these agencies will permit a more accurate and detailed picture of the dynamics of the criminal justice system. This, in turn, will allow for accurate forecasting of prison populations and ensure efficient allocation of existing and proposed resources for all convicted defendants. Also, the computer modeling technique will permit an assessment of the impact various sentencing proposals would have on future prison populations. Your Committee notes that this will assist the Legislature in making informed decisions when establishing new sentencing policies. Your Committee also notes that the state Law Enforcement Coalition voted to make this measure its top priority in their legislative package.

Your Committee has amended this bill by changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1006, 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. 1006, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1406

Ways and Means on H.B. No. 1008

The purpose of this bill is to enact the Tobacco Liability Act to neutralize any advantage that nonsettling tobacco manufacturers may gain by requiring nonsettling manufacturers to establish a reserve fund to pay judgments or settlements on future claims brought against them.

Your Committee received testimony in favor of this measure from the Attorney General, who informed your Committee that the State is currently in the process of finalizing a settlement of its claims against tobacco manufacturers for expenses incurred in treating tobacco-related disease caused by the use of tobacco products. Hawaii's tentative allocation of payments from the national settlement from the major tobacco product manufacturers totals over \$1,000,000,000 over the next twenty-five years.

Your Committee finds that this measure is based on model legislation agreed to by the Attorney General as part of a Master Settlement Agreement between tobacco manufacturers and a group of states including Hawaii. However, tobacco manufacturers may seek to avoid making payments to any state that has not passed the precise form of this measure as agreed upon in the Master Settlement Agreement. If Hawaii fails to pass this measure, its share of the national settlement will be reduced in accordance with a market share factor for sales of nonsettling tobacco manufacturers, in which case it is possible for Hawaii to lose its entire allocation.

Your Committee finds that receipt of Hawaii's share of the national tobacco settlement is critical in reimbursing state taxpayers for funds used to cover the cost of tobacco-related disease and for the numerous public health measures that may be supported in the future.

The Attorney General further testified that the original draft of this bill was submitted for approval for compliance with the Master Settlement Agreement, and that the bill was found to vary slightly from the format required under that Agreement due to technical stylistic changes for local drafting style. The Attorney General has accordingly submitted amendments required to assure compliance with the Agreement.

Upon further consideration, your Committee has amended this bill to make two technical, nonsubstantive changes as recommended by the Attorney General to correct inadvertent errors.

As affirmed by the record of votes of the members 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. 1008, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1008, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1407

Ways and Means on H.B. No. 1012

The purpose of this bill is to establish the Clean Hawaii fund to market and promote processing and manufacturing industries for recycled materials.

The creation of the Clean Hawaii Fund gives the Department of Business, Economic Development, and Tourism the ability to promote local businesses that use collected recyclable materials. The clean Hawaii center, the purpose of which was also to promote local processing and manufacturing using recyclable materials, will be sunsetted on June 30, 1999. The creation of the Clean Hawaii fund will allow its moneys to be turned over to the department for the same purpose.

Your Committee has amended the bill by:

- (1) Making all of the Act's provisions take effect on June 28, 1999;
- (2) Eliminating redundant language; and
- (3) Making other technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1012, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1012, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1408

Ways and Means on H.B. No. 1044

The purpose of this measure is to offer medical benefits to part-time, temporary, and seasonal or casual public employees at no cost to the employer.

Your Committee finds that providing such benefits to part-time employees would increase medical coverage for citizens of the State at no cost to the public employer and concurrently provide these employees with the opportunity to obtain coverage at a lower premium rate.

As affirmed by the record of votes of the members 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. 1044, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Taniguchi, Anderson).

SCRep. 1409 Ways and Means on H.B. No. 1095

The purpose of this bill is to start the four-year cycle for the process of reviewing the salaries of the trustees of the Office of Hawaiian Affairs.

Your Committee finds that Act 358, Session Laws of Hawaii 1993, originally set forth a scheme in which a salary commission for the trustees would be appointed by the Governor by November 30, 1996, and every four years after that. The commission would then submit any recommendations for a salary increase to the next regular session of the Legislature. However, the salary commission was never appointed and the cycle never started. Your Committee finds that starting this salary review cycle is appropriate.

The bill originally required the first cycle to start this session and required the salary review commission to submit a recommendation to the Legislature by the fortieth day of this session. Your Committee has amended the bill by changing the recommendation date deadline to the fiftieth day of this session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1095, 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. 1095, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, D., Anderson).

SCRep. 1410 Ways and Means on H.B. No. 1149

The purpose of this administration measure is to make an emergency appropriation for the Hawaii Health Systems Corporation.

Specifically, this bill appropriates an unspecified amount for fiscal year 1998-1999 to carry out the purposes set forth in Act 262, Session Laws of Hawaii 1996, which created the Hawaii Health Systems Corporation.

As affirmed by the record of votes of the members 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. 1149, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, Ige, D., Iwase, Nakata, Tam).

SCRep. 1411 Ways and Means on H.B. No. 1165

The purpose of this bill is to extend the repeal date of the Occupational Safety and Health Training and Assistance Fund for four years until July 1, 2003.

This bill also expands the use of the money in the Fund for certification programs to enhance safety and health. Encouraging training through certification programs will provide a safer workplace for employees and reduce costs to employers.

Your Committee finds that the establishment of the Fund has enabled the Department of Labor and Industrial Relations to develop and maintain valuable resources that have contributed to lower business costs. Your Committee finds that the Fund should be continued as it continues to provide a positive means to an essential end.

As affirmed by the record of votes of the members 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. 1165, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1412 Ways and Means on H.B. No. 1177

The purpose of this bill is to allow private marinas and yacht clubs to take custody and dispose of vessels abandoned on their premises.

Private marinas and yacht clubs may be the site of abandoned vessels that detract from their beauty and may threaten the security of other vessels. Providing these marinas and yacht clubs the authority to handle the disposing of these vessels will assist the State with keeping the harbors and state waters safe and attractive.

Your Committee finds that it is important to track these sales that are arranged through private marinas and yacht clubs and to know how each vessel was disposed of or to whom the vessel was sold. Accordingly, your Committee has amended this measure to require that an affidavit of sale or disposal be filed by a repair business, private marina, or yacht club simultaneously with the action of the sale or disposal.

Your Committee has also amended this measure by counting the thirty days after a notice is received instead of mailed when calculating the days before a vessel is considered abandoned and by changing from five calendar days to five business days the number of days a notice will be deemed received after mailing.

As affirmed by the record of votes of the members 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. 1177, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1177, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Taniguchi, Anderson).

SCRep. 1413 Ways and Means on H.B. No. 1575

The purpose of this bill is to appropriate funds for the Millenium Young People's Congress.

The Millenium Young People's Congress is scheduled to be held in Honolulu from October 21 through 29, 1999. Its purpose is for its youth delegates to determine key priorities for sustaining and improving life in every nation. Delegates from one hundred eighty-nine countries will be in attendance, including two delegates from Hawaii. The Congress will have a positive economic impact on Hawaii: in addition to moneys spent in Hawaii by the delegates and their adult escorts, there will be the opportunity for global coverage of the event, which will provide free publicity for the State.

Your Committee finds that the Congress is important to Hawaii's economic development. The moneys appropriated by this Act are designated only for direct services to the youth delegates, including assisting the youth delegates with coordinating the home stays with their host families, transporting them to and from the Congress site, and for their host family support expenses. In particular, your Committee does not intend that any state appropriation be spent on administrative costs of the Congress.

Your Committee has amended the bill by increasing the \$1 appropriation to \$2 for the purposes of furthering 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. 1575, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1575, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Ige, M., Anderson).

SCRep. 1414 Ways and Means on H.B. No. 50

The purpose of this bill is to rephrase the eligibility period for temporary disability benefits from "four completed calendar quarters" to "fifty-two weeks".

Your Committee believes that this clarifying amendment will make it easier for all parties concerned to understand the requirements of the law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 50 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1415 Ways and Means on H.B. No. 154

The purpose of this bill is to provide for the orderly transfer of the licenses, assets, responsibilities, and functions of the Hawaii Public Broadcasting Authority to the Hawaii Public Television Foundation.

The transfer of public television in Hawaii from a state authorized authority with a board appointed by the Governor to a private, not-for-profit organization qualified under section 501(c)(3) of the Internal Revenue Code is an important step for the continuation of public television in the State. The community-based system of the new Hawaii Public Television Foundation will support the educational, cultural, and historical contributions of non-commercial public television programming.

Your Committee finds that this transfer will continue the creative and financial health of public television in 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 is in accord with the intent and purpose of H.B. No. 154, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Ige, M., Anderson).

SCRep. 1416 Ways and Means on H.B. No. 170

The purpose of this bill is to establish an income tax credit equal to half of the long-term care insurance premiums paid by a taxpayer.

This measure allows a resident taxpayer to take a credit against their tax liability for any taxable year in an amount equal to fifty per cent of the premiums paid for long-term care insurance, but not to exceed \$1,000. It includes premiums paid by the taxpayer for long-term care policies for the taxpayer, a dependent, a taxpayer's spouse, or parent.

Your Committee finds that giving taxpayers a credit against their tax liability will encourage taxpayers to provide long-term care for themselves and their families. The more taxpayers who purchase long-term care policies, the lighter the load will be to the State in caring for our aging population.

As affirmed by the record of votes of the members 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. 170, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Iwase, Taniguchi, Anderson).

SCRep. 1417 Ways and Means on H.B. No. 172

The purpose of this bill is to encourage the use of hospice services in Hawaii.

Specifically, this bill:

- (1) Provides that a hospice home is a residential use of property that is not subject to conditional use, permit, variance, or special exceptions for a residence used as a hospice home;
- (2) Defines "hospice home," "hospice service," and "hospice service agency";
- (3) Requires all health insurers, mutual benefit societies, and health maintenance organizations to reimburse hospice care providers for insured members or subscribers for hospice care:
 - (A) A minimum daily rate as set by the Health Care Financing Administration for hospice care; and
 - (B) An amount of \$ per day for room and board expenses directly related to the hospice care being provided in excess of the rate in paragraph (A);
 and
- (4) Provides that each hospice referral visit during which a patient is advised of hospice care options shall be considered a reimbursable benefit regardless of whether the referred patient is eventually admitted to hospice care.

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

- (1) Add language to section 3 of the bill to set certain general parameters for licensing of hospice service agencies and allow the Director of Health to adopt rules; and
- (2) Add a new section 4 to amend section 321-15.7, Hawaii Revised Statutes, to amend the term "hospice" to "hospice home" as defined in this bill in order to have the penalty provision apply to operating a hospice home without a license.

As affirmed by the record of votes of the members 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. 172, 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. 172, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1418 Ways and Means on H.B. No. 248

The purpose of this bill is to clarify that the University of Hawaii may continue to seek legal services from the Attorney General.

Additionally, this bill clarifies that although claims against the university are not general obligations of the State, the State may continue to appropriate state funds to settle those claims.

Your Committee finds that the university's autonomy does not make the university persona nongrata to the State. On the contrary, your Committee finds that recent legislation granting autonomy to the university was part of the Legislature's intent to assist the university in becoming a great university. Your Committee finds that this assistance can also take the form of continued legal services and financial subsidies.

As affirmed by the record of votes of the members 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. 248, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, M., Taniguchi).

SCRep. 1419 Ways and Means on H.B. No. 250

The purpose of this bill is to exempt certain financing agreements of the University of Hawaii from requiring the approval of either the Attorney General or the Director of Finance.

Specifically, this measure exempts financing agreements whose principal amount is not over \$3,000,000.

Your Committee finds that this bill, by removing the requirements for approval, will increase the managerial and fiscal autonomy of the university by allowing the university to secure equipment, goods, and services expeditiously.

As affirmed by the record of votes of the members 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. 250, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, M., Taniguchi).

SCRep. 1420 Ways and Means on H.B. No. 260

The purpose of this bill is to improve the affordability, accessibility, and quality of early childhood services and provide coordination to the early childhood system.

Specifically, this bill creates a child care facilities revolving loan fund to provide start-up or expansion capital to family child care homes and centers that are licensed or are seeking a license. The bill also makes appropriations in unspecified amounts for:

- (1) Child subsidies to each county;
- (2) Accreditation-mentor project for early childhood programs;
- (3) The Good Beginnings Alliance;
- (4) Expansion of families for REAL to specified schools;
- (5) Keiki/family interactive mobile units;
- (6) Child care for parenting teens; and
- (7) Financial assistance to individuals to attain a child development associate credential.

Your Committee is committed to preventing child abuse before it occurs and to improving the quality of life for children and families who may be at-risk. Your Committee finds that many important services for child abuse and child development are provided by private nonprofit entities. If they did not provide the services, the State would have to do so.

As affirmed by the record of votes of the members 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. 260, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Iwase, Anderson).

SCRep. 1421 Ways and Means on H.B. No. 307

The purpose of this bill is to establish a college savings program within the Department of Budget and Finance to enable families to save for college tuition and other expenses.

Furthermore, this measure authorizes the Director of Finance to amend the program to enable participants to obtain federal income tax benefits under section 529 of the Internal Revenue Code.

Your Committee finds that a college savings plan will assist resident and nonresident students alike in meeting the future costs of tuition. Your Committee finds that helping families to save for college education is not only beneficial to the families themselves, but one of the best investments that this State can make in its own people.

As affirmed by the record of votes of the members 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. 307, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Iwase, Nakata, Anderson).

SCRep. 1422 Ways and Means on H.B. No. 314

The purpose of this bill is to allow current management arrangements at the State Aquarium to continue until June 30, 2004.

Your Committee finds that current plans by the University of Hawaii to relocate its aquarium to Kakaako will cause a delay in the transfer of the aquarium's management beyond the scheduled transfer date of June 30, 1999.

Your Committee has amended this measure by changing the effective date from upon approval to June 29, 1999. Your Committee finds that this amendment is necessary because the current management arrangements will cease on June 30, 1999. By making the bill take effect on June 29, 1999, your Committee intends that the extension take effect before existing management ceases by operation of law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 314, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 1423 Ways and Means on H.B. No. 326

The purpose of this bill is to require health insurance coverage for medical foods and low-protein modified food products.

Your Committee finds that certain inborn metabolic diseases, such as phenylketonuria and maple syrup urine disease, can be successfully treated through use of medical foods and low-protein modified food products. Without these special foods, children with these conditions will eventually suffer severe brain damage or death. These foods can cost a family over \$10,000 per year, however, and few health insurance plans cover this cost.

Your Committee finds that a study by the Auditor found that fewer than twenty-five people in the State require this treatment. Thus, mandating coverage will have a minimal impact on the cost of health insurance, while relieving families of a costly burden and ensuring that children can avoid the serious impact of their metabolic disorder.

As affirmed by the record of votes of the members 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. 326, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1424 Ways and Means on H.B. No. 374

The purpose of this bill is to appropriate funds to develop an infrastructure for the efficient delivery of Hawaii-based agricultural products to the marketplace.

Specifically, the funds are to:

- (1) Create distribution and consolidation centers in Hawaii and mainland states;
- (2) Rent warehouse space at each of these sites, including a cooling facility for Hawaii agricultural products;
- (3) Make these sites available for use by agricultural producers and manufacturers from Hawaii for the promotion and sale of their products.

Your Committee finds that in order for Hawaii to effectively compete in the world economy, there must be an efficient marketing system for the State's agricultural products. In part this depends on having a good distribution system, with adequate warehousing and the infrastructure to keep the agricultural products fresh, clean, and attractive. Expecting individual farmers to find their own method

for such distribution is both time-consuming and inefficient. This is an area in which government assistance can be of help, and your Committee finds that this measure will go a long way towards that goal.

Your Committee has amended this bill by changing the \$1 appropriation to \$2.

As affirmed by the record of votes of the members 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. 374, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 374, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1425 Ways and Means on H.B. No. 377

The purpose of this bill is to foster the growth of the high technology industry in Hawaii.

Specifically this measure:

- (1) Consolidates the State's high technology agencies, divisions, and offices, under the coordination of a special advisor for technology development, and creates a Governor's special advisory council for technology development to assist the advisor;
- (2) Offers a tax incentive for technology training or job creation;
- (3) Offers a tax incentive for investments in qualified high technology businesses;
- (4) Offers a tax incentive for investments in high technology research;
- (5) Exempts from excise tax and income tax, royalties due to high technology inventions;
- (6) Authorizes the issuance of special purpose revenue bonds to the Ohana Foundation for the construction of facilities for research, development, technology development, and technology support;
- (7) Integrates high technology with Hawaii's tourism and marketing industries;
- (8) Prohibits the imposition of taxes on Internet access and commerce;
- (9) Establishes the Hawaii Internet Exchange to serve as a catalyst for the development of Internet focused businesses;
- (10) Focuses work force development programs to ensure a pool of technology professionals; and
- (11) Accelerates high speed access to the Internet for the University of Hawaii and the public schools, and establishes educational technology programs within public schools.

Your Committee believes if Hawaii is to overcome its economic hardship it must develop and diversify its economy. This measure will assist Hawaii in taking full advantage of the technological advances in telecommunications and Hawaii's unique geographical location to promote a strong, local, high technology industry.

Your Committee has amended this measure by:

- (1) Correcting certain discrepancies between the text of sections of this bill and the printed version of the Hawaii Revised Statutes; and
- (2) Making technical non-substantive amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 377, 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. 377, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Tam, Taniguchi).

SCRep. 1426 Ways and Means on H.B. No. 424

The purpose of this bill is to provide a self-sustaining method to reforest timber management areas, enhance the public forest reserves, and develop educational programs for the public.

Specifically, this measure requires the income from the sale of certain forest products to be deposited into the forest stewardship fund which shall be used first for replanting, managing, and maintaining designated timber management areas. This measure also

requires the Board of Land and Natural Resources to report annually to the Governor and the Legislature on the status of the finances and the programs supported through the fund.

Your Committee has amended this measure by making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 424, 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. 424, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1427 Ways and Means on H.B. No. 440

The purpose of this bill is to allow the disclosure of investigative information collected through the electronic prescription accountability system to dentists, physicians, osteopaths, podiatrists, and private investigators and guards who are registered with the Department of Public Safety to administer, prescribe, or dispense controlled substances.

In addition, this bill:

- (1) Allows the disclosure of investigative information collected through the electronic prescription accountability system to law enforcement officers and agencies in the pursuit of ongoing criminal investigations and prosecutions outside their respective jurisdictions; and
- (2) Appropriates \$50,862 out of the controlled substance registration revolving fund to the Department of Public Safety for fiscal year 1999-2000, for one full-time equivalent (1.00 FTE) data processing systems analyst IV position and other current expenses to carry out the purpose of this measure.

Your Committee finds that doctors who are registered with the Department of Public Safety to administer, prescribe, or dispense controlled substances are the State's first and best weapon in the ongoing battle against prescription drug abuse.

Your Committee has amended this bill by:

- (1) Deleting the provision authorizing the disclosure of investigative information to persons registered under chapter 463 (private investigators and guards), Hawaii Revised Statutes, since private investigators and guards are not authorized to administer, prescribe, or dispense controlled substances; and
- (2) Making a technical nonsubstantive change for purposes of clarity.

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

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1428 Ways and Means on H.B. No. 547

The purpose of this bill is to increase the number of organs for transplantation by:

- (1) Authorizing the collection of \$1 beginning July 1, 2000, from persons or entities registering a motor vehicle to be deposited into a newly created Hawaii organ and tissue education special fund;
- (2) Authorizing the examiner of drivers to adopt rules to allow an organ procurement organization twenty-four-hour telephone access to the driver's license database solely for the purpose of determining whether a driver has indicated a willingness to be an organ donor;
- (3) Requiring each acute care hospital in Hawaii to develop protocols by July 1, 2000 to require the reporting of deaths to the local organ procurement organization to determine the suitability of the individual for organ, tissue, and eye donation;
- (4) Establishing an organ and tissue education special fund from which an as yet unspecified grant would be expended by the Organ Donor Center of Hawaii for educational purposes in the area of organ donation; and
- (5) Requiring the Department of Health and the Organ Donor Center of Hawaii to submit a report to the Legislature twenty days before the Regular Session of 2003, on the deposits and disbursements from the special fund and report on the effectiveness of its use towards increasing organ donations.

Your Committee finds that the medical community has moved faster and farther in their efforts to extend and improve the quality of life through the technological advances of organ transplantation. However, the general community has not reached the same level of appreciation of these medical marvels by willingly donating needed organs at the time of death. Therefore, there is more demand for organs than supply and many patients die while waiting for a suitable organ to become available. This bill is designed to increase public awareness through education campaigns funded from the organ and tissue education special fund, and also to develop hospital protocols to increase the likelihood that families of dying patients will be asked whether they would be willing to consent to the donation of the decedent's organs. It is hoped that through these efforts fewer patients will have to spend years on the waiting list to have an organ transplant.

Your Committee has amended this bill by making technical nonsubstantive changes as follows:

- (1) On page 2, corrected section 327-C to 327-B;
- (2) On page 3, removed an unnecessary phrase, "when the information is requested pursuant to section 327-A"; and
- (3) On page 6, corrected "decedent" to "donor".

As affirmed by the record of votes of the members 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. 547, 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. 547, H.D. 3, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1429 Ways and Means on H.B. No. 645

The purpose of this bill is to provide an alternative to the disbursement of burial grant funds for World War II Filipino veterans.

Your Committee finds that a World War II Filipino veteran who dies after June 30, 1994, and who is, at the time of the veteran's death, a United States citizen and a Hawaii resident, is entitled to receive a burial grant from the Office of Veterans' Services to pay for the cost of providing funeral and burial services for the deceased veteran and transporting the remains of the deceased veteran to the Philippines.

However, in order to qualify for this burial grant, the Filipino veteran's survivor or an interested party must produce an itemized paid invoice showing the specific services rendered on behalf of the deceased veteran. Because of the tremendous upfront costs associated with funeral and burial services, and transportation to the Philippines, some World War II Filipino veterans, including the families and friends of these veterans, cannot afford to pay for these services in advance. Because of these financial constraints, the bodies of some deceased veterans have had to "sit on ice" for weeks until the deceased veteran's survivor or interested parties could raise the necessary funds to pay the mortuary for funeral and other related services.

Your Committee finds that this bill seeks to correct this injustice to World War II Filipino veterans by requiring the Office of Veterans' Services, at the request of a deceased Filipino veteran's survivor or an interested party, to receive, review, and approve requests for direct payments to a mortuary or crematory for providing funeral and burial services, and for transporting the veteran's remains to the Philippines, upon the submission of an invoice reflecting that the services will be satisfactorily performed on behalf of the deceased World War II Filipino veteran.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by:

- (1) Adding a new section appropriating \$1 in fiscal year 1999-2000 for the purposes of this Act to be expended by the Office of Veterans' Services; and
- (2) Amending the effective date section to specify that the appropriation section is to take effect on July 1, 1999.

As affirmed by the record of votes of the members 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. 645, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 645, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, Ige, D., Iwase, Nakata, Tam).

SCRep. 1430 Ways and Means on H.B. No. 719

The purpose of this bill is to increase the motor vehicle special registration fee for highway beautification from \$1 to \$3 for all vehicles except U-drive motor vehicles.

Your Committee finds that the motor vehicle registration fee as provided in this measure will go into the highway beautification and disposal of abandoned vehicles revolving fund. As a place of natural beauty, Hawaii's roadways need to be kept free of unsightly

abandoned cars and beautified with natural shrubbery. A small fee added to the motor vehicle registration can go a long way towards defraying expenses involved in highway beautification. Yet each individual vehicle owner would not pay an exorbitant price for this benefit.

As affirmed by the record of votes of the members 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. 719, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, Ige, D., Ige, M., Iwase, Nakata, Tam).

SCRep. 1431 Ways and Means on H.B. No. 978

The purpose of this bill is to support the growth of diversified agriculture by encouraging private lenders to provide agricultural loans to farmers through Department of Agriculture guaranteed loans.

The bill authorizes the Department of Agriculture to guarantee loans of up to ninety per cent of the principal amount. Some restrictions apply with interest set at two per cent above the prime rate charged by the lender. The bill also provides a one-time insurance fee of two per cent of the principal amount payable by the lender to the department.

Your Committee has amended the bill by making a technical change that has no substantive effect.

As affirmed by the record of votes of the members 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. 978, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 978, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Taniguchi, Anderson).

SCRep. 1432 Ways and Means on H.B. No. 979

The purpose of this bill is to assist agricultural loan applicants by enhancing the Department of Agriculture's agricultural loan program.

This bill expands an applicant's lender choices by amending the definition of "private lender" to include credit unions and by changing the reference to "farm credit system bank" to "members of the farm credit system". The bill also allows the department to service and collect on its portion of participation loans with private lenders to eliminate lender collection fees.

As affirmed by the record of votes of the members 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. 979, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1433 Ways and Means on H.B. No. 988

The purpose of this bill is to make an emergency appropriation to implement year 2000 compliance efforts.

This measure appropriates an unspecified amount to allow for testing, modification, and support of the State's computer system for year 2000 compliance. Although funds were appropriated previously for this project in Act 116, Session Laws of 1998, unanticipated application modifications, equipment, software, and services are required to complete the project and allocated funds are depleted.

Your Committee recognizes the critical nature of this project and finds that a funding emergency exists. Your Committee has amended this measure by ensuring that any emergency funds appropriated for the 1998-1999 fiscal year do not lapse at the end of the 1998-1999 fiscal year, and may be carried over to fiscal year 1999-2000.

As affirmed by the record of votes of the members 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. 988, 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. 988, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Nakata, Anderson).

SCRep. 1434 Ways and Means on H.B. No. 1020

The purpose of this bill is to ensure the continued availability of the Business Loan Guarantee Program.

The bill also provides an extension of the neighbor island preferential business loan interest rate.

Your Committee finds that loans for small businesses to finance construction, the purchase of equipment, and to acquire working capital is necessary to stimulate our economy and to provide needed government assistance in these trying fiscal times.

Your Committee, however, finds that further discussion on this measure in conference is necessary in light of on-going budgetary issues that directly affect the purposes of this bill. Therefore, your Committee has amended the bill by changing the effective date to June 29, 2010 to accommodate that 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. 1020, 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. 1020, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1435 Ways and Means on H.B. No. 1026

The purpose of this bill is to extend the low-income housing income tax credit to the premium tax liability of insurance companies.

The Hawaii state income tax law allows a credit against income tax liability for participation in low-income housing to the extent section 235-110.8 and corresponding Internal Revenue Code sections provide. Current law does not allow insurance companies the tax advantage of participation in low-income housing because they are taxed on their premiums earned under the insurance code, specifically under section 431:7-202. This measure extends the same low-income housing credit under the income tax law to apply to the premium tax liability of insurance companies.

Your Committee finds that allowing insurance companies to participate in the tax advantages of providing low-income housing may be an incentive to develop more affordable housing that is so dramatically needed 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 is in accord with the intent and purpose of H.B. No. 1026, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Nakata).

SCRep. 1436 Ways and Means on H.B. No. 1042

The purpose of this bill is to allow the board of trustees of the public employees health fund to contract for more than one type of health benefits plan for medical, drug, vision, and dental benefits, and to repeal the law requiring these plans to be offered on a statewide basis.

Your Committee finds that providing the board of trustees of the public employees health fund with the flexibility to contract for more than one type of health benefits plan for medical, drug, vision, and dental benefits could increase the value of the benefits offered to plan subscribers by fostering greater competition among providers of health care 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. 1042, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Taniguchi, Anderson).

SCRep. 1437 Ways and Means on H.B. No. 1121

The purpose of this administration measure is to repeal the sunset date of Act 128, Session Laws of Hawaii 1997, that allows felons convicted for controlled substance crimes to receive temporary assistance to needy families (TANF) benefits and to receive food stamps.

Act 128 was enacted in response to federal welfare reform legislation, Public Law 104-193, that prohibited felons convicted of crimes that had the element of possession, use, or distribution of a controlled substance from participating in TANF and receiving food stamps, unless states opted out of the prohibition, as the State did in Act 128. The repeal of the sunset provision of two years allows these convicted felons to continue to receive TANF assistance and food stamps.

Your Committee finds that there are strong policy considerations for this measure. Withholding TANF benefits and food stamps for needy families could push individuals who have served their time deeper into poverty and could overburden already limited local resources leading to: increased homelessness, hunger, family breakup, child abuse and neglect, deteriorating educational achievement for children, poor overall health and an increase in health-related expenditures, and increased costs for the criminal justice system from repeat offenders who return to crime because of persistent poverty and desperation.

As affirmed by the record of votes of the members 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. 1121 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Ige, M., Anderson).

SCRep. 1438 Ways and Means on H.B. No. 1138

The purpose of this bill is to authorize the Department of Health to conduct epidemiological investigations to determine the nature and extent of diseases and injuries deemed by the Department to threaten the public health and safety.

In addition, this bill:

- (1) Requires every person, health care provider, and medical facility to provide specific patient information, clinical signs and symptoms, laboratory test results, diagnostic interview data, treatment provided, and the disposition of the patient for the purpose of conducting an epidemiological investigation;
- (2) Prohibits any person, health care provider, or medical facility that provides information for the purpose of conducting an epidemiological investigation from being held civilly or criminally liable for providing that information;
- (3) Requires all information provided for the purpose of conducting an epidemiological investigation to be kept strictly confidential, except as the Director of Health determines is necessary to protect the public health and safety; and
- (4) Allows the identities of individuals whose medical records are investigated to be disclosed only to those persons authorized to conduct a specific epidemiological investigation or to protect the health and safety of the public.

Your Committee has amended this bill by adding in the contents of H.B. No. 1663, H.D. 2, S.D. 1, which appropriates \$1 out of the environmental response revolving fund for fiscal year 1999-2000, for the Department of Health to conduct soil testing at Village Park and West Loch Fairways to investigate anecdotal evidence that contaminated soil may be the cause--or a contributing cause--of the illnesses, and the physical and learning disabilities of children and families living in Village Park and West Loch Fairways.

As affirmed by the record of votes of the members 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. 1138, 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. 1138, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, Ige, D., Iwase, Nakata, Tam).

SCRep. 1439 Ways and Means on H.B. No. 1162

The purpose of this bill is to increase the civil penalty for boiler and elevator safety violations from \$1,000 to \$10,000.

Additionally, this measure ensures the continued exemption of the boiler and elevator safety revolving fund from overhead assessments for central services. Furthermore, this bill clarifies that amusement rides are also covered under the boiler and elevator safety laws.

Your Committee believes that increased civil penalties and the continued exemption of the revolving fund from central services cost-sharing will enable the Department of Labor and Industrial Relations to deliver increased protection to the public from the dangers inherent in equipment such as boilers, elevators, and amusement rides.

As affirmed by the record of votes of the members 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. 1162, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, D., Anderson).

SCRep. 1440 Ways and Means on H.B. No. 1166

The purpose of this bill is to specify that contracts funded through the employment and training fund for any of the specified purposes of the fund are exempt from the public procurement code.

This bill also removes obsolete references to grants and subsidies being exempt from requirements pertaining to grants and subsidies.

Your Committee finds that clarifying amendments are necessary to reflect the reality that the fund operates through the disbursements of contracts rather than the disbursements of grants and subsidies. Furthermore, your Committee finds that the continued success of the fund requires flexibility from the constraints of the public procurement code and related laws.

Your Committee has amended this measure by also exempting disbursements from the fund from the requirements of chapter 103F, Hawaii Revised Statutes, pertaining to the purchases of health and 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 H.B. No. 1166, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1166, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1441 Ways and Means on H.B. No. 1168

The purpose of this bill is to continue the fees for the public library's enhanced services program by extending the repeal date of Act 327, Session Laws of Hawaii 1993, from July 1, 1999, to July 1, 2002.

Your Committee finds that the enhanced service program, which was started after the adoption of Act 327, has enabled libraries to provide better service to the reading public. The fees collected are used for purchases that would have been severely curtailed due to the current economic crisis in the State. A 1998 Auditor's report found the enhanced services program has been successful and that library patrons support this effort to provide quality service.

As affirmed by the record of votes of the members 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. 1168, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, M., Taniguchi).

SCRep. 1442 Ways and Means on H.B. No. 1367

The purpose of this bill is to make appropriations of unspecified sums for each of the following programs, services, or personnel for each of the next two fiscal years:

- (1) To the Department of Health for implementation of child death review teams;
- (2) To the Attorney General for positions for deputy attorneys general for the family law division to handle child abuse cases;
- (3) For the medical/health case management system:
 - (A) To the Department of Human Services for one half-time equivalent permanent physician position for consultation and forensic review of cases to prevent child abuse;
 - (B) To the Department of Health to fill eleven vacant public health nursing positions;
- (4) To the Department of Health for the Hawaii Children's Trust Fund;
- (5) To the Department of Health for the Healthy Start program for services for families identified as "at-risk";
- (6) To the Department of Health and the Department of Human Services for substance abuse treatment services for pregnant and parenting women and their families;
- (7) To the Department of Human Services for staffing and services for the neighborhood places program (Blueprint for Change);
- (8) To the Department of Human Services for training of foster parents and to increase foster board payments for children with special needs; and
- (9) To the Department of Health for psychosocial support services to increase the capacity of parent line and home reach 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. 1367, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Ige, M., Anderson).

SCRep. 1443 Ways and Means on H.B. No. 1197

The purpose of this measure is to conform the Hawaii income tax law to subtitle A, chapter 1 of the Internal Revenue Code (IRC) as it applies to the determination of gross income, adjusted gross income, ordinary income, loss, and taxable income.

Your Committee received testimony in support of this measure from the Department of Taxation. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that this is an annual conformity measure submitted by the Department of Taxation in compliance with section 235-2.3, Hawaii Revised Statutes (HRS), requiring the department to maintain state income tax conformance with the federal code. The purpose of conformity is to update the state income tax law with respect to the definition of income with those changes made to the IRC during the past year, and to adopt those changes that are appropriate to Hawaii law.

Your Committee further finds that the changes adopted by conforming to federal law include increasing the deduction for health insurance for self-employed taxpayers from forty percent to forty-five percent in 1998, sixty percent for 1999 to 2001, seventy percent in 2002, and one hundred percent in 2003; increasing the employer deduction allowed for monthly parking from \$155 to \$175 per month and for transit passes from \$60 to \$65 per month; clarification of computing adjusted gross income for purposes of qualifying for Roth IRA contributions and accelerating the inclusion period for Roth IRA rollovers in certain situations; and clarification of the reduced exclusion on the sale of a principal residence.

Your Committee has amended this measure to delete the proposed Section 235-2.4(p), HRS, with respect to taxable year of trusts, Section 644 of the IRC. With the repeal of Section 235-2.4(n), HRS, the proposed new language is unnecessary. Your Committee has made technical amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1197, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1197, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Tam, Anderson).

SCRep. 1444 Ways and Means on H.B. No. 1413

The purpose of this bill is to require the Department of Human Services to apply the actuarially valid risk factor adjustment derived from actual QUEST member experience in calculating its compensation to QUEST providers.

This bill is intended to adequately compensate community health centers for treating the sickest and poorest of Hawaii's population. Your Committee believes that the State has an obligation to community health centers to keep them financially viable in order that they can continue to render necessary medical services. Without community health centers, this population would go without medical 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 H.B. No. 1413, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Iwase, Nakata, Tam).

SCRep. 1445 Ways and Means on H.B. No. 1416

The purpose of this bill is to amend the Employees' Retirement System law to:

- (1) Allow deputy sheriffs to retire without penalty after twenty-five years of service, if their last five years of service were in that capacity;
- (2) Allow qualified contributory class members to convert their membership status to noncontributory and obtain a refund of their contributions in cases of financial hardship;
- (3) Allow the chairpersons and members of the public utilities commission, labor and industrial relations appeals board, and the Hawaii labor relations board to become class A contributory members of the retirement system.

Your Committee finds that retirement benefits for the groups mentioned above should be in line with the benefits provided other similar public employees. For example, deputy sheriffs are like other law enforcement officers with certain responsibilities and duties affecting their safety and well-being. The chairpersons and members of the public utilities commission, labor and industrial relations appeals board, and the Hawaii labor relations board are also similarly situated in terms of their duties as other officers of state commissions that work in non-advisory capacities.

Lastly, your Committee finds that under the current economic crisis that has lasted more than five years in this State, any employee who has had serious financial hardship due to illness or other responsibilities should have a chance to rectify those debts by converting a class A membership to a class C membership and withdrawing the member's contributions. Your Committee recognizes that this decision could have severe repercussions upon the member's retirement benefits and would require serious consideration before being taken as a final, irrevocable step.

As affirmed by the record of votes of the members 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. 1416, 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. 1416, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Taniguchi, Anderson).

SCRep. 1446 Ways and Means on H.B. No. 1628

The purpose of this bill is to allow the Department of Agriculture to underwrite and service agricultural loans with cooperating private lenders and government loan programs.

Generally, interest rates on loans made under this bill are limited to two per cent above the prime interest rate. The bill also allows the Department and a cooperating lender to charge an application filing fee and establish underwriting criteria by way of a memorandum of agreement.

Your Committee has amended the bill by including section 155-13, Hawaii Revised Statutes, relating to repayment and refinancing within the restrictions applicable to loans made under this bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1628, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1628, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1447 Ways and Means on H.B. No. 1641

The purpose of this bill is to appropriate funds for medically underserved populations.

Specifically, this bill appropriates unspecified amounts to:

- (1) Support primary health care for medically underserved populations in section 2 of the bill; and
- (2) Provide health care services for the uninsured at eight community health centers on three islands in section 3 of the bill.

Your Committee finds that the need to support health care for medically underserved populations is critical. It is well known that these patients have disproportionately more serious and chronic diseases than the general population. Their only source of medical care is community health centers which are considered primary health care providers. The situation is especially critical for children who need adequate medical care and attention in order to grow and develop properly and to reach their full learning potential.

Upon further consideration, your Committee has amended this bill by specifying \$1 in appropriations in both sections 2 and 3 of the bill for purposes of further discussion. Your Committee has also made several technical, nonsubstantive, and grammatical amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641, 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. 1641, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Iwase, Nakata, Anderson).

SCRep. 1448 Ways and Means on H.B. No. 1675

The purpose of this bill is to extend the time to process individual Hawaiian home lands trust claims until December 31, 2001.

In addition, this bill:

- (1) Establishes a special account in the Hawaiian home lands trust fund for the purpose of compensating successful claimants who were awarded a monetary judgment by the Hawaiian Home Lands Trust Individual Claims Review Panel under chapter 674, Hawaii Revised Statutes;
- (2) Transfers the cash value credit of \$14,498,565 to the special account in the Hawaiian home lands trust fund that the State sought to obtain from the Department of Hawaiian Home Lands for lands conveyed by Act 95, Session Laws of Hawaii 1996, for settlement payments owned under chapter 673;
- (3) Sunsets the special account on June 30, 2004;
- (4) Authorizes the issuance of general obligation bonds in the amount of \$1,936,111 to cover the additional amount necessary to compensate successful claimants who were awarded a monetary judgment by the Hawaiian Home Lands Trust Individual Claims Review Panel under chapter 674, Hawaii Revised Statutes; and

- (5) Provides that the awards authorized by the Hawaiian Home Lands Trust Individual Claims Review Panel in either their 1997 or 1999 reports and settled under this measure shall not serve as a precedent for any other unresolved claims brought under chapter 674, Hawaii Revised Statutes.

Your Committee finds that the entire Hawaiian home lands trust issue dealing with individual claims has taken too long, leaving the claimants with no closure many years after its original conception. Unfortunately, the current poor condition of the State's economy combined with unresolved court rulings in this area mean that speedy resolution of this issue is not forthcoming. Your Committee agrees with the report of your Committee on Water, Land, and Hawaiian Affairs that successful claimants should be compensated by "requiring the Department of Hawaiian Home Lands to expend funds from the Hawaiian Home Lands Trust Fund." It is toward this end that your Committee agrees that the cash value credit of \$14,498,565 for the settlement for lands conveyed by Act 95, Session Laws of Hawaii 1996, be made to the Department of Hawaiian Home Lands. By providing that this authorization shall not serve as precedent in the future for any other unresolved claims brought under chapter 674, Hawaii Revised Statutes, your Committee believes that these payments should conclude the successful claimants' long wait.

As affirmed by the record of votes of the members 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, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, D., Anderson).

SCRep. 1449 Ways and Means on H.B. No. 1683

The purpose of this bill is to establish a high technology research park at the research park of the University of Hawaii at Hilo.

This measure also authorizes the High Technology Development Corporation, attached to the Department of Business, Economic Development, and Tourism, to render services to the University of Hawaii at Hilo to develop the high technology research park.

Your Committee finds that development of a high technology park is necessary to draw the high technology industry to the State. Furthermore, your Committee finds that the research park at the University of Hawaii at Hilo offers an ideal location for high technology development. The park currently houses base facilities that can be adapted to serve high technology needs, especially in the area of biotechnology.

Your Committee has amended this measure by making some technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1683, 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. 1683, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Nakata).

SCRep. 1450 Ways and Means on H.B. No. 1693

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for Honolulu Neighborhood Housing Services, Inc., a not-for-profit corporation that provides health care facilities.

Honolulu Neighborhood Housing Services, Inc., is engaged in the development of senior citizen lifecare retirement communities. Your Committee finds that the average life expectancy of citizens of Hawaii is longer than for citizens of other states. This means that the number of senior citizens who may require assistance in their later years and who may be interested in living in retirement homes can be expected to increase. It is important to begin planning for these lifecare arrangements before our population ages and needs these services. In fact, there is already a need for a certain amount of lifecare housing communities as the culture of extended family living dwindles and the elders are left on their own because two-income families in smaller homes are the norm and not the exception. Therefore, your Committee finds that authorizing the issuance of these special purpose revenue bonds is a recognition of the State's responsibility towards our aging population well before the need becomes too severe and the cost too high.

Your Committee has amended this bill to require community input in addition to the other requirements listed in Section 3 and made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1693, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1693, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, Ige, D., Iwase, Nakata, Tam).

SCRep. 1451 Economic Development on S.C.R. No. 85

The purpose of this measure is to request the extension of the Commission to establish the Hawaii Sports Hall of Fame until June 9, 2001.

Your Committee received testimony in support of this measure from Bank of Hawaii.

Your Committee finds that the Commission and its dedicated volunteers have established the Hawaii Sports Hall of Fame, honored fifty-seven sports heroes, created a website and cyber-museum, and launched a series of displays to commemorate the achievements of Hawaii's sports legends. Your Committee further finds that the Commission relies on private contributions, fundraising activities, and volunteers to accomplish its work.

Your Committee supports the continued work of the Commission to ensure the preservation of Hawaii's sports legends and history for future generations to enjoy and appreciate.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, M., Taniguchi).

SCRep. 1452 Economic Development on S.C.R. No. 163

The purpose of this measure is to designate the Ala Wai Canal as the international home of Hawaiian outrigger canoe paddling and training.

Your Committee received testimony in support of this measure from the Ala Wai Canal Watershed Improvement Project Advisory Committee.

Your Committee finds that the Ala Wai Canal Advisory Committee consists of fifty-three community representatives, committed to improving the Ala Wai watershed through partnering efforts with federal, State, and city agencies under a managed grant from the U.S. Environmental Protection Agency. Your Committee finds that this measure supports those efforts of the Ala Wai community to ensure that the Ala Wai Canal continues to benefit recreational users.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 163, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, M., Taniguchi).

SCRep. 1453 Economic Development on S.R. No. 71

The purpose of this measure is to designate the Ala Wai Canal as the international home of Hawaiian outrigger canoe paddling and training.

Your Committee received testimony in support of this measure from the Ala Wai Canal Watershed Improvement Project Advisory Committee.

Your Committee finds that the Ala Wai Canal Advisory Committee consists of fifty-three community representatives, committed to improving the Ala Wai watershed through partnering efforts with federal, State, and city agencies under a managed grant from the U.S. Environmental Protection Agency. Your Committee finds that this measure supports those efforts of the Ala Wai community to ensure that the Ala Wai Canal continues to benefit recreational users.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 71, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, M., Taniguchi).

SCRep. 1454 Transportation and Intergovernmental Affairs on Gov. Msg. No. 192

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. 192 DAVID A. KAKU, M.D., for a term to expire June 30, 2002,

Upon review of the resumes and background information submitted by David A. Kaku, M.D., your Committee finds that Dr. Kaku graduated from the Yale University School of Medicine and was awarded the James Campbell Prize for attaining the highest rank in examinations. His post graduate training includes an internship in internal medicine and residency in neurology at the University of

California, San Francisco, a fellowship in Neuroscience at the Stanford School of Medicine, and a fellowship in Neuromuscular Diseases at the Louisiana State University School of Medicine. Dr. Kaku is board certified by the American Academy of Psychiatry and Neurology and the American Board of Electrodiagnostic Medicine. In addition, Dr. Kaku was previously appointed to the Medical Advisory Board in September of 1998 on an interim basis.

Testimony in support of David A. Kaku, M.D., was received from the Department of Transportation and two individuals.

Your Committee believes that David A. Kaku, M.D., with his educational background and experience, would be an asset to the Medical Advisory Board.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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, 2 (Iwase, Taniguchi).

SCRep. 1455 Transportation and Intergovernmental Affairs on Gov. Msg. No. 195

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 195 RUDY MIRANDA, for a term to expire June 30, 2003, and

ALFRED WONG, for a term to expire on June 30, 2003,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that Rudy Miranda is a part-time teacher at Waimea High School with over thirteen years of carpentry experience working for Hawaiian Dredging, Kiewit Pacific and also as a Field Representative for the Hawaii Carpenters Union, Kauai Division.

Testimony in support of Rudy Miranda was received from the Department of Transportation.

Upon review of the resume and other background information submitted by the nominee, your Committee finds that Alfred Wong has served as a member of the Commission the past four years. He also worked at the Pearl Harbor Naval Shipyard for fifty years.

Testimony in support of Alfred Wong was received from the Department of Transportation, U.S. Department of Transportation, Pacific Ocean Division, U.S. Army Corps of Engineers, the Mayor of the County of Kauai, Chairman of the Honolulu City Council, and two individuals.

Testimony indicated that Alfred Wong has a long history of outstanding service and significant contributions at the federal, state, and local level. He personally involves himself in aiding government related projects and has served on the State's Military Affairs Committee and Judiciary Pay Raise Committee as well as the Liquor Commission and the Parks and Recreation Committee of the City and County of Honolulu.

Your Committee believes that the nominees are dedicated to public service and will be valuable assets to the Commission on Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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, 2 (Iwase, Taniguchi).

SCRep. 1456 Transportation and Intergovernmental Affairs on Gov. Msg. No. 214

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 214 ALBERT "BENNY" RODERO, for a term to expire June 30, 2002,

GABRIEL K. KILAKALUA, JR., for a term to expire June 30, 2003, and

Upon review of the background information submitted by Gabriel K. Kilakalua, Jr., your Committee finds that Mr. Kilakalua had served on the Civil Defense Advisory Council from May, 1984, to June, 1992, and was again appointed from July, 1995, to June, 1999. He served as a district coordinator for the Oahu Civil Defense Agency and a law enforcement officer with the Honolulu Police Department handicapped program, graduated from the Honolulu Police Department Citizen Police Academy, and founded the District 3 Civil Defense Volunteers Association, Inc.

Testimony in support of Gabriel K. Kilakalua, Jr., was received from the House Representative of the 44th District and the Adjutant General and Director of Civil Defense.

Upon review of the background information submitted by Albert "Benny" Rodero, your Committee finds that Mr. Rodero has served on the Civil Defense Advisory Council from August, 1994, to June, 1995, and reappointed from July, 1995, to June, 1999. Mr. Rodero is also the president of the board for Hamakua Coast Community Federal Credit Union.

Testimony in support of Albert "Benny" Rodero was received from the Adjutant General and Director of Civil Defense and two individuals.

Testimony indicated that the nominees are very active in and have made significant contributions to their respective communities. Your Committee diligently questioned the nominees on their experiences, visions, and priorities as members of the council. Your Committee believes that the nominees adequately responded to the Committee's inquiries and would continue to be assets to the Civil Defense Advisory Council.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Buen, Ige, D., Iwase).

SCRep. 1457 Transportation and Intergovernmental Affairs on Gov. Msg. No. 224

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 224 TOY G. GRICE, for a term to expire June 30, 2003, and

EDWARD M. KAWAMURA, for a term to expire June 30, 2003,

Upon review of the resume and background information submitted by Toy G. Grice, your Committee finds that Mr. Grice served in the U.S. Air Force from June 3, 1951, to July 1, 1973. During his military service, Mr. Grice received the U.S. Air Force Commendation Medal with three clusters and other awards, citations, and honors. Thereafter, Mr. Grice began a career with the U.S. Department of Veterans Affairs. He started as a veterans benefits counselor and rose to become the chief of the veterans services division prior to retiring in 1992. Mr. Grice also served as president of the Alpha Phi Alpha Fraternity and participates in the Pearl Harbor Kiwanis Club and the Pearlridge Community Association. In addition, he is a life member of the Veterans of Foreign Wars, Disabled American Veterans, and American Legion.

Testimony in support of Toy G. Grice was received from the Adjutant General of the Department of Defense, Director of the Office of Veterans Services, and two individuals.

Upon review of the background information submitted by Edward M. Kawamura, your Committee finds that Mr. Kawamura served in the U.S. Army from 1958 to 1978. During his military service, Mr. Kawamura received honors and awards including the Bronze Star, Army Commendation Medal, and Armed Forces Expeditionary Medal. Thereafter, Mr. Kawamura began a successful business career with his business, M. Kawamura Farm Enterprises, Inc. He has served as president of the Kauai Veterans Council and the Kauai Vietnam Era Veterans.

Testimony in support of Edward M. Kawamura was received from the Adjutant General of the Department of Defense, Director of the Office of Veterans Services, and one individual.

Your Committee questioned the nominees who are both seeking reappointment to the Advisory Board on Veterans' Services. Your Committee believes that the nominees adequately responded to the Committee's inquiries, that they will bring considerable experience and skill to the board, and that they are devoted advocates for veterans.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Buen, Ige, D., Iwase).

SCRep. 1458 Ways and Means on H.B. No. 1172

The purpose of this measure is to provide a permanent source of funding for the Bureau of Conveyances.

The measure accomplishes this by:

- (1) Creating the Bureau of Conveyances Special Fund;
- (2) Requiring the balance of all fees other than the special mortgage recording fee and the \$15 for the general fund for each document recorded at the Bureau, to be deposited into the Bureau of Conveyances Special Fund;
- (3) Authorizing the Bureau to pay for equipment, software, administrative costs, personnel, and improvements necessary for modernization of the recording system out of the Bureau Special Fund;
- (4) Diverting the deposit of conveyance taxes into the Bureau of Conveyances Special Fund rather than into the general fund; and
- (5) Appropriating \$3,000,000 from the Bureau of Conveyances Special Fund to the Department of Land and Natural Resources.

Your Committee finds that returning the conveyance tax revenues to the Bureau of Conveyances Special Fund to plan, implement, and operate a recording system is an effective and efficient way to finance the needs of the Bureau.

As affirmed by the record of votes of the members 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. 1172, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Ige, D., Anderson).

SCRep. 1459 Ways and Means on H.B. No. 274

The purpose of this bill is to improve Hawaii's child protective system.

Specifically, this bill:

- (1) Mandates training for foster parents of licensed foster homes;
- (2) Provides for protective custody of a child without a court order;
- (3) Requires reporting of child abuse and neglect; and
- (4) Establishes a medical case management procedure for medical oversight of children in the child protective services system.

Your Committee finds that implementing these actions will improve children's well-being in the State. The medical and health case management is necessary as children in foster care often are moved from doctor to doctor, and in the past have been deprived of consistent follow-up to ensure that their health needs are met. Foster parents training will assist foster parents in providing effective foster care. Allowing a police officer to assume protective custody of a child without a court order will provide children with emergency protection in situations where it is not feasible to first obtain a court order.

The bill also requires guardians ad litem to receive training or be determined to have equivalent experience by the senior family court judge, and requires children who have been residing outside the family home for an extended length of time to have a show cause or permanent plan hearing set.

Your Committee has amended this bill by correcting a discrepancy between the text of the bill and the printed version of the Hawaii Revised Statutes, and by making other technical nonsubstantive amendments for purposes of clarification.

As affirmed by the record of votes of the members 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. 274, 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. 274, H.D. 3, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1460 Ways and Means on H.B. No. 510

The purpose of this bill is to allow the Board of Education to hire its own legal counsel to assist the Department of Education with issues involving children with disabilities.

Your Committee finds that the Felix v. Waihee decision found that the State of Hawaii has not been providing sufficient educational and mental health services to certain students with disabilities. Since 1994, the time of the Felix consent decree, the Department of Education has not been able to obtain sufficient legal representation in lawsuits brought by parents of some of these students. Your Committee finds that the board needs the ability to hire its own legal counsel to assist the department in its issues involving children with disabilities. Your Committee further finds that all services to be provided should be of benefit at the school level, for both school personnel and the families of concerned children.

Your Committee has amended the bill by adding the words "or retained" at page 2, line 7, and by making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 510, 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. 510, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 1461 Ways and Means on H.B. No. 512

The purpose of this bill is to make an appropriation to develop an early childhood education center for infants and children up to four years of age in the Kalihi section of Honolulu.

Your Committee finds that early education is a crucial factor in child development and that failure to provide adequate stimulation during these crucial years can have a lasting negative effect on a child's educational potential. Early education centers can provide age-appropriate developmental services to infants and young children and educate their parents about providing a developmentally nurturing environment for their children.

Your Committee has amended the bill by making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 512, 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. 512, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Nakata, Anderson).

SCRep. 1462 Ways and Means on H.B. No. 519

The purpose of this bill is to extend the sunset date of the Hawaii Teacher Standards Board to June 30, 2010. This bill also staggers the initial terms of the seven members to be appointed to the Hawaii Teacher Standards Board after June 30, 2000, excluding the two members who serve in an ex officio capacity.

Your Committee finds that the continued existence of the Hawaii Teacher Standards Board is essential to ensuring that our public school students are taught by qualified teaching professionals. Your Committee also finds that the Hawaii Teacher Standards Board has done outstanding work in the past and should be permitted to continue its work into the future, subject to satisfactory evaluations.

Your Committee also finds that the terms of present members of the Board, excluding the ex officio members, will all expire on June 30, 2001. Although this current period of stability (in terms of membership) has allowed the Hawaii Teacher Standards Board to make remarkable progress in the short time that it has been in existence, your Committee recognizes the importance of tempering the desire for short-term gains and results against the need for long-term stability and consistency. In the long-term, staggering the terms of board members can result in more stable and consistent decision making as it permits new members to draw on the institutional knowledge and experience of veteran members.

Your Committee has amended this bill by clarifying that only the initial terms of the appointed members that commence after June 30, 2000 (or beginning July 1, 2000), are to be staggered by the Governor.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 519, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 1463 Ways and Means on H.B. No. 522

The purpose of this bill is to transfer administrative control of the school-to-work opportunities pilot project from the Hawaii school-to-work opportunities executive council to the Department of Education, and to make the executive council an advisory body to the Board of Education and the Department, on January 1, 2001.

In addition, on January 1, 2001, this bill:

- (1) Repeals the law requiring the members of the Hawaii school-to-work opportunities advisory council to be nominated and, by and with the advice and consent of the Senate, appointed by the Governor;
- (2) Repeals the law giving the Hawaii school-to-work opportunities advisory council the power to appoint the executive director and staff of the school-to-work opportunities pilot project, and to adopt rules;
- (3) Allows the Superintendent of Education to appoint the executive director of the school-to-work opportunities pilot project, and allows the Department of Education to employ the other staff of the pilot project;
- (4) Requires the Hawaii school-to-work opportunities advisory council to provide advice to the Board of Education and the Department of Education on a plan of work that may be carried out through task groups organized around collaborative school-to-work initiatives and identified outcomes; and
- (5) Requires major staff services for the Hawaii school-to-work opportunities advisory council to be provided by the Department of Education, and allows task group staff services to be provided by appropriate advisory council member state agencies.

On July 1, 1999, this bill:

- (1) Requires the staff of the school-to-work opportunities pilot project to provide intermediary services for employers and educational institutions seeking to institute work-based learning curricula and placement; and
- (2) Appropriates an unspecified sum to the Department of Education for fiscal year 1999-2000 for the school-to-work opportunities pilot project.

Your Committee finds that transferring administrative control of the school-to-work opportunities pilot project to the Department of Education will:

- (1) Allow the Hawaii school-to-work opportunities advisory council to concentrate its efforts on reforming education, developing the State's workforce, and stimulating economic development; and
- (2) Make the Board of Education and Superintendent of Education totally and completely accountable for both the successes and failures of the school-to-work opportunities pilot project.

Your Committee has amended this bill by:

- (1) Deleting the term "pilot project" to indicate your Committee's intention that school-to-work be established as a permanent program within the Department of Education on January 1, 2001; and
- (2) Deleting the term "opportunities" for clarity and changing the name of the advisory council to the "Hawaii school-to-work advisory council" and the name of the program to the "Hawaii school-to-work program" for simplicity, on January 1, 2001.

As affirmed by the record of votes of the members 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. 522, 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. 522, H.D. 3, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1464 Ways and Means on H.B. No. 980

The purpose of this bill is to remove uncultivable and unuseable lands from consideration in determining irrigation project acreage assessments.

Currently, acreage assessments of irrigation projects are based on total acreage regardless of regulatory restrictions on the land.

This bill requires an assessment of only cultivatable land which does not include streams, dry gulches, and uncultivable or unuseable lands that may be restricted by government regulation. The bill also allows the Board of Agriculture to establish, by rule, a minimum acreage assessment on uncultivable or unuseable lands.

Your Committee has amended the bill by making a technical change that has no substantive effect.

As affirmed by the record of votes of the members 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. 980, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 980, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Taniguchi, Anderson).

SCRep. 1465 Ways and Means on H.B. No. 1460

The purpose of this bill is to appropriate funds to expand the video arraignment and conferencing system between correctional facilities and the court system.

Specifically, this bill appropriates \$70,867 for fiscal year 1999-2000 for the expansion of a video arraignment and conferencing system in the circuit court of the third circuit and the Halawa Correctional Facility. Any and all funds awarded by grant to the Judiciary through the Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant Program shall be applied to offset the total costs for the implementation of this video arraignment and conferencing project in the Third Circuit Court and the Halawa Correctional Facility.

Your Committee finds that since 1993, video conferencing technology has allowed defendants housed at the Oahu Community Correctional Center to participate in video arraignments. This program has been expanded in subsequent years to include motion hearings and pre-sentence public defender/client interviews. Your Committee further finds that in 1997, the First Circuit Court arraigned 1,907 individuals or approximately ninety-six per cent of its custody defendants by video conferencing technology. This translates into at least a \$45,000 per year savings for the Department of Public Safety as a result of reduced transportation and overtime costs. In addition, your Committee notes that the Department of Public Safety has identified this bill as one that is needed in order to implement the Department's action plan, as reported on March 10, 1999.

Your Committee believes that expanding this program to include Halawa Correctional Facility and the Circuit Court of the Third Circuit in Hilo will produce similar savings and benefits. Additionally, your Committee notes that the general revenue appropriation to the Judiciary is a state match which will be used to receive additional funds from the federal Byrne Grant Program.

Upon further consideration, your Committee has amended this bill by changing the appropriated dollar amount to an unspecified amount for purposes of 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. 1460, 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. 1460, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1466 Commerce and Consumer Protection on H.B. No. 47

The purpose of this measure is to establish licensure of physician assistants in place of certification.

The Board of Medical Examiners presented testimony in support of this measure. The Hawaii Academy of Physician Assistants and four individuals, while not present, submitted written testimony in support of the measure.

Your Committee finds that House Concurrent Resolution No. 14, H.D. 1, S.D. 1, of the 1998 Regular Session, requested the State Auditor to conduct an analysis of the probable effects of the proposed regulatory changes for physician assistants contained in S.B. No. 3234, introduced during the 1998 legislative session.

In the Auditor's analysis, the Auditor found that physician assistants are in effect already licensed by the State, and as a result, a change in statutory terminology will have minimal fiscal and operational impact. In addition, the use of the term licensure is consistent with national trends, with thirty-four states using this form of regulation.

The Auditor also found that changing the regulatory nomenclature for physician assistants from certified to licensed will have little to no effect on the public's health, safety, or welfare, and that safeguards currently in effect are sufficient to assure continued consumer safety. Neither will a change in nomenclature affect insurance coverage, an important consideration of providers and patients alike.

Your Committee has amended this measure by inserting language to provide that the measure shall take effect upon its approval.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 47, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 47, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Inouye).

SCRep. 1467

Commerce and Consumer Protection on H.B. No. 353

The purpose of this measure is to simplify, clarify, update, and deregulate the real estate licensing law and provide additional options to license applicants without compromising consumer protection.

The Real Estate Commission (REC) and the Hawaii Association of Realtors presented testimony in support of the measure.

Your Committee finds that this measure simplifies, streamlines, clarifies, updates, and deregulates the real estate licensing law by:

- (1) Allowing a continuing education provider to certify that its instructors meet credentialing standards;
- (2) Authorizing the licensure of a limited liability company as a real estate brokerage;
- (3) Authorizing the REC to issue a preliminary decision on an individual's license application;
- (4) Providing alternative ways for an applicant to satisfy the experiential requirements for a real estate broker's license;
- (5) Authorizing the REC to prescribe the passage of different parts of the licensing examination for different purposes;
- (6) Extending the period for the restoration of a forfeited license;
- (7) Eliminating the requirements to display a salesperson's license and to register a site office;
- (8) Requiring the registration rather than the licensing of a real estate branch office;
- (9) Requiring that a person seeking payment from the real estate recovery fund based upon a judgment obtained against a real estate broker or salesperson who is a debtor in a bankruptcy proceeding, obtain an order from the bankruptcy court declaring the judgment against the broker or salesperson to be nondischargeable;
- (10) Providing that condominium hotel operators may register with the REC as a limited liability company; and
- (11) Authorizing the REC to accept as proof of fidelity bond coverage a statement from a condominium hotel operator's insurer that the bond is in effect.

Your Committee has amended this measure:

- (1) To conform the measure to H.B. No. 791, H.D. 2, by:
 - (A) Adding a new section to chapter 467, Hawaii Revised Statutes, that consolidates the laws relating to real estate licensing continuing education requirements; and
 - (B) Removing section 2 of the measure as received that amended the definition of "continuing education", and instead repealing the definition of "continuing education";
- (2) By amending the purpose section of this measure to reflect the above revision; and
- (3) By making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 353, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 353, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Inouye).

SCRep. 1468

Commerce and Consumer Protection on H.B. No. 791

The purpose of this measure is to consolidate the statutory provisions relating to continuing education requirements for real estate licensees, establish additional provisions intended to provide flexibility and alternatives in the offering of continuing education courses, codify the responsibilities of principal brokers, and require the convening of a work study group to address continuing education and other real estate licensing-related issues.

The Real Estate Commission (REC) and the Hawaii Association of Realtors presented testimony in support of the measure.

This measure clarifies the REC's authority with respect to approving continuing education courses and developing its own courses, the responsibilities of continuing education providers and instructors, and the criteria for continuing education courses. Your Committee finds that the consolidation of existing statutory provisions relating to continuing education requirements for real estate

licensees will facilitate the review and understanding of these requirements by licensees, continuing education providers, and continuing education instructors.

Your Committee further finds that the new section added to chapter 467, Hawaii Revised Statutes, clarifies and specifies the responsibilities of a principal broker, including the principal broker's duty to train its associated real estate licensees and to provide current and updated information to its licensees regarding real estate licensing laws, and other laws and rules.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 791, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Inouye).

SCRep. 1469 Commerce and Consumer Protection on H.B. No. 1063

The purpose of this measure is to make conforming amendments to the Code of Financial Institutions (Code).

The Commissioner of Financial Institutions (Commissioner) presented testimony in support of this measure.

In 1996, the Legislature amended the interstate banking and branching laws. This measure conforms the definition of "Hawaii financial institution" and provisions relating to the purchase of failing institutions to those amendments. Additionally, under this measure, procedures for the relocation of an agency, branch, or representative office of a foreign bank, and for the voluntary liquidation and dissolution of credit unions are conformed to be consistent with the procedures required for other financial institutions.

Your Committee has amended this measure by:

- (1) Requiring that nondepository financial services loan companies file unaudited financial statements with the Commissioner as of the last day of the sixth month and the last day of the twelfth month of each fiscal or calendar year; and
- (2) Making a technical, nonsubstantive amendment.

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. 1063, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1063, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1470 Commerce and Consumer Protection on H.B. No. 1072

The purpose of this measure is to ensure that elderly homeowners seeking funds through a reverse mortgage loan receive the counseling necessary to make an informed and reasoned decision about reverse mortgage financing.

The Department of Commerce and Consumer Affairs, American Association of Retired Persons State Legislative Committee, and Hawaii Association of Realtors presented testimony in support of the measure. The Executive Office on Aging and the Hawaii Bankers Association, though not present, submitted testimony in support of the measure.

Your Committee finds that reverse mortgage financing is becoming an increasingly popular form of financing for seniors on a fixed income with equity in their homes. A reverse mortgage is a loan against home equity that provides a cash advance to homeowners and requires no payment until a future time, usually when the borrower dies or sells the home.

Your Committee further finds that reverse mortgage financing is not appropriate for everyone, and consumers considering this form of financing should be fully informed about the lending process and the advantages and disadvantages of reverse mortgage financing given factors such as the borrower's age and current and future needs. This measure would require that lenders refer applicants for reverse mortgage financing to counseling from a housing counseling agency approved by HUD and obtain certification that counseling has been provided prior to accepting the application.

The level of counseling required by this measure is consistent with that required for a federally-insured reverse mortgage. Since most financial institutions are already familiar with the counseling requirements for federally-insured loans, your Committee finds that the requirements imposed by this measure should not create undue administrative hardships.

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. 1072, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1471 Commerce and Consumer Protection on H.B. No. 1411

The purpose of this measure is to allow applicants for acupuncture licensure to sit for the licensing examination if they have graduated from a school that is in the process of applying for accreditation candidacy.

The Institute of Clinical Acupuncture and Oriental Medicine, Hawaii College of Health Sciences, Inc., and two individuals presented testimony in support of this measure. An individual not present at the hearing submitted written testimony in support. The Tai Hsuan Foundation and three individuals presented testimony in opposition to the measure. Two individuals, while not present, submitted written testimony in opposition. The Board of Acupuncture presented comments on the measure.

The law currently provides that, effective September 1, 2000, only graduates of accredited acupuncture schools or schools recognized as candidates for accreditation will be permitted to take the acupuncture licensing examination. Your Committee finds that three acupuncture schools in the State may not be able to obtain accreditation candidacy in time such that their graduates who apply on or after September 1, 2000, to take the examination will meet the new standards.

This measure would allow persons who apply to take the licensing examination after August 31, 2000, and who have graduated from an acupuncture school that is in the process of applying for accreditation candidacy, to sit for the exam. However, your Committee finds that there are concerns about the impact on the public health, safety, and welfare, of allowing the graduates of institutions that are neither accredited nor candidates for accreditation to qualify for the licensing examination.

According to an official with the Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM), some applications for candidacy are so deficient on their face that they are rejected outright by ACAOM. Deficiencies may be due to, among other problems, improper or inadequate curriculum, inadequate clinical training, or clean needle techniques that fail to meet public safety guidelines.

Under the proposed measure, questionable or disreputable institutions would not be precluded from qualifying their graduates for the licensing examination by continuously reapplying for candidacy and remaining in the application process indefinitely. Your Committee finds that this result would not further the regulatory purpose of protecting the public health, safety, and welfare.

Your Committee believes that this measure merits further discussion and has amended it by replacing its contents with the contents of S.B. No. 1517, S.D. 1. As amended, this measure:

- (1) Postpones to July 1, 2001, the effective date of the new standards for applicants seeking to take the licensing examination, including the requirement of graduation from an accredited school or school that is a candidate for accreditation; and
- (2) Removes language that would have expanded the group of persons entitled to take the licensing examination on or after September 1, 2000, to include graduates from an acupuncture school in the process of applying for accreditation candidacy.

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. 1411, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1411, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1472 Ways and Means on H.B. No. 1083

The purpose of this bill is to consolidate several special or revolving funds of the Department of Commerce and Consumer Affairs into the compliance resolution fund.

Specifically, this measure requires that all revenues, fees, and fines collected by the department will be deposited into the compliance resolution fund. Exemptions are created for specified funds and revenue sources.

This measure also exempts the compliance resolution fund from central service expenses and administrative expenses.

Your Committee finds that the compliance resolution fund is an existing fund. Consolidation of several individual funds into one fund will streamline governmental efficiency and reduce the costs of government.

As affirmed by the record of votes of the members 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. 1083, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1473 Government Operations and Housing on H.B. No. 1350

The purpose of this measure is to require state and county procurement agencies to purchase recycled lubricating and industrial oil.

Testimony in support of this measure was received from the Department of Health, Department of Business, Economic Development, and Tourism, Hawaii Automotive Repair and Gasoline Dealers Association, Cool as New Hawaii, Inc., Na Leo Pohai, Hon/Hawaii, HH Environmental Services, Inc., and Auto Advantage of the Pacific.

Your Committee finds that federal procurement laws currently require the use of recycled oil by federal agencies and contractors who are awarded federal contracts.

Your Committee finds that the use of recycled oil products enhances the State's commitment to using environmentally responsible products, technologies, and management practices. These practices set a positive example for business and industry. Your Committee also finds that this measure will create new business and employment opportunities in the State.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1350, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Levin, Anderson).

SCRep. 1474 (Majority) Ways and Means on H.B. No. 20

The purpose of this bill is to amend the service retirement laws to correlate years on the bench with retirement benefits and increase judicial salaries by eighteen per cent over two years.

Your Committee agrees with the intent of this bill, and finds that judges in Hawaii are significantly undercompensated. Not only does the Judiciary face competition in salaries from private law firms, but Hawaii is the only state that has not increased the salary of its judges during the last nine years. Since 1990, forty-four of the other forty-nine states have granted their judges three or more raises. In 1997 alone, twenty-nine states raised the salaries of their general trial court justices.

Your Committee finds that the State's failure to adequately compensate its judges has adversely affected the quality of justice. Insufficient compensation creates the risk that judges will leave the bench, thereby depriving the public of the significant value of experienced jurists. Since 1992, ten experienced judges have left Hawaii's bench, due in part to the lack of adequate compensation, and another two have also recently announced their intention to leave the bench. The Judicial Salary Commission believes that these departures will continue until compensation is adjusted. Your Committee finds that this bill will help to ensure that the most highly qualified individuals will be attracted to the state Judiciary and will be able to serve and continue to serve without unreasonable economic hardship.

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

- (1) Replacing the sums appropriated with blank amounts to facilitate further discussion on the funding necessary to carry out the purposes of this measure;
- (2) In the purpose section, replacing the percentage increase in judicial salaries from eighteen per cent to a blank amount;
- (3) Replacing the new salaries specified in the bill with blank amounts; and
- (4) Making technical, nonsubstantive changes to conform statutory provisions in the bill to the printed version of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 20, 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. 20, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, 1 (Ige, M.). Excused, 1 (Anderson).

SCRep. 1475 Ways and Means on H.B. No. 174

The purpose of this bill is to appropriate matching funds for the federal Children's Health Insurance Program for fiscal years 1999-2000 and 2000-2001.

Your Committee finds that the federal program expands health care coverage to low-income children who are uninsured. In order to participate in the program and receive federal funding, the State must provide a sixty-five per cent match of the federal fund allotment. The federal government has committed \$9,900,000 to the State annually for federal fiscal years 1998-2000. The required state match for each federal fiscal year is \$4,800,000. Your Committee further notes that a federal fiscal year overlaps rather than coincides with the State's fiscal year.

Your Committee has amended this measure by changing the appropriation from a blank amount to \$1 for each of the next two fiscal years for the purposes of continued deliberation and recalculation on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 174, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 174, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Ige, D., Ige, M., Iwase, Anderson).

SCRep. 1476 Ways and Means on H.B. No. 176

The purpose of this measure is to require cigarette or tobacco licensees to affix a stamp certifying payment of applicable excise taxes on packages of cigarettes prior to being sold to the general public.

Your Committee finds that this measure will provide greater assurance that state cigarette taxes are paid thereby reducing the sales of untaxed cigarettes and keeping the price of the product at market levels, and that untaxed cigarettes, which are less expensive, will not find their way into the hands of minors. As a result, minors will be discouraged from experimenting with cigarettes and the likelihood of them becoming adult smokers will be reduced.

Your Committee has amended this measure by:

- (1) Specifying that the state stamp fee of \$1 is on each package of twenty cigarettes;
- (2) Deleting the new section requiring that every licensee report monthly on its distributions of cigarettes and purchases of stamps during the preceding month as redundant to section 245-5, Hawaii Revised Statutes;
- (3) Clarifying that the appeals process under 245-10, Hawaii Revised Statutes, does not apply to appeals on the forfeiture of a cigarette, package of cigarettes, or carton of cigarettes;
- (4) Clarifying the ability of the liquor commission to inspect and examine the records of a licensee relating to the sale or use of cigarettes or tobacco products; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and consistency, and to reflect preferred drafting style.

As affirmed by the record of votes of the members 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. 176, 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. 176, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1477 Ways and Means on H.B. No. 333

The purpose of this bill is to appropriate funds for agricultural research.

The bill specifies eleven different areas of agriculture that are appropriated funds ranging from anthurium research to pineapple research.

Your Committee finds that the recent growth in diversified agriculture warrants the expenditure of funds for research to develop new technologies and expand existing agricultural markets.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 333, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1478 Ways and Means on H.B. No. 499

The purpose of this bill is to amend retirement provisions for conservation and resources law enforcement officers and trustees of the Office of Hawaiian Affairs.

Specifically, this bill will:

- (1) Allow a conservation and resources law enforcement officer to retire without penalty after twenty-five years of service in that capacity. This means that as long as the officer's last five years of credited service was earned as a conservation and

resources law enforcement officer, that officer can retire irrespective of age after twenty-five years of service without having that person's pension reduced according to actuarial rules;

- (2) Allow trustees of the Office of Hawaiian Affairs to become Class A, contributory members of the Employees' Retirement System, including any former trustee who is otherwise a member of the system can claim full membership service credit as a class A member for service between July 1, 1993, and June 30, 1999; and
- (3) Require the Office of Hawaiian Affairs to reimburse the State for public employees health fund contributions for a retired former member of the Board of Trustees of the Office of Hawaiian Affairs.

Your Committee finds that the nature of the work of conservation and resources law enforcement officers is of the type that can take a toll physically. These officers must enforce conservation rules and laws that seek to protect the environment and endangered species and involve non-routine patrolling, questioning hunters, fishers, and other outdoors persons. Hours are not regular and these officers must be out patrolling on non-work days and holidays, when the public are most likely to be engaged in hunting, fishing, gathering, and so on.

Your Committee finds that the Board of Trustees of the Office of Hawaiian Affairs were once included in the retirement system until a statutory amendment took them out of the system. If the statute had not changed their status, the trustees would have been able to continue to receive membership service credit in the Employees' Retirement System including health insurance benefits after retirement, like other retirants from the public service. Under the circumstances, your Committee finds that given the responsibilities and work of the trustees, providing them the same retirement benefits provided to elected officials is reasonable.

Your Committee has amended this bill to:

- (1) Make the provision of health fund benefits for a retired former member of the Board of Trustees of the Office of Hawaiian Affairs contingent on the Office of Hawaiian Affairs reimbursing the State for employee health fund contributions; and
- (2) Make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 499, 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. 499, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Taniguchi, Anderson).

SCRep. 1479 Ways and Means on H.B. No. 700

The purpose of this measure is to appropriate funds for the fiscal biennial budget of the Office of Hawaiian Affairs.

Your Committee has made a fundamental change from past practice by appropriating only general funds and not trust funds. This will enable the Office of Hawaiian Affairs to serve Hawaiians who do not meet the blood quantum standard to qualify as native Hawaiians while recognizing that the trust funds should be under the sole control of the Trustees of the Office of Hawaiian Affairs.

Although, your Committee acknowledges and recognizes that the Trustees of the Office of Hawaiian Affairs have the right and responsibility to manage the proceeds from the public land trust, your Committee is mindful of the Legislature's responsibility to exercise proper oversight over public moneys. As such, your Committee will continue to monitor the use of general funds by the Office of Hawaiian Affairs to ensure that these funds are used for the purposes as expressed in this measure.

In view of the fiscal constraints facing the State, your Committee found it necessary to reduce the amount of general fund support requested by the Office of Hawaiian Affairs. Accordingly, your Committee has amended this bill by providing \$2,431,368 in each year of the 1999-2001 fiscal biennium. Your Committee wishes to express its appreciation to the Trustees and their staff for their assistance in identifying areas of potential cost containment.

As affirmed by the record of votes of the members 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. 700, 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. 700, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 1480 Ways and Means on H.B. No. 718

The purpose of this bill is to change the boundaries of the Kakaako community development district and to appropriate funds for additional cruise ship berths in Honolulu Harbor.

This measure has two parts. The first part specifically changes the boundaries of the Kakaako community development district by excluding Piers 1 and 2 at Fort Armstrong. The second part appropriates an unspecified amount for the planning, design, and construction of a cruise ship passenger terminal at Pier 2, Honolulu Harbor.

Your Committee recognizes that a balance must be found between ensuring safe and navigable turning basins, channels, and approaches to berths with competing economic opportunities. Accordingly, your Committee has amended this measure by removing Part II of the bill making an appropriation for a cruise ship passenger terminal.

As affirmed by the record of votes of the members 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. 718, 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. 718, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1481 Ways and Means on H.B. No. 806

The purpose of this bill is to authorize a land exchange in Kona to develop a new motor speedway industry on the island of Hawaii.

Specifically, this measure authorizes the exchange of state lands in North Kona for private lands along the Kona coast.

Your Committee finds that the state lands in North Kona are ideally suited to the development and operation of an international motor speedway. The introduction of the racing industry to the Big Island will further diversify the economy of the Big Island and the state as a whole.

Your Committee has amended this measure by changing the effective date to July 1, 2020, in order to encourage continued discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 806, 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. 806, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Iwase, Nakata, Anderson).

SCRep. 1482 Ways and Means on H.B. No. 1018

The purpose of this bill is to establish a federal assisted rental housing preservation program.

In particular, this program seeks to protect low-income tenants residing in United States Department of Housing and Urban Development project based Section 8 housing from conversion of their affordable housing to market rate housing, by:

- (1) Requiring owners of federally assisted rental housing projects to provide a one-year notice to both tenants and the Housing and Community Development Corporation of Hawaii of any intent to terminate a subsidy contract on assisted housing development or prepay its mortgage; and
- (2) Requiring the owners of federally assisted rental housing projects to provide a right of first refusal to the tenant association of the development and certain nonprofit organizations for a one hundred eighty-day period following the notice to sell the project.

In addition, this bill amends the qualifications for housing and rental assistance by, among other things:

- (1) Lowering from low and moderate to very low the maximum income a person may have and still qualify for participation in the state rent supplement program;
- (2) Increasing the amount of supplemental rent paid by the housing and community development corporation from one-fifth to an unspecified percentage of a qualified tenant's income; and
- (3) Amending the definition of "qualified tenant" under the state rent supplement program to enable eligible single persons who are not elderly or disabled to participate in the program.

Your Committee agrees with the intent of this bill, and finds that the supply of the Section 8 low-income rental housing projects subsidized by the United States Department of Housing and Urban Development may decrease in the future due to anticipated reductions in the subsidies offered by the federal government to housing project owners. Decreased subsidies increase the risks that owners will terminate the federal subsidy contracts, pay off their mortgages, increase rents, sell the buildings, or convert them to condominiums. Your Committee finds that this bill will help to protect low-income renters from financial devastation and possible homelessness.

As affirmed by the record of votes of the members 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. 1018, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Nakata).

SCRep. 1483 Ways and Means on H.B. No. 1035

The purpose of this bill is to require the Board of Trustees of the Employees' Retirement System to appoint an assistant administrator and a chief investment officer not subject to civil service laws, and to allow the system to retain its own legal counsel.

Your Committee finds that investments made by the Board of Trustees under section 88-119, Hawaii Revised Statutes, which provides funding needed to cover retirement benefits for all public employees of the State and the counties, can also be used to provide venture capital to Hawaii businesses and thereby assist Hawaii's struggling economy.

Accordingly, your Committee encourages the Board of Trustees of the Employees' Retirement System to invest in Hawaii venture capital opportunities as may be permitted by law, and further encourages the Board to evaluate the performance of these companies if their performance is not as expected.

Upon further consideration, your Committee has deleted the contents of this bill and replaced it with language similar to S.B. No. 1281, S.D. 2, which, among other things, requires the Board of Trustees to appoint a chief investment officer not subject to civil service laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1035, 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. 1035, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Taniguchi, Anderson).

SCRep. 1484 Judiciary on H.B. No. 1

The purpose of this bill is to increase from three to four, the age under which children are required to be properly restrained in a child passenger seat when being transported in a motor vehicle.

Your Committee finds that this measure reflects the National Highway Traffic Safety Administration's standards and recommendations, and will improve highway safety for young children. Under current law, a three year old child may legally ride in a car restrained only by a standard motor vehicle seat belt, although such seat belts are designed for much larger adults.

Testimony in support of this measure was received from the Department of Transportation, the Department of Health, the Honolulu Police Department, the Hawaii State Commission on Persons with Disabilities, the Keiki Injury Prevention Coalition, and Mothers Against Drunk Driving.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1485 Judiciary on H.B. No. 4

The purpose of this measure is to clarify that a police roadblock is not invalidated by a failure to comply with internal police procedures that exceed the minimum statutory roadblock requirements.

Your Committee finds that internal police procedures for roadblocks, which may relate to points as minor as the color of the vest to be worn by officers at the roadblock, should not be treated as having the weight of law for the purpose of determining the legal validity of a roadblock. However, your Committee agrees that rules adopted pursuant to Chapter 91, Hawaii Revised Statutes, after the public review and hearing process provided for by that chapter, should be followed after their adoption and may fairly be treated as requirements for a legally valid roadblock.

Testimony in support of this measure was submitted by the Department of Transportation, the Office of the Public Defender, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the Governor's Highway Safety Council Impaired Driving Task Force, and Mothers Against Drunk Driving.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 4, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1486 Judiciary on H.B. No. 715

The purpose of this bill is to repeal the requirement that a specific form be provided by the Director of Finance when registering a vehicle under two names that is not held in joint tenancy.

Your Committee finds that the counties have had difficulty in creating legally sufficient joint ownership forms for motor vehicle registration. Repealing the requirement that a Director of Finance provide a specific form in this situation will allow registrants who wish to register as joint owners in some form other than joint tenancy to provide their own documents as evidence of the joint ownership they claim.

No testimony was submitted regarding this measure.

Upon further consideration, your Committee has amended this measure by allowing the county Directors of Finance to accept a written document, rather than requiring a written form to be provided by the counties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 715, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 715, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1487 Judiciary on H.B. No. 1181

The purpose of this bill is to consolidate and standardize various penalty provisions, to establish minimum fines, and to establish separate and graduated penalties within chapters 187A, 188, 189, and 190, Hawaii Revised Statutes.

Your Committee finds that the same graduated penalties apply to violations of all sections, including those that apply to freshwater fishing, recreational and commercial open fishing, and State managed fishing areas. These violations are all classified as misdemeanors, while the only offense classified as a felony is the use of explosives, electrocution, or poison when fishing. Your Committee further finds that the Department of Land and Natural Resources has had very little success in convincing the courts of the importance of natural resources and the need to deter violations. Your Committee believes that this bill would deter repeat violators by imposing substantial penalties including mandatory minimum and graduated fines.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and the Hawaii Audubon Society. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Deleting all provisions that state that each specimen of aquatic life taken, killed, or injured would constitute a separate offense subject to the minimum penalties;
- (2) Deleting the provision that provides for the seizure and forfeiture of property when used in the commission, attempted commission, or conspiracy to commit a violation of subtitle 5 of title 12, Hawaii Revised Statutes, relating to aquatic resources and wildlife;
- (3) Making a conforming amendment to section 706-606.5, Hawaii Revised Statutes, that includes section 188-23 as an offense subject to repeat offender sentencing; and
- (4) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1181, 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. 1181, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 1488 Judiciary on H.B. No. 1186

The purpose of this bill is to update and clarify the penalty provisions relating to wildlife management.

Your Committee finds that this section of statutes was last revised in 1996, when a housekeeping measure inadvertently removed the provision that a violation of the Department of Land and Natural Resources hunting rules was a violation of the statute and subject to penalty. This change has been noted by several district courts, and the Department is inhibited in proceeding with cases of alleged

violations of the rules. Your Committee further believes that this reinstatement of the penalty provisions, as well the increases of the minimum fines in this measure, will assist the Department in its efforts to protect and maintain Hawaii's natural resources.

Testimony in support of this measure was submitted by the Department of Natural Resources, the Hawaii Hunting Advisory Council, and the Hawaii Rifle Association.

Upon further consideration, your Committee has amended this measure by adding a saving provision.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1186, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1186, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 1489 Commerce and Consumer Protection on H.B. No. 252

The purpose of this measure is to prevent "diploma mills" based in Hawaii from issuing degrees by prohibiting unaccredited institutions from issuing degrees unless they comply with certain standards.

The Office of Consumer Protection, University of Phoenix, International University of Professional Studies, Kennedy-Western University, Pacific Western University and University of Nations presented testimony in support of the measure. Although not present at the hearing, The University of Hawaii and the Chamber of Commerce of Hawaii submitted testimony in support of the measure. Greenwich University testified in opposition to the measure.

Your Committee finds that the business of unaccredited degree granting institutions operating under Hawaii laws is burgeoning. This measure will require stronger and clearer disclosures regarding an institution's accreditation, prohibit the issuance of certain types of degrees, create a mechanism for service of process, and require a level of physical presence in order to operate.

Your Committee has amended this measure to change the effective date to ensure further discussion regarding issues presented by unaccredited degree granting institutions.

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. 252, 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. 252, H.D. 3, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1490 Commerce and Consumer Protection on H.B. No. 325

The purpose of this measure is to require that the directors of managed care plans hold an unlimited license to practice medicine in this State.

The Hawaii Medical Service Association, University Health Alliance, and Hawaii Medical Association presented testimony in support of the measure. The Hawaii Psychiatric Medical Association, while not present, submitted supporting testimony.

Your Committee finds that the responsibilities of health plan medical directors include making determinations of "medical necessity" or the appropriateness of proposed medical care, which are decisions that involve clinical, medical judgments. Further, standards of medical necessity are generally established with reference to accepted practices within the local medical community. Therefore, your Committee finds that medical directors of health plans in Hawaii should be physicians licensed to practice medicine in the State.

Your Committee is concerned, however, that the proposed definition of "medical director" may be interpreted to include medical professionals from outside the State who provide consultation on local cases. Accordingly, your Committee has amended this measure by clarifying that a medical director is the person who makes the final decision of medical necessity or appropriateness.

Your Committee has further amended this measure by inserting the contents of another health-related measure, S.B. No. 365, S.D. 1, which establishes restrictions on the sale, usage, and possession of laser pointing devices (LPDs). Your Committee finds that the improper use of LPDs can cause temporary or even permanent vision impairment, therefore, posing a health and safety risk to the public. Accordingly, this measure, as amended, bans the sale of laser pointing devices to minors, prohibits the use of LPDs to harass another person or animal, prohibits the possession of LPDs by minors, requires written disclosure in LPD sales, and establishes penalties for violations of the 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 H.B. No. 325, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 325, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1491 Commerce and Consumer Protection on H.B. No. 658

The purpose of this measure is to allow developers to begin sales of time share interests in condominiums prior to obtaining a condominium public report under chapter 514A, Hawaii Revised Statutes (HRS), if the developer has obtained preliminary approval of the time share plan under chapter 514E, HRS. Preliminary approval of the time share plan is the subject of H.B. No. 657, H.D. 2, S.D. 1, which will also be reported out of your Committee.

An individual presented testimony in support of the measure. The Real Estate Commission and the Time Share Program of the Department of Commerce and Consumer Affairs presented testimony in support of the measure and proposed amendments to the measure.

Your Committee finds that this measure, working in concert with the proposed alternative registration requirements of H.B. No. 657, H.D.2, S.D. 1, would permit time share developers to enter the marketplace more quickly, thus reducing their cost of doing business, while still addressing consumer protection concerns.

Your Committee has amended this measure by changing its effective date to insure future discussion of issues regarding the streamlining of the time share registration 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. 658, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 658, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1492 Judiciary on H.B. No. 177

The purpose of this bill, as received by your Committee, is to:

- (1) Clarify the basis for granting a temporary restraining order in District Court harassment cases;
- (2) Extend the maximum duration for a temporary restraining order to ninety-days;
- (3) Allow for service by certified mail; and
- (4) Expand the types of service permitted for serving the respondent.

Your Committee finds that these proposed changes to section 604-10.5, Hawaii Revised Statutes, are designed to conform temporary restraining orders in District Court harassment cases with Family Court harassment injunction procedures and standards. Your Committee recognizes that the fifteen day duration of a temporary restraining order may be inadequate when serving a respondent who does not wish to be found, and that the petitioner must return to court to obtain a continuance every time the temporary restraining order expires. However, your Committee is concerned that an ex parte allegation of harassment should not remain outstanding for a lengthy period without affording the respondent an opportunity to be heard. Therefore, it is your Committee's intent that the District Court schedule hearing dates that would enable the respondent to be heard within fifteen days of the date of service of the temporary restraining order.

In addition, your Committee believes that with the advancement of computer technology, harassment by electronic transmissions is an all too common occurrence that ought to be prevented.

Testimony in support of this measure was submitted by the Judiciary, the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department. The Office of the Public Defender submitted comments.

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

- (1) Clarifying that a hearing on the petition to enjoin harassment shall be held within fifteen days after the temporary restraining order is granted;
- (2) Clarifying that in the event that the service of the temporary restraining order has not been effected by the date on the hearing to enjoin, the court may set a new hearing date which shall not exceed ninety days from the date the temporary restraining order was granted;
- (3) Clarifying that any order issued shall be transmitted to the chief of police; and

- (4) Including an amendment to section 711-1106, Hawaii Revised Statutes, that deletes the word "mail" from "electronic mail transmissions" to allow criminal harassment through electronic means to be charged.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 177, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 177, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1493 Judiciary on H.B. No. 300

The purpose of this bill, as received by your Committee, is to create a new offense of assault against a police officer in the first degree. Under this bill, any person who intentionally or knowingly causes physical injury to a police officer who is engaged in the performance of duty would be guilty of a class C felony.

Your Committee finds that under existing law, assaulting a correctional worker or educational worker who is engaged in the performance of the worker's duties is a class C felony. Your Committee agrees that the intent of these laws was to deter the rising number of assaults committed against correctional officers in correctional facilities, and to provide additional protection for educational workers in the classroom. Your Committee further finds that in 1997, 359 cases of assault against police officers were filed, which under existing law is a misdemeanor. Your Committee believes that an enhanced offense for the assault of a police officer may act as a deterrent to suspects who might otherwise escalate encounters with police officers into physical confrontations.

Testimony in support of the intent of this measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and the State of Hawaii Organization of Police Officers. These testifiers unanimously agreed that the bill's use of the terms "physical injury" and "physical pain" would be problematic and suggested the adoption of the language in S.B. No. 1379, S.D. 2. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the language of S.B. No. 1379, S.D. 2, which is substantially similar but replaces the terms "physical injury" and "physical pain" with "bodily injury".

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 300, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 300, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 1494 Judiciary on H.B. No. 997

The purpose of this bill is to:

- (1) Create a class C felony for persons guilty of money laundering when the value or aggregate value of the property involved is less than \$10,000 but greater than \$8,000; and
- (2) Impose fines of no more than \$16,000 or no more than twice the value of the property, whichever is greater, upon individuals found guilty of a class C felony.

Your Committee finds that the minimum \$10,000 ceiling for a money laundering transaction, enables criminal organizations to avoid prosecution by structuring their illegal transactions to remain below \$10,000. Your Committee further finds that this frustrates attempts by law enforcement and prosecutors to pursue criminal penalties against money launderers until the amount that they can prove has been laundered surpasses the \$10,000 level. Your Committee agrees that adding a lower offense for money laundering a lower sum will appropriately penalize such behavior.

Testimony in support of this bill was received from the Department of the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department. Testimony in opposition to this bill was received from the Office of the Public Defender.

Upon further consideration, your Committee has amended this measure by inserting a saving clause.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 997, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 997, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1495

(Majority) Government Operations and Housing on H.B. No. 1338

The purpose of this measure is to prohibit any retainage withheld by a contractor or subcontractor from its subcontractor that exceeds five percent of the subcontractor's contract price.

Prior to the hearing, your Committee circulated a proposed Senate draft. Testimony was received on this proposed H.B. 1338, H.D. 1, S.D. 1.

The proposed H.B. 1338, H.D. 1, S.D. 1, added to the measure as received, language which formally authorizes the chief procurement officer to enter into project labor agreements.

Testimony in support of the proposed Senate draft was received from the Plumbers and Fitters Local 675 United Association, Hawaii State Teachers Association, Plumbing and Mechanical Contractors Association of Hawaii, Subcontractors Association of Hawaii, JR Electric, Tile, Marble and Terrazzo Contractors Association of Hawaii, R.W. Almonte Enterprises, Inc., Zack's Flooring, Alii Flooring, Inc., B&J Insulation Co., Inc., Bay Harbor Company, Kauai Floors, Inc., Audissey, Structural Pest Control, Inc., Bug Man Termite & Pest Control Inc., Skylights of Hawaii, Dorvin D. Leis Co., Inc., Aluminum Shake Roofing, Inc., T. Taketa Sheet Metal, Inc., Son-Light Electric, Inc., and International Brotherhood of Electrical Workers, Local Union 1186. Testimony with amendments was received from the Senator from the 19th District and Kanoelehua Industrial Area Association, Inc.

Testimony in opposition to the proposed Senate draft was received from Jas. W. Glover, Ltd., CC Engineering & Construction, Inc., Associated Builders and Contractors, Inc. (ABC), Construction Industry Legislative Organization, Inc. (CILO), Building Industry Association of Hawaii, T. Iida Contracting, Ltd., Armstrong Builders, Ltd., Thurston Pacific, Inc., Willocks Construction Corporation, Allied Builders System, Reef Development of Hawaii, Inc., Fletcher Pacific, Universal Construction, Inc., Kaikor Construction Associates, Inc., Jayar Construction, Inc., Graham Builders, Inc., Hawaiian Dredging Construction Company, BKA Builders Inc., Hallmark Construction Corporation, QMC Corp., Teval Corp., Walter Y. Arakaki General Contractor, Inc., Robert M. Kaya Builders, Inc., and Henry's Equipment. Comments were received from the Steel Fabricators and Erectors of Hawaii.

Your Committee finds that currently, general contractors require subcontractors to sign contracts with a 5%-10% retention clause. Yet, the state and county agencies by statute are allowed to withhold only two and one-half percent retainage from the general contractor.

Your Committee finds that this disparity in retainage between the agencies, the general contractors, and the subcontractors has created a great financial burden on the subcontractors. This measure will provide for a uniform retainage procedure for all parties, from the agencies to the general contractors.

Your Committee finds that the issue of project labor agreements is adequately addressed in H.B. No. 1593, H.D. 1, S.D. 1, therefore, this measure is being passed unamended, without the provisions relating to project labor agreements that were included in the proposed Senate draft.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1338, 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, 2 (Sakamoto, Tanaka). Excused, 3 (Hanabusa, Levin, Anderson).

SCRep. 1496

Judiciary on H.B. No. 999

The purpose of this bill is to amend the elements and penalty for the felony charge of failing to report income derived from racketeering activity, and to amend the penalty for racketeering.

Your Committee finds that the current penalties for racketeering and for failure to report racketeering income are not as strong as the standard penalties for class B felonies. Therefore, it is your Committee's intent to strengthen the penalties for these crimes by applying the standard class B felony penalties, in addition to the forfeiture of illegally obtained property or the payment of taxes owed that may be required.

Testimony in support of this measure was received from the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department. Testimony in opposition to this measure but in support of an amendment to the measure was received from the Office of the Public Defender.

Upon further consideration, your Committee has amended this measure by deleting the language providing non-standard penalties for racketeering and failing to report racketeering income, so that the standard class B penalties will apply.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 999, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 1497 Ways and Means on H.B. No. 661

The purpose of this bill is to provide a mechanism for regulating and funding phase I and phase II wireless enhanced 911 service.

"Phase I wireless enhanced 911 service" is an emergency telephone system, as defined by Federal Communications Commission order, in which wireless 911 calls and information on the caller's automatic number identification and the cell site in which the call originates are routed to an appropriate public safety answering point. "Phase II wireless enhanced 911 service" is an emergency telephone system, as defined by Federal Communications Commission order, in which wireless 911 calls and information on the caller's automatic number identification and automatic (geographic) location identification (as opposed to just the cell site in which the call originates) are routed to an appropriate public safety answering point.

Specifically, this bill:

- (1) Establishes a twelve-member wireless enhanced 911 advisory board within the Department of Health, with members appointed by the Governor and by public safety answering points in each county;
- (2) Establishes the wireless enhanced 911 fund outside the state treasury for the purpose of ensuring adequate cost recovery for the deployment of wireless enhanced 911 service in Hawaii;
- (3) Requires the wireless enhanced 911 advisory board to establish a monthly wireless enhanced 911 surcharge on each commercial mobile radio service connection if a public safety answering point requests wireless enhanced 911 service from a provider of commercial mobile radio service;
- (4) Allows providers of commercial mobile radio service to request reimbursement from the wireless enhanced 911 fund for incurred wireless enhanced 911 commercial mobile radio service costs;
- (5) Requires providers of facilities-based commercial mobile radio service and resellers of commercial mobile radio service to be audited to ensure that the wireless enhanced 911 surcharge recovers only legitimate costs and expenses directly related to the provision of phase I and phase II wireless enhanced 911 service;
- (6) Prohibits the disclosure of proprietary information submitted to the wireless enhanced 911 advisory board, a third party employed by the board, or a public safety answering point;
- (7) Limits the liability of providers of facilities-based commercial mobile radio service and public safety answering points to damages caused by their gross negligence, wanton and wilful misconduct, or bad faith;
- (8) Deems commercial mobile radio service location information obtained by a public safety answering point or public safety agency for public safety purposes not to be a government record open to disclosure;
- (9) Allows providers of facilities-based commercial mobile radio service, resellers of commercial mobile radio service, and public safety answering points to submit disputes with the wireless enhanced 911 board to arbitration; and
- (10) Exempts the wireless enhanced 911 fund from assessments for central service expenses and departmental administrative expenses.

Your Committee has amended this bill by:

- (1) Deleting the provision characterizing the wireless enhanced 911 board as an "advisory" body to be consistent with the powers and duties of the board;
- (2) Limiting the applicability of this bill to the original order issued in Federal Communication Commission Docket No. 94-102 governing wireless enhanced 911 service;
- (3) Moving the provision (A) prohibiting moneys paid into the wireless enhanced 911 fund from being considered general fund revenues of the State, and (B) requiring these moneys to be kept in a fund separate and apart from the general fund of the State, from the definition of "wireless enhanced 911 fund" to section -3 of the new chapter created by section 2 of this bill;
- (4) Requiring the Governor, rather than public safety answering points, to appoint the county representatives of the wireless enhanced 911 board;
- (5) Clarifying that section 26-34 (selection and terms of members of boards and commissions), Hawaii Revised Statutes, applies to the members of the wireless enhanced 911 board only as it relates to (A) the members' succession and suspension, and (B) the filling of vacant positions on the board;
- (6) Providing for the imposition of an unspecified civil penalty--the amount of which has yet to be determined-- if proprietary information identified by statute or rule is disclosed to an unauthorized person;

- (7) Clarifying that providers of facilities-based commercial mobile radio service can be held liable for damages resulting from bad faith, in addition to gross negligence and wanton and wilful misconduct;
- (8) Clarifying that providers of facilities-based commercial mobile radio service, resellers of commercial mobile radio service, and public safety answering points may submit disputes with the wireless enhanced 911 board to final and binding arbitration;
- (9) Adding provisions to prevent the unintentional repeal of the amendments made to sections 36-27 (transfers from special funds for central service expenses) and 36-30 (special fund reimbursements for departmental administrative expenses), Hawaii Revised Statutes, by sections 3 and 4 of this bill, when sections 36-27 and 36-30 are reenacted in their previous forms at a later date by operation of law; and
- (10) Making numerous 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. 661, 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. 661, H.D. 3, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1498 Ways and Means on H.B. No. 1048

The purpose of this measure is to reduce the health insurance contributions of public employers by requiring state and county retired employees and their spouses to enroll in the federal Medicare Part B medical insurance plan, if eligible.

Your Committee finds that, according to the Public Employees Health Fund, approximately 540 retired employees, including spouses, may be eligible for, but are not enrolled in the federal Medicare Part B plan. By not enrolling in federal Medicare Part B, these eligible employees increase the monthly non-Medicare health insurance premiums for all members of the Public Employees Health Fund. This measure also enables the Board of Trustees of the Public Employees Health Fund to exempt members from enrolling in the Medicare Part B plan on a case-by-case basis.

As affirmed by the record of votes of the members 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. 1048, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1499 Ways and Means on H.B. No. 1064

The purpose of this bill is to extend, until fiscal year 2000-2001, the authority of the Director of Finance to issue reimbursable general obligation bonds for the Hawaii Hurricane Relief Fund.

Additionally, this measure excludes funds needed for continued fund operations from the determination of whether moneys in the Hurricane Reserve Trust Fund are insufficient to pay claims and obligations arising out of covered events. Furthermore, this measure specifies that surcharges levied by the Hawaii Hurricane Relief Fund remain in effect until obligations of the fund are fully discharged.

Your Committee finds that these changes are necessary to maintain adequate funding levels for the fund and to provide the fund with mechanisms to correct funding deficiencies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1064, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1500 Ways and Means on H.B. No. 1079

The purpose of this bill is establish a standard procedure for the conversion from one type of business entity to another.

This measure adds similar provisions to each of the Hawaii Business Corporation Act, Professional Corporations Act, Hawaii Nonprofit Corporation Act, the partnership law, Uniform Limited Partnership Act, and the Uniform Limited Liability Company Act that controls the conversion of a business entity from one form to another.

Your Committee finds that at present, businesses often cannot convert to another form, but instead must be dissolved and created in the new form. By standardizing the process of conversion of business entities this bill not only simplifies but revolutionizes the procedures. As a result of this measure, any business entity will be able to convert to any other type of entity desired. This level of

business flexibility encourages the development of business, improves the State's business climate, and will thus assist the local 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. 1079, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, Chun Oakland, Iwase, Nakata, Anderson).

SCRep. 1501 Ways and Means on H.B. No. 1624

The purpose of this bill is to have licensing, registration, and renewal fees for captive insurance companies established through administrative rules rather than by statute.

Your Committee finds that fees for captive insurance companies are presently established by statute. Your Committee further finds that having the fees set through the administrative rulemaking process will give the Insurance Commissioner flexibility in setting fees at levels commensurate with the administrative resources expended to oversee these companies.

As affirmed by the record of votes of the members 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. 1624, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, Chun Oakland, Iwase, Nakata, Anderson).

SCRep. 1502 Ways and Means on H.B. No. 133

The purpose of this bill is to appropriate funds to the Legislature to fund the small business defender and support personnel established under Act 168, Session Laws of Hawaii 1998.

Your Committee finds that small business is the foundation of the State's economy, and that greater emphasis must be placed on helping Hawaii's small businesses in order to assist in the recovery of the economy. Your Committee further finds that this bill will contribute to this effort by funding the small business defender position and support staff, which provides legal representation and other assistance to small businesses in this State.

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

- (1) Moving the small business defender position from the Legislature to the Department of Commerce and Consumer Affairs; and
- (2) Making the effective date defective to ensure further discussion regarding this bill.

As affirmed by the record of votes of the members 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. 133, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 133, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Tam, Anderson).

SCRep. 1503 Ways and Means on H.B. No. 797

The purpose of this bill is to allow a nonresident hunter to hunt wildlife in Hawaii under certain circumstances.

Your Committee finds that under current law, unless exempted, a wildlife hunter must have a hunting license and have completed an approved hunter education course. Visitors to Hawaii who may wish to hunt during their stay may not be here long enough to obtain these licenses or coursework. Commercial hunters, however, could provide these tourists with hunting excursions if the individual hunter has had adequate hunter education training courses from another state's or country's program. This kind of accommodation can help increase the number of tourists who would like to participate in hunting excursions but have not been able to do so in the past.

As affirmed by the record of votes of the members 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. 797, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Iwase, Nakata, Anderson).

SCRep. 1504 Ways and Means on H.B. No. 945

The purpose of this bill is to allow commercial activity under certain restrictions on agricultural parks.

This bill allows agricultural park lessees to process, market, and display agricultural crops or commodities including products created through value added processes on agricultural park complexes. Lessees may sell their products to the public provided the commercial operation is owned by a lessee in good standing.

Your Committee has amended the bill by exempting commercial use from Department of Land and Natural Resources agricultural park restrictions under section 166-6(1), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 945, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 945, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1505 Ways and Means on H.B. No. 1280

The purpose of this bill is to change the composition of the Board of the Agribusiness Development Corporation.

The bill also repeals the Board's sunset date, appropriates funds for four staff positions, and provides for an agricultural subdivision in the Hamakua district. The bill also requires the Board to submit an annual report to the Legislature on various issues including diversified agriculture, farm credit, start-up farming operations, tax incentives, and transport and distribution programs.

Your Committee has amended the bill by changing the effective date to June 30, 2001.

As affirmed by the record of votes of the members 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. 1280, 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. 1280, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1506 Ways and Means on H.B. No. 389

The purpose of this bill is to improve the education of students in Hawaii's public schools.

This measure provides two approaches. The first approach is appropriating \$1 to the Learn and Serve Hawaii programs that will supplement the \$74,000 in federal funds received annually by the Department of Education. The second approach establishes an income tax credit for taxpayers who purchase a laptop computer to be used by a student for educational purposes in an amount equal to twenty per cent of the cost of the laptop.

Your Committee finds that the Learn and Serve program which combines community service with school learning, is a valuable program that benefits the students and the community. Your Committee also finds that providing an income tax credit to taxpayers for the purchase of a laptop computer for educational purposes may be an impetus for families who have considered purchasing one in the past and would like to provide their children with access to the twenty-first century twenty-four hours a day, seven days a week. Getting more laptops to students will help students develop the skills necessary to become highly productive and sought after employees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1507 Ways and Means on H.B. No. 532

The purpose of this bill is to provide for gender equity in sports in Hawaii's public schools.

In particular, this bill prohibits discrimination in interscholastic, club, or intramural athletics on the basis of sex in grades nine to twelve of any public school, and requires the Superintendent of Education to develop a strategic plan to ensure equity in sports participation. This bill also establishes an advisory commission on gender equity in sports within the Department of Education for administrative purposes, which is to determine if any school does not exhibit substantial progress toward compliance with Title IX of the Education Amendments of 1972 and section 302A-1001. Based upon its findings and determinations, the advisory commission may make recommendations to the Board of Education, the Superintendent of Education, and the Legislature.

Your Committee finds that this bill seeks to ensure that all students in grades nine through twelve of public schools are provided equal opportunities to participate in athletics, regardless of their gender, by establishing a framework for monitoring compliance with gender equity standards and adopting the same standards as set forth in Title IX of the United States Code.

Your Committee has amended this bill to make technical, nonsubstantive changes for the purposes of clarity and consistency, including:

- (1) Adding the new sections as a new subpart to chapter 302A, part II, Hawaii Revised Statutes, rather than as a new chapter in the Hawaii Revised Statutes;
- (2) Designating a portion of section -1(b) of the first section being added by the bill as a new section;
- (3) Substituting the word "subpart" in place of the words "chapter" and "section" in the new language added by this bill, as appropriate; and
- (4) Making other technical, nonsubstantive changes for purposes of clarification.

As affirmed by the record of votes of the members 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. 532, 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. 532, H.D. 3, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, M., Nakata, Anderson).

SCRep. 1508 Ways and Means on H.B. No. 634

The purpose of this bill is to create a temporary commission in the Governor's office to oversee the centennial anniversary of the arrival of the first Puerto Rican people to Hawaii.

Additionally, this measure establishes an ethnic celebration trust fund to assist in the commemoration activities and appropriates general funds as seed moneys into the fund.

Your Committee finds that it is important to acknowledge the rich contributions of the Puerto Rican people to our diverse and multicultural island heritage. Since their first arrival on December 23, 1900, the Puerto Rican people have been and continue to provide positive influences upon life in this 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. 634, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1509 Ways and Means on H.B. No. 855

The purpose of this bill is to appropriate funds--the amount of which has yet to be determined--to establish an additional one hundred seventy, full-time equivalent, permanent teacher positions in the Department of Education during the 1999-2001 biennium to improve services to special education students.

Your Committee finds that the State is obligated under the Felix v. Cayetano consent decree to improve services to special education students. The Felix management and accountability study recommended a change in the formula for allocating regular education teachers so that each special education student would be counted as one whole regular education student.

Your Committee finds that a major concern with the allocation system for special education students is that the current system provides a disincentive for mainstreaming or inclusion of students with disabilities within the general education classroom. Specifically, staffing weights are not assigned for students with disabilities receiving special education supports in the general education classroom. As an example, if a general education classroom has thirty-two students and eight of these students are special education students, only twenty-four students are calculated in general education funding even though the eight students spend the majority of their time in the regular education classroom and the regular education classroom teacher has to manage and provide for all thirty-two students.

Your Committee has not specified the amount of funds to be appropriated during the 1999-2001 biennium since work on the state budget is still in progress.

As affirmed by the record of votes of the members 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. 855, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Iwase, Nakata, Anderson).

SCRep. 1510 (Majority) Ways and Means on H.B. No. 1088

The purpose of this bill is to determine the ages at which children may enter kindergarten and public school.

Specifically, this bill:

- (1) Specifies that the minimum ages required for attending kindergarten and grade school be five and six years of age, respectively, on the first day of the school year as determined by the Board of Education, or unless the child meets readiness standards specifically determined by the board;
- (2) Requires the Board of Education to submit a proposed implementation plan twenty days prior to the convening of the Regular Session of 2000 that includes a parent option to request a screening to determine a child's readiness;
- (3) Requires that the screening assessments for readiness be free of charge; and
- (4) Requires that the Department of Education transfer any funds that become available due to any lag of the number of students entering kindergarten to the Department of Human Services for the purposes of establishing programs for those children affected by the change in entrance age and deemed not ready for kindergarten.

Your Committee finds that attendance at kindergarten and grade school should be based solely on the readiness of the child for school. Kindergarten and grade school are not intended to provide taxpayer-supported baby-sitting services, and a great deal of harm can be caused to the self-esteem of a child by basing early education decisions on any considerations other than the readiness of the child for school. Your Committee also finds that many private schools in Hawaii already retain a child for one school year if the child is born late in the calendar year in order to allow the child to mature more naturally. Some private schools even go so far as to prescribe different cut-off dates for boys and girls to enter school.

Upon further consideration, your Committee has amended this bill by changing the effective date from July 1, 2001 to upon approval. In addition, your Committee has amended sections 1 and 2 of the bill, which amend sections 302A-411, and 302A-1131, Hawaii Revised Statutes, respectively, to codify in statutory law rather than in uncodified session law, the requirement contained in:

- (1) The last part of the first paragraph of section 3 relating to the parent option to request a screening on page 2, lines 19 to 22; and
- (2) The first sentence in the second paragraph of section 2 prohibiting the Board of Education from charging for screening assessments on page 2, line 23.

Your Committee has further made two technical, nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1088, 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. 1088, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, 1 (Chun Oakland). Excused, 4 (Buen, Ige, M., Nakata, Anderson).

SCRep. 1511 Ways and Means on H.B. No. 1170

The purpose of this bill is to allow the Board of Education to make rules and rates and set procedures for the public library system to recover delinquent library materials and administrative costs in its efforts to collect delinquent accounts from patrons.

Specifically, this bill:

- (1) Allows a fee of up to \$10 to cover the cost of collection;
- (2) Requires a library patron to be mailed written notice demanding payment and advising that continued failure to pay the amount due may result in collection action being taken;
- (3) Allows cost-recovery fees to include collection agency fees, attorneys' fees, court filing fees, and similar fees incurred by the Hawaii state public library system in connection with a collection action;
- (4) Allows the Board to impose cost-recovery fees on amounts due for:
 - (A) Library-sponsored seminars or workshops, including educational materials in various media format; and
 - (B) Research and reference materials published on magnetic media, CD-ROM, or other machine-readable form;
- (5) Requires the Board to prescribe procedures relating to the charging and waiving of fees; the designation of items for which fees may be charged; the amount of fees that may be assessed and charged; the accumulated amount of lost library material costs, fines, or fees; the period of time that lost library materials costs, fines, or fees must remain unpaid before they are

referred to a collection agency; and the notification of persons with delinquent accounts of the additional fees to be charged by a collection agency;

- (6) Allows the State Librarian to waive any fee, including a cost-recovery fee, imposed by the Hawaii state public library system in cases of hardship; and
- (7) Requires fees to be deposited into the libraries special fund.

Your Committee finds that in these hard economic times, it is important that all state agencies be especially mindful of their expenditures. The fees provided in this bill will help restore the loss of moneys owed to the libraries stemming from administrative expenses.

However, your Committee wishes to note its concern that this bill should not become a major revenue enhancer for the library system nor should it be used as a vehicle to allow collection agencies to collect fees.

As affirmed by the record of votes of the members 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. 1170, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1512 Ways and Means on H.B. No. 1198

The purpose of this measure is to create the Integrated Tax Information Management Systems Special Fund for the operation, maintenance, monitoring, and improvement of related automated tax systems.

The contract for the integrated tax information management system specifies that the vendor will not get paid unless there is an increase in revenue collection and/or a cost saving realized from and attributable to the implementation of the automated tax system. Because of this provision in the contract, your Committee believes that the establishment of a special fund used solely as a means of paying the vendor is necessary and will facilitate timely payments to the vendor, thus minimizing interest costs to the State.

Your Committee finds that because this measure states that the Department of Taxation is only able to deposit and transfer general excise tax revenues necessary to meet the obligations of the contract into the special fund, the Department of Taxation is prevented from depositing excess moneys into this special fund account and using the moneys for other purposes.

Because this measure sets a July 1, 2004 sunset date on the special fund, your Committee further finds that this measure ensures the timely and accurate implementation of the integrated tax information management system.

As affirmed by the record of votes of the members 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. 1198, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, Chun Oakland, Iwase, Nakata, Anderson).

SCRep. 1513 Ways and Means on H.B. No. 1637

The purpose of this bill is to allow tour buses to be used to transport student groups to and from school-related activities or events, if the tour bus meets the minimum safety standards of the municipal buses of the City and County of Honolulu.

Your Committee believes that the safety of our school students is paramount. Your Committee finds that requiring tour buses to meet the minimum safety standards required by municipal buses of the City and County of Honolulu will ensure the safety of our students while riding tour buses. Furthermore, your Committee notes that individuals driving a tour bus must meet school bus driver qualifications.

Your Committee has amended the bill by changing its effective date to July 1, 1999.

As affirmed by the record of votes of the members 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. 1637, 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. 1637, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Iwase, Nakata, Anderson).

SCRep. 1514 (Majority) Ways and Means on H.B. No. 1660

The purpose of this bill is to appropriate funds to the University of Hawaii system for the payment of utilities for fiscal years 1999-2000 and 2000-2001.

Your Committee finds that over the years increased utility rates and consumption have caused a utilities shortfall in the university system's budget.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1660, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, 1 (Ige, M.). Excused, 6 (Chun, Chun Oakland, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 1515 Ways and Means on H.B. No. 895

The purpose of this bill is to allow the Department of Health to provide emergency aeromedical services as part of its required emergency medical services.

This bill:

- (1) Defines "emergency aeromedical services";
- (2) Requires the Department of Health to support the interagency dispatch policy and procedures for aeromedical transports;
- (3) Requires the Department of Health to establish and maintain an emergency aeromedical medical services information system to serve the emergency health needs of the State;
- (4) Specifies the elements to be included in the emergency aeromedical medical services information system; and
- (5) Requires the Department of Health to establish an emergency aeromedical services quality improvement advisory committee and specifies membership of that committee.

This measure is intended predominantly to serve the neighbor island communities which need emergency aeromedical services. Your Committee believes that the target populations should not be placed at risk of unnecessary death or disability due to system delays or unavailable aeromedical services. Your Committee finds that the State must provide for an emergency aeromedical system that assures the timely transport of seriously ill and injured persons to designated medical facilities.

The bill defines "emergency aeromedical services" to include "fixed-wing or rotary-wing" aircraft in section 321-222, Hawaii Revised Statutes, on page 1, line 6. However, throughout the rest of the bill, only the term "fixed-wing aircraft" is used while the term "rotary-wing" aircraft does not appear. Your Committee finds that provision should be made for both types of aircraft.

For purposes of clarification, your Committee has therefore amended this bill by deleting the term "fixed-wing" in:

- (1) Section 321-230(b)(1)(B) and (E), Hawaii Revised Statutes, on page 5, lines 9 and 15; and
- (2) Section 321-230(c)(5), Hawaii Revised Statutes, on page 6, line 9;

while leaving intact the definition of "emergency aeromedical aircraft" to include both "fixed-wing" and "rotary-wing" aircraft.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 895, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 895, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Chun, Anderson).

SCRep. 1516 Ways and Means on H.B. No. 1120

The purpose of this administration measure is to eliminate Medicaid reimbursement for the provision of personal care services under Section 346-64, Hawaii Revised Statutes.

Your Committee finds that Chapter 346D, Hawaii Revised Statutes, entitled "Long Term Care," authorizes the Department of Human Services to administer the Medicaid home- and community-based waiver programs. Your Committee further finds that Section 346-64, Hawaii Revised Statutes, is a duplicative authorizing statute, and therefore is 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. 1120 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, Chun Oakland, Iwase, Nakata, Anderson).

SCRep. 1517

Ways and Means on H.B. No. 1125

The purpose of this administration measure is to allow the Department of Human Services to subrogate against a third party recovery on any claim brought by an injured person who receives medical assistance.

The provisions of this bill are intended to provide the Department of Human Services reimbursement for its expenditures while fairly allocating the costs of recovery. Recovery costs are therefore allocated in accordance with the value of services contributed to the recovery effort whether the claimant alone pursues the recovery, the Department, alone, obtains the recovery, or both the claimant and the Department pursue the recovery, whether by separate actions or intervention.

The Department's right of reimbursement should extend to all third-party sources, therefore "third persons" subject to the right of reimbursement include not just the third-party alone, but also all third-party insurance carriers, employers, or others covering the third-party or providing third-party benefits.

Your Committees on Health and Human Services and Judiciary requested that this Committee consider amendments to account for situations where third-party recoveries are less than the cost of assistance paid by the Department. Your Committee finds that additional amendments are not required as section 346-37(o), Hawaii Revised Statutes, (on page 14, lines 1 to 9) specifically allows for recovery of less than the full amount of reimbursement due. It is intended that the Department will equitably allocate recovered proceeds in these situations, e.g., one-third each to the Department, the claimant, and for fees and costs of 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 is in accord with the intent and purpose of H.B. No. 1125, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, Chun Oakland, Iwase, Nakata, Anderson).

SCRep. 1518

Ways and Means on H.B. No. 1146

The purpose of this bill is to make permanent the statutory enactments of Act 216, Session Laws of Hawaii 1997, relating to fees collected by the Department of Health.

In particular, Act 216, Session Laws of Hawaii 1997, was intended to make certain programs in the Department of Health financially self-sustaining by, among other things:

- (1) Creating the domestic violence prevention special fund for staff programs and grants or purchases of service that support or provide domestic violence intervention or prevention, and exempting this fund from central service expenses under section 36-27, Hawaii Revised Statutes, and departmental administrative expenses under section 36-30, Hawaii Revised Statutes;
- (2) Creating the vital statistics improvement special fund in the department for the modernization and automation of the vital statistics system in the State;
- (3) Raising the fees for obtaining certified copies of birth, marriage, or death certificates issued by the department; and
- (4) Crediting \$1 from the costs of each certified copy of certificates to each of the two funds established by Act 216, and designating the remaining balance of this fee to be divided between two spouse and child abuse special accounts administered by the Department of Human Services and the Judiciary.

In addition, this bill increases the fee amount to be deposited into the vital statistics improvement special fund from \$1 to \$3 and makes a corresponding increase from \$4 to \$6 for each copy issued. This bill also requires that copies of certificates be provided by the Department of Health free of charge to native Hawaiians, if the copies are requested in writing by and provided directly to the Department of Hawaiian Home Lands or the Office of Hawaiian Affairs in connection with a claim or an entitlement. Finally, this bill is repealed on June 30, 2003.

Your Committee agrees with the intent of this bill, and finds that it provides continued funding for the improvement of the vital statistics system and prevention of domestic violence and sexual assault.

Upon further consideration, your Committee has amended this measure by changing its effective date to July 1, 2011.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1146, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1146, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Iwase, Kawamoto, Nakata, Anderson).

SCRep. 1519

Ways and Means on H.B. No. 1620

The purpose of this bill is to authorize the Housing and Community Development Corporation of Hawaii to work in partnership with private sector entities to develop health care communities in the State.

In addition, this bill creates a health care community loan program for private sector entities for the construction of a health care community, of which a minimum of forty per cent of the health care community development must be directly related to the provision of health care. This bill establishes a health care community revolving fund to make loans to businesses for the construction of the health care community. The bill also authorizes the issuance of general obligation bonds to finance the cost of the acquisition, development, improvement, and construction of infrastructure for a health care community.

Your Committee finds that, as Hawaii's population ages, there is a growing problem of providing health care for seniors. Greater emphasis must be placed on creating health care communities where wellness and prevention go hand in hand with diagnosis and treatment. In these communities, people will be empowered to make healthy choices in part by having information, facilities, and opportunities provided by an integrated state-of-the-art health care network integrated within the community.

Your Committee further finds that the development of health care communities through a public-private partnership, including the development of "medical malls", provides a workable solution to the problem of providing health care for seniors, and will also provide a direct boost to the health and tourism industries, the two largest industries in the State. Because health care is a clean, quiet industry, health care communities will also bring jobs closer to residential areas without negatively affecting those areas.

Upon further consideration, your Committee has amended the bill's provision relating to limitation of powers by deleting the words "relating to permitting, planning, zoning, construction standards, development and improvements of land, and the construction of structures on that land." As amended, a health care community development is not exempt from any statute, ordinance, charter provision, or rules of any state or county governmental agency, without qualification.

As affirmed by the record of votes of the members 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. 1620, 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. 1620, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Iwase, Nakata, Anderson).

SCRep. 1520 Ways and Means on H.B. No. 1663

The purpose of this bill is to appropriate funds to the Department of Health to conduct soil testing at Village Park and West Loch Fairways, Oahu to determine if contaminated soil is a cause of the illnesses, and the physical and learning disabilities of children and families living in these areas.

Your Committee has amended this bill by:

- (1) Inserting the substance of:
 - (A) Senate Bill No. 1032, S.D. 1, which requires the Director of Health to establish an administrative process for permitting the involuntary medication of psychiatric patients institutionalized at in-patient psychiatric facilities or the Hawaii state hospital, under the authority of an interdisciplinary clinical review panel, in order to alleviate mental illness and restore competency; and
 - (B) Senate Bill No. 511, S.D. 1, which requires insurers, mutual benefit societies, and health maintenance organizations to pay an indemnity or reimbursement directly to the rural health care facility that provided services, regardless of the facility's participatory status with the insurer's, mutual benefit society's, or health maintenance organization's plan; and
- (2) Changing the sum appropriated for soil testing at Village Park and West Loch Fairways from \$1 to \$2; 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. 1663, 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. 1663, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Taniguchi, Anderson).

SCRep. 1521 Ways and Means on H.B. No. 157

The purpose of this bill is to reduce prison overcrowding by establishing and funding an integrated community sanctions program to be composed of:

- (1) Drug treatment diversion programs;

- (2) Community reintegration programs;
- (3) Residential work-furlough programs;
- (4) The "Halfway In, Halfway Back" program for nonviolent inmates who are within the last six months of their incarceration;
- (5) The early parole program; and
- (6) Post-release sex offender and substance abuse treatment services.

Your Committee finds that pilot programs, such as the drug court program and the integrated community sanctions program, established by Act 25, during the Special Session of 1995, have shown that cost-effective alternative sanctions are the best methods for dealing with the ever expanding nonviolent offender population. Your Committee believes that a prison system must provide a range of punishments, services, and programming aimed at nonviolent offenders or else risk becoming a revolving door for persons who are often poor, highly dysfunctional, illiterate, and substance abusers.

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

- (1) Adding a new part VI to make permanent the drug court program in the circuit court of the first circuit;
- (2) Changing the amounts appropriated to \$0 to facilitate continuing discussion on this matter; and
- (3) Making technical nonsubstantive changes 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. 157, 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. 157, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1522 **Ways and Means on H.B. No. 1450**

The purpose of this bill is to appropriate operating and capital funds to the Judiciary for the 1999-2001 fiscal biennium.

The Judiciary has undertaken programs to improve efficiency in the courts while continuing to maintain timely and quality services to Hawaii's citizens. Your Committee wishes to acknowledge the Judiciary's efforts in this area and to thank the Judiciary for its assistance and cooperation in identifying areas for cost containment and revenue enhancement.

Even during these difficult economic times, however, certain pressing needs within the Judiciary must be addressed. Your Committee has provided for these areas and would like to highlight three of these areas:

FAMILY COURTS

Our community's concerns about child abuse, neglect, and paternity have prompted your Committee to support the establishment of two new judgeships: an additional District Family Court judge for the Third Circuit in Hilo, and an additional Family Court judge for the First Circuit.

HAWAII DRUG COURT PROGRAM

Your Committee has also supported the conversion of the Drug Court into a permanent program by converting fourteen positions from temporary to permanent status. Since the program was established in January, 1996, the program has proved to be a cost-effective alternative for diverting drug offenders. The Judiciary estimates that the Drug Court saves between \$678,000 and \$854,000 a year while attaining a client recidivism rate of six per cent as compared to other criminal justice programs where recidivism ranges between forty and sixty per cent.

CIRCUIT COURTS

A new judge is approved for the Fifth Circuit of the Circuit Court to handle circuit and family matters. There is currently only one Circuit Court judge assigned to preside over the islands of Kauai and Niihau who serves as the Circuit Court Administrative Judge, the Arbitration Judge, and the Senior Family Judge.

Your Committee has amended the bill by:

- (1) Changing the amounts appropriated for operating purposes in fiscal year 1999 for JUD111 and JUD201;
- (2) Adding a new capital improvement project item #9 for the Legal Aid Society of Hawaii;

- (3) Increasing the grant-in-aid to the Legal Aid Society of Hawaii to \$1,052,400;
- (4) Increasing the amount appropriated or authorized in part II for capital improvement projects to \$18,880,000 and increasing the bond authorization ceiling accordingly; and
- (5) Making technical changes that have no substantive effect.

As affirmed by the record of votes of the members 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. 1450, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 1450, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 1523 Ways and Means on H.B. No. 1454

The purpose of this bill is to clarify that a single, uniform fee of \$100 is to be applied to all probate actions involving a decedent's estate.

In addition, this bill increases the fee for civil district court filings from \$75 to \$100, and adds new fees to be assessed by a district court for administrative costs associated with the processing of traffic citations issued for stopping, standing, or parking (\$5) and for moving violations (\$15).

Your Committee finds that this bill will establish a uniform fee to be collected only once upon filing for any proceedings involving a decedent's estate. The intent is to clarify that this one fee applies to all probate cases, whether commenced through formal and informal proceedings by either an appointed representative or personal representative, and including foreign representatives with authority to act in Hawaii.

Your Committee further finds that, given the difficulties facing Hawaii's economy and the need to take measures to ensure fiscal solvency, there is a need to ensure that the cost of certain government operations be borne by the users of those services. Your Committee finds that this bill will help to generate additional revenue to fund needed judiciary services and ensure that the users of those services contribute to the costs of government operations.

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

- (1) Adding a purpose section;
- (2) Modifying the form and amounts of the new administrative processing fees to be assessed by a District Court in what are now the following amounts:
 - (A) \$20 for processing arrests and citations for moving violations;
 - (B) \$15 for processing non-moving violations; and
 - (C) \$5 for processing parking citations; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1454, 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. 1454, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1524 Ways and Means on H.B. No. 1471

The purpose of this bill is to amend provisions relating to the Office of Elections. Specifically, this bill:

- (1) Renames the elections appointment panel to the elections appointment and review panel;
- (2) Establishes an elections review program to among other things, establish performance standards for the election process, conduct a biennial review of the performance of the Chief Election Officer, and require a biennial evaluation report containing findings and recommendations to the Legislature about the election operations;
- (3) Transfers the Office of Elections and the elections appointment and review panel from being administratively attached to the Office of the Lieutenant Governor to being administratively attached to the Department of Accounting and General Services;

- (4) Makes these functions permanent by removing the repeal and reenactment language from Act 27, Session Laws of Hawaii 1995, that required these provisions to sunset on June 30, 1999; and
- (5) Makes a \$5,000 appropriation to implement the provisions of this bill.

Your Committee finds that the concerns addressed by this bill follow close on the heels of one of the largest election recounts ever to have occurred in Hawaii and possibly the country. The ballot recount of the November 1998 election and the close scrutiny given to the reappointment of the incumbent Chief Election Officer this session both underscore the major points of this bill. These include a performance evaluation of the election process and program, and the job performance of the Chief Election Officer.

Your Committee further finds that the pursuit of the American ideal of participatory democracy requires placing responsibility upon the shoulders of those who implement the election laws. Creating the election appointment and review panel and requiring the panel to establish performance standards for the election process and the job performance of the Chief Election Officer will give the public stronger assurances of oversight and quality control. Through the panel, the Legislature will receive a biennial report upon which to decide how well the process is working and whether certain individuals are doing a good job. It is hoped that this will remove the political spectre from the public's image of the election process, thereby restoring their faith in the democratic process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, Taniguchi, Anderson).

SCRep. 1525 Ways and Means on H.B. No. 1145

The purpose of this bill is to make an appropriation for retroactive payment of additional emergency medical services contract costs resulting from collective bargaining increases and parity wage and salary differentials for emergency medical ambulance personnel for the City and County of Honolulu.

Specifically, this bill appropriates \$1,377,550 for fiscal year 1998-1999 for this purpose. The appropriated amount covers an agreement for the period July 1, 1995 through June 30, 1999. The contract requires the State to pay emergency medical personnel wage increases granted to civil service workers in the same classification.

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

- (1) Restoring the medical ambulance personnel of the counties of Maui and Kauai, who were deleted in the S.D. 1 version of this bill; and
- (2) Amending the appropriated amount to an unspecified blank amount for purposes of 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. 1145, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1145, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1526 Ways and Means on H.B. No. 1296

The purpose of this bill is to clarify certain aspects of the management of Kaneohe Bay.

Specifically, this measure limits the number of permits for commercial operation of ocean use as specified in the Kaneohe Bay Master Plan in the form in which it existed on June 21, 1993, the date Act 317, Session Laws of Hawaii 1993, took effect. This measure also requires that all rules adopted by the Department of Land and Natural Resources with regard to Kaneohe Bay be adopted in accordance with chapter 91, Hawaii Revised Statutes, and follow the Master Plan as adopted by the Office of Planning on March 19, 1992, unless an inconsistent rule is required to protect the public health and safety or ensure resource preservation.

This measure also requires the Kaneohe Bay Regional Council to review the Master Plan and submit appropriate amendments to the Department rather than the Legislature.

Your Committee finds that the long-term integrity and beauty of Kaneohe Bay is dependent on finding the right blend of usage and adequate management that includes community participation. Your Committee believes this measure takes a step toward the finetuning of that task.

As affirmed by the record of votes of the members 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. 1296, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, Chun Oakland, Iwase, Nakata, Anderson).

SCRep. 1527 Ways and Means on H.B. No. 1649

The purpose of this measure is to provide for certain exemptions to the conveyance tax.

Specifically, this measure exempts the transfer of real property executed in connection with the conversion of:

- (1) A general partnership or limited partnership to a limited liability company or corporation; or
- (2) A limited liability company or corporation to a general partnership or limited partnership.

Testimony in support of this measure was received from Outrigger Enterprises, Inc. The Director of Taxation and the Tax Foundation of Hawaii commented on the measure.

Your Committee finds that levying a conveyance tax on transactions between certain related business entities prevents businesses from choosing the optimum form of organization in which to conduct business. This may create a disincentive for a business to change to a better, more efficient form of doing business.

Your Committee has amended this measure to clarify that the conveyances of real property being exempted are:

- (1) Mergers or consolidations under chapters 415 to 428, Hawaii Revised Statutes; or
- (2) Dissolutions of limited partnerships to its corporate general partnership that owns, directly or indirectly, at least a ninety per cent interest in the partnership.

As affirmed by the record of votes of the members 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. 1649, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1649, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1528 Judiciary on H.B. No. 71

The purpose of this bill, as received by your Committee, is to amend various election laws to:

- (1) Add a new category of "ballot issue committee;"
- (2) Require candidates to register with the Campaign Spending Commission within ten days of the first expenditure or contribution, regardless of the amount;
- (3) Change the dates on which preliminary reports must be filed with the Commission;
- (4) Repeal short form reporting; and
- (5) Make various housekeeping changes.

Your Committee finds that constitutional constraints raise questions regarding the degree to which the State can exercise regulatory authority over informational or educational advertising. Similarly, the Attorney General has opined that committees that receive and expend funds only to impact ballot issues cannot be subject to contribution limits.

Your Committee finds that amending the candidate registration threshold to require candidates to register after making a first expenditure of any amount will improve the Campaign Spending Commission's awareness of candidates in smaller races, who may not be required to even register under current law until late in the campaign. Your Committee further finds that the current requirement of registration for each new election has created unnecessary administrative burdens for the Campaign Spending Commission and for continuing candidates.

Your Committee finds that a limitation on a candidate's contributions to the candidate's own campaign may not be constitutional, and that it should be made clear that campaign contribution limitations are not intended to apply to candidates. Your Committee further finds that committees should have the same opportunity and obligation that candidates currently have to voluntarily turn over excess or wrongful contributions. Also on the subject of contributions, your Committee finds that the existing prohibition against corporate contributions to committees formed within the last year is virtually unenforceable and subject to court challenge.

Your Committee finds that the Campaign Spending Commission should have the option to publish either in the newspaper, or on the internet, or by both methods, the names of candidates, committees, and parties who have failed to file a report. The obligation to publish the names by one or more of those methods, however, should be mandatory.

Testimony in support of this measure was received from the Campaign Spending Commission, the League of Women Voters, Common Cause Hawaii, Hawaii Clean Elections, and one individual.

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

- (1) Deleting its contents and substituting the contents of S.B. 628, S.D. 1, which contains an educational purpose exclusion in the definition of "committee," allows web page publication of notifications by the Campaign Spending Commission, leaves the reporting trigger at \$100 for contributions but any amount for expenditures, contains an exception to contribution limits for a candidate's contributions to the candidate's own campaign, and is otherwise similar in substance;
- (2) Clarifying the threshold for the waiver of preliminary report filing;
- (3) Allowing the Campaign Spending Commission to impose alternative fines or penalties for failure to respond to a notification; and
- (4) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 71, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 71, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1529 Judiciary on H.B. No. 1497

The purpose of this bill, as received by your Committee, is to impose an enhanced sentence of life imprisonment without possibility of parole for murder in the second degree in certain circumstances.

Your Committee finds that murderers who are habitual violent offenders, as well as other habitual violent offenders and habitual sexual offenders, are a small but highly dangerous segment of Hawaii's criminals. Such offenders, who have already repeatedly victimized their fellow citizens, are likely to commit violent crimes or sexual assaults over and over unless prevented from doing so.

Your Committee believes that for non-sexual violent felonies, some degree of enhanced sentencing beyond the level provided by current law is appropriate, but only for those convicted of violent class A felonies after three previous violent felony convictions, and those convicted of murder in the second degree after two previous violent felony convictions. As to sexual assaults, your Committee finds that the evidence is even stronger than for violent felonies in general that repeat sexual offenders with several convictions will continue to repeat these assaults over and over unless prevented. Your Committee further believes that for repeat sexual offenders, some degree of enhanced sentencing is appropriate even when the current conviction is for sexual assault in the second degree (a class B felony) or the third degree (a class C felony).

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu and the Honolulu Police Department. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. 584, S.D. 1, which:

- (1) Provides enhanced sentencing for habitual violent offenders whose current convictions are for murder in the second degree or a violent class A felony;
- (2) Requires that a person have two prior felony convictions, if the current conviction is for murder in the second degree, or three prior felony convictions, if the current conviction is for a violent class A felony, to qualify as a habitual violent offender;
- (3) Includes enhanced sentencing provisions that imposes life imprisonment (which would be within the court's discretion under current law) for class A felons with three prior violent felony convictions, and imposes life imprisonment without parole (which is within the court's discretion under current law) for a second degree murderer with two prior violent felony convictions; and
- (4) Includes a section separately addressing repeat sexual offenders, which provides that felon sexual offenders with two previous sexual offense convictions shall be sentenced to an extended term (which would be within the court's discretion under current law), and further provides that felony sexual offenders with three previous sexual offense convictions shall be sentenced to life imprisonment without parole.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1497, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1497, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 1530 Ways and Means on H.B. No. 749

The purpose of this bill is to establish a dietitian certification program effective January 1, 2010.

Your Committee finds that nutrition plays a vital role in growth and brain development, the prevention of diseases such as cancer, the control and treatment of many diseases including arteriosclerosis and diabetes, and the attainment and maintenance of health. Although there has been a virtual explosion in the amount of information available to the public about nutrition, much of this information is contradictory, confusing, and misleading and, when followed, may actually undermine rather than improve a person's health.

Your Committee agrees with the intent of this bill to provide for the regulation of persons offering dietetic services in order to protect the health, safety, and welfare of the public, protect those seeking dietetic services from incompetent and unscrupulous persons and persons unauthorized to perform these services, assure the highest degree of professional conduct on the part of dietitians, and assure the availability of high quality dietetic services.

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

- (1) Providing for licensure, rather than certification, of dietitians;
- (2) Adding background information on the importance of nutrition and dietetics and the need for regulation;
- (3) Restoring the definition of "Commission on Accreditation";
- (4) Deleting the current certification requirements requiring the applicant to be a current active registered dietitian, and inserting licensure requirements relating to education, experience, examination, and a report of disciplinary action in another jurisdiction;
- (5) Specifying that an individual who provides evidence of current registration in the American Dietetic Association is deemed to have met the educational and supervised practice experience requirements for licensure;
- (6) Changing the effective date from January 1, 2010, to January 1, 2000; and
- (7) 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 H.B. No. 749, 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. 749, H.D. 3, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Ige, D., Kawamoto, Anderson).

SCRep. 1531 Ways and Means on H.B. No. 1409

The purpose of this bill is to authorize the Land Use Commission to require reimbursement for court reporter expenses and other hearing expenses.

Your Committee finds that this measure is necessary to enable the commission to recoup some of the expenses involved in the hearing process, and thereby operate in a more cost-effective manner.

Your Committee has amended this measure by making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1409, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1409, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, Chun Oakland, Iwase, Nakata, Anderson).

SCRep. 1532 Commerce and Consumer Protection on H.B. No. 830

The purpose of this measure is to enable small companies to raise capital through the Small Corporate Registration (SCOR) program, a uniform registration system that allows small companies to obtain equity financing by selling common stock directly to the public.

The Department of Business, Economic Development, and Tourism submitted testimony in support of the measure. The Hawaii Congress on Small Business, while not present, submitted testimony in support of the measure.

Your Committee finds that a lack of capital is one of the most frequent causes of small business failures in Hawaii. This measure would allow small companies to raise financing by selling common stock directly to the public through a simplified filing under the SCOR program. The establishment of an "accredited investor" exemption under section 485-6, Hawaii Revised Statutes, will enable businesses to raise capital through a private placement with qualified higher net worth individuals and institutions.

Your Committee has made technical, nonsubstantive amendments to the measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 830, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 830, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1533 Ways and Means on H.B. No. 104

The purpose of this bill is to change the composition of the Employer-Union Trust Concept Committee and to extend the scope of its mandated purpose.

Specifically, the measure clarifies that equal numbers of representatives from public employers and public employee organizations sit on the Committee and that a retired beneficiary of the Public Employees Health Fund be included among the employee members. The measure also:

- (1) Extends the Committee's term until June 30, 2001;
- (2) Requires the Committee to submit annual progress reports on November 21, 1999, May 15, 2000, and November 21, 2000, to the Legislature;
- (3) Requires the Committee to submit annual action plans to the Legislature on November 1, 1999, and November 1, 2000; and
- (4) Requires the Committee to submit a finalized proposal and implementing legislation no later than twenty days prior to the convening of the 2001 regular session.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 104, 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. 104, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1534 Ways and Means on H.B. No. 139

The purpose of this measure is to:

- (1) Establish a clear and objective definition of "state resident" that can be used by federal contracting officers in enforcing the preferences for state residents that are provided in federal law;
- (2) Exempt from the general excise tax all of the gross proceeds arising from federal construction contracts and received by state contractors and subcontractors;
- (3) Clarify that contractors, including out-of-state contractors, working on federal construction contracts in the State are subject to the licensing and other provisions of chapter 444, Hawaii Revised Statutes, to the extent allowed under federal law; and
- (4) Authorize the use of and establish criteria for project labor agreements that are intended to ensure the efficiency, stability, and quality of federal construction projects.

Your Committee finds that the construction industry represents a sizable component of Hawaii's economy but has experienced economic declines in recent years. The lack of business and employment opportunities, the high cost of doing business in Hawaii, and increased competition from out-of-state companies have contributed to the declines. Due to the importance of the construction industry to Hawaii's economy, every effort must be made to revitalize and stabilize the industry. Your Committee believes that this measure represents a coherent approach to revitalizing and stabilizing Hawaii's construction industry. Your Committee intends this measure to affect only those projects on federal property that are one hundred per cent federally funded.

Your Committee has amended this measure by amending the definition of "state resident" for purposes of the preference provisions under federal law. Your Committee has amended the criteria needed to be satisfied in order to qualify as a "state resident" by:

- (1) Requiring an individual to have paid all of the amounts owing on a tax return filed in the preceding year;
- (2) Requiring a business entity to be a domestic corporation, partnership, or business organized or formed under the laws of the State;
- (3) Deleting the requirement that a business entity maintain a place of business within the State staffed by the bidder or an employee of the bidder for a period of six months immediately preceding the date of the bid;
- (4) Requiring a business entity to maintain its principal place of business within the State for at least two-hundred consecutive days prior to the submission of a bid;
- (5) Requiring a business entity to have filed a Hawaii resident income tax and all other applicable tax returns for the preceding tax year and have paid all amounts owing on those tax returns;
- (6) Requiring a business entity to have complied with all applicable Hawaii employment, insurance, and worker's compensation laws;
- (7) Deleting the provisions that require a minimum percentage of state residents as owners, principals, partners, and employees depending on the form of the business entity;
- (8) Requiring an employer with one or more employees to have one-hundred per cent of those employees qualify as "state residents"; and
- (9) Requiring a business entity that is a joint venture be composed entirely of entities that qualify as "state residents".

Your Committee made parallel and identical amendments to the definition of "state subcontractor" for purposes of the general excise tax exemption provided in this measure. In addition, your Committee narrowed the scope of the general excise tax exemption to gross proceeds arising from federal construction projects received by state subcontractors, rather than including state 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 is in accord with the intent and purpose of H.B. No. 139, 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. 139, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Ige, D., Ige, M., Taniguchi, Anderson).

SCRep. 1535 Ways and Means on H.B. No. 1038

The purpose of this bill is to appropriate and authorize funds to the Department of Budget and Finance, the Judiciary, and the Hawaii Health Systems Corporation to pay the cost of items negotiated in collective bargaining agreements with the representatives of units 1, 2, 3, 4, 6, 8, 9, 10, and 13, and for state officers and employees who are excluded from these units.

In addition, this bill appropriates and authorizes funds to the Office of the Auditor, the Ethics Commission, the Legislative Reference Bureau, and the Ombudsman to pay the cost of salary increases and other cost adjustments authorized for state officers and employees in these agencies who are excluded from collective bargaining.

Specifically, this bill appropriates and authorizes general funds, special funds, federal funds, and other funds to pay the retroactive (i.e., past) and continuing (i.e., present and future) cost of these collective bargaining agreement items.

Your Committee finds that funds were not appropriated or authorized during past legislative sessions to pay the full cost of some collective bargaining agreements (e.g., unit 6 - educational officers) because of the severity of the budget deficit.

Your Committee has not specified the full amount of funds to be appropriated for the 1998-1999 fiscal year and the 1999-2001 fiscal biennium since work on the state budget is still in progress.

Your Committee has amended this bill by appropriating the sum of \$2 for fiscal year 1998-1999 to fund increases in salary costs due to collective bargaining agreements for employees of the Hawaii Health Systems Corporation in bargaining units 1, 2, 3, 4, 9, 10, and 13.

As affirmed by the record of votes of the members 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. 1038, 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. 1038, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1536 Transportation and Intergovernmental Affairs on H.B. No. 10

The purpose of this measure is to require employers to provide a driver improvement program for the drivers of commercial motor vehicles with a gross vehicle weight rating in excess of ten thousand pounds.

Testimony in support of this measure was received from the Department of Transportation and Hawaii Transportation Association.

Your Committee finds that federal motor carrier safety regulations require that a driver must be able, by reason of experience, training, or both, to safely operate the type of commercial motor vehicle being driven. Currently, state law requires employers to provide a driver improvement program (DIP) for commercial motor vehicle drivers. The DIP provides a system for continuous driver evaluation and annual driver safety courses. However, state law is inconsistent with the federal regulations in identifying which commercial motor vehicle drivers are required to be provided with the training. This measure makes Hawaii law consistent with federal regulations.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 10 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, 2 (Ige, D., Taniguchi).

SCRep. 1537 Transportation and Intergovernmental Affairs on H.B. No. 11

The purpose of this measure is to permit the holder of a Type 3 driver's license to drive a motor vehicle with a gross vehicle weight rating of up to 12,000 pounds.

Testimony in support of this measure was received from the Hawaii Transportation Association and Ryder Transportation Services.

The testimony received by your Committee indicated that the gross vehicle rating increases in this bill are not a serious safety concern because the weight carrying capacities of currently manufactured vehicles can safely carry heavier loads. Ryder Transportation Services suggested that increasing the gross vehicle weight rating limitation for Type 3 licenses to 15,000 pounds would not compromise safety.

Your Committee finds that this measure will help local companies transport their products efficiently and safely. Your Committee has amended this measure to reflect the language in S.B. No. 676, S.D. 1, by inserting a purpose section and increasing the gross vehicle weight rating limit for Type 3 driver's licenses to 15,000 instead of 12,000 pounds.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 11, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 11, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Inouye, Iwase).

SCRep. 1538 (Joint) Water, Land, and Hawaiian Affairs and Ways and Means on H.B. No. 990

The purpose of this measure is to make an emergency appropriation to fund the legal services provided to the Department of Hawaiian Home Lands for individual claims review.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands and the Attorney General. The Native Hawaiian Legal Corporation submitted comments on the measure.

Your Committees find that funds budgeted for legal services provided to the Department of Hawaiian Home Lands for legal representation before the Hawaiian Home Lands Individual Claims Review Panel will be depleted by the end of February 1999. In order to complete the resolution process mandated under chapter 674, Hawaii Revised Statutes, funding for the Department of Hawaiian Home Lands' legal representation must continue.

Your Committees have amended the measure by changing the effective date of the measure from upon approval to July 1, 2010, to facilitate further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 990, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 990, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 14. Noes, none. Excused, 3 (Kanno, Tam, Tanaka).

SCRep. 1539 Commerce and Consumer Protection on H.B. No. 411

The purpose of this measure is to require that dealers' contracts for the sale or lease of new or used motor vehicles specifically disclose whether the transaction is subject to a three-day right of rescission.

The Department of Commerce and Consumer Affairs and the Hawaii Automobile Dealers' Association presented testimony in support of the measure. Insurance Auto Auctions and State Farm Insurance Companies presented comments on the measure.

Your Committee finds that, based upon the numerous telephone inquiries received by the State's Consumer Resource Center regarding the possibility of rescinding a new car contract, there is a common misconception among consumers that under the law there is a three-day right of rescission for motor vehicle leases or purchases. This confusion is most likely caused by a statement found in car sale credit applications referring to a three-day right of rescission for door-to-door sales that is inapplicable to most motor vehicle transactions.

Your Committee finds that this measure would help consumers to better understand their rights in motor vehicle transactions by requiring that salespersons and dealers include as part of the lease or sale contract a specific provision, acknowledged and agreed to by the consumer, indicating whether or not the transaction is subject to a three-day right of rescission. The failure to include this provision within a contract would constitute a licensing law violation under section 437-28, Hawaii Revised Statutes (HRS).

Upon careful consideration of all the testimony, your Committee has amended this measure by:

- (1) Exempting motor vehicles sold at auction from the disclosure requirement; and
- (2) Adding a new section to chapter 437, HRS, that provides that new or used motor vehicle sales and lease contracts contingent upon financing, are void if the buyer is unable to qualify for financing.

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. 411, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 411, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1540 Commerce and Consumer Protection on H.B. No. 657

The purpose of this measure is to introduce alternative registration procedures to permit time share developers to proceed with sales of time share interests on an expedited basis by:

- (1) Allowing the acceptance of an out-of-state time share plan that has been previously registered in another jurisdiction if that jurisdiction's registration requirements are deemed to exceed or be equal to those required by Hawaii; and
- (2) Allowing the issuance of a six-month preliminary permit that would allow a developer to offer and sell time share interests before the developer's registration is accepted by the Department of Commerce and Consumer Affairs (DCCA).

An individual presented testimony in support of the measure. The DCCA and an individual presented testimony in opposition to the measure. Shell Vacations LLC, Alii Kai Resort, Ltd., and an individual, while not present, submitted testimony in opposition to the measure.

Your Committee finds that a number of concerns remain unresolved regarding the alternative registration requirements for out-of-state time share plans proposed by Section 1 of this measure. However, many of the other provisions have merit, since they will permit time share developers to enter the market place more quickly, reducing their cost of doing business, while still addressing consumer concerns. Therefore, further discussion is warranted.

Your Committee has amended this measure to:

- (1) Delete the provisions which allow the acceptance of out-of-state time share plans;
- (2) Permit the DCCA to issue a one-year preliminary permit which may be extended, rather than a six-month permit and require that such permit be issued within 45 days after a developer meets certain conditions;
- (4) Require the seller to clearly disclose to the buyer that the preliminary permit is temporary and the final permit may be rejected;
- (5) Allow sales agents and acquisition agents for a time share plan to register upon the issuance of a preliminary permit;

- (6) Change the effective date to ensure further discussion on issues raised by the preliminary permit process; and
- (7) Make technical and non-substantive amendments for the purposes of conformity and 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 H.B. No. 657, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 657, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1541 (Joint/Majority) Education and Technology, Ways and Means, and Judiciary on H.B. No. 150

The purpose of this bill, as received by your Committees, is to provide for an appointed board of education.

The purpose of this bill, as amended, is to amend the constitution to provide clear accountability for the public schools to the board of education (BOE). Specifically, the BOE would be provided the authority, resources, and the responsibility to govern the public schools similar to the other political subdivisions of the State, including its own taxing authority.

Prior to the hearing, your Committees circulated a proposed Senate Draft. Testimony was submitted in support of the proposed Senate Draft by the Chairperson of the Board of Education, University of Hawaii Professional Assembly, Hawaii State Teachers Association, Hawaii Government Employees Association, Hawaii Government Employees Association Retirees Unit, Superintendent of Education, State Librarian, and three individuals. Testimony in opposition was submitted by the State Representatives from the Sixth and Seventeenth Districts, Hawaii Congress of Parents, Teachers and Students, and seven individuals. Informational testimony was submitted by the Department of Taxation, Department of the Attorney General, Chamber of Commerce of Hawaii, Hawaii Business Roundtable, and the Tax Foundation of Hawaii.

Specifically, the proposed Senate draft amends the constitution to make the department of education a political subdivision with the board of education in charge. The bill treats the board of education as the equivalent of a county council. The bill gives the department all functions, powers, and duties necessary to provide for the establishment, support, and control of the statewide system of education subject to general laws.

On July 1, 2002, after ratification of the constitutional amendments in the general elections of 2000, the department is allowed to:

- (1) Issue general obligation bonds under the full faith and credit of the political subdivision. The department is required to pay all principal and interest of general obligation bonds that have previously been issued by the State that directly benefit the public school system;
- (2) Use all powers regarding the income tax, except the taxation of pension and social security income and change the rates of the income tax after June 30, 2005, upon a two-thirds vote of the board membership. The proposed Senate draft:
 - (A) Freezes current income tax deductions, exemptions, and tax credits until July 1, 2007, except for changes made to them in the Internal Revenue Code, and allows new or increased deductions, exemptions, and tax credits to be established at any time; and
 - (B) Directs the department of education to contract with the department of taxation for the administration of the income tax until 2012; and
- (3) Use all powers necessary to enact a retail sales tax and to set the rate of the tax upon a two-thirds vote of the board membership.

In addition, the proposed Senate draft:

- (1) Requires the council on revenues to prepare public revenue estimates for the department of education; requires the board of education to consider the estimates in preparing the budget, recommending appropriations and revenues, and controlling expenditures; and requires the board to make public the reasons why any budget or expenditure will exceed estimated revenues; and
- (2) Provides that the auditor may audit the department of education.

On July 1, 2002, the proposed Senate draft amends statutes to provide:

- (1) For a department of education fund in the state treasury under the control of the board;
- (2) That income tax revenues go to the fund; and
- (3) That the council on revenues will give revenue estimates to the board of education.

The proposed Senate draft also:

- (1) Repeals the transfer of general excise taxes to the state educational facilities improvement special fund and the fund; and
- (2) Repeals the provisions placing the department of education in the state departmental structure and the creation of the department.

Finally, the proposed Senate draft provides for a restructuring and transition committee to make recommendations on restructuring the department and amending statutes.

Your Committees find that after years of attempting to make the department of education fully responsible through lump sum budgeting, school-by-school budgeting, and school and community based management, it is necessary to take the last step toward autonomy by making the department of education a political subdivision with its own taxing powers. In this manner the department will be responsible for raising its own taxes and will be responsible for spending the money it raises. If the public disapproves of the manner in which the department operates, it can vote the board members out of office or keep them. There will be a direct relationship between the public which pays for education and the department which provides the education.

The public will no longer have to look to the legislature or the executive branch for reasons why the department of education is performing or not performing. If test scores remain low, the public will know exactly who is responsible. If the test scores go up, again the public will know exactly who is responsible.

Your Committees note that many mainland school districts have taxing power. Unlike those mainland jurisdictions where the taxing power is small as are the school districts, the Hawaii department of education is a statewide system and needs statewide taxing power. Your Committees find that revenues from the income tax approximate the cost of lower education, including debt service. In addition, federal funds are received. Your Committees believe that the department of education can be self supporting without the use of tax increases or the adoption of a retail sales tax.

Your Committees note that there may be other funding options for the department of education such as dedicating a set percentage of the general fund or the excise tax and those should be considered as this proposal receives further study.

The restructuring and transition committee will review the current structure and make up of the department and recommend statutory amendments necessary to transform the department into a political subdivision. Your Committees envision that the transition period will be more than two years, however, the autonomous department can be operating within two years. After two years, the department may contract with state agencies to furnish services now furnished for free. Experience under these contracts will allow the department to discover which areas should be subject to contract and which would be more efficiently done internally.

Your Committees believe that this proposed Senate draft is one means to address the obvious shortcomings in the governance of our public schools. Your Committees believe that accountability is the crux of the problems with the board and the department of education. Higher reading scores and improved student performance in general are the main issues of concern and your Committees do not believe that the current structure of the board and department of education is capable of delivering those improvements. As this proposal continues through the legislative process, your Committees believe that the 1992 report of the Governor's Task Force on Educational Governance should be reviewed for further governance options.

Your Committees have amended the measure, as received, H.B. No. 159, H.D. 2, by deleting its contents and substituting the proposed Senate Draft. The proposed Senate Draft has been amended by:

- (1) Keeping the corporate income tax with the State instead of transferring it to the Department;
- (2) Limiting the retail sales tax to tangible personal property and capping it a 1 cent per \$1 of value;
- (3) Adding a department of education general fund expenditure ceiling;
- (4) Deleting the department of education fund as unnecessary and amending section 16 of the bill as proposed to reflect that deletion and the retention of the corporate income tax;
- (5) Providing that the department of education does not have police power;
- (7) Providing that the transition committee shall make recommendations regarding immunity from legal process for the department and the members of the board of education in a manner similar to that granted to the counties;
- (8) Clarifying the application of the Constitution's debt limit provisions to the department of education in such a manner that the department is separate from the State but the same provisions that limit the State's debt will limit the department's debt; and
- (9) Making technical, nonsubstantive changes to conform the amendments above and for clarity.

As affirmed by the records of votes of the members of your Committees on Education and Technology, Ways and Means, and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. 150, H.D. 2, as amended

herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 150, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 15. Noes, 4 (Ige, M., Iwase, Anderson, Slom). Excused, 1 (Tanaka).

SCRep. 1542 Judiciary on H.B. No. 266

The purpose of this measure is to prohibit discrimination in the workplace and public accommodations against women who are breastfeeding or expressing breastmilk.

Testimony in support of this measure was received from the Department of Health, the Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the Hawaii Chapter of the American College of Nurse-Midwives, the Hawaii Chapter of the American Academy of Pediatrics, the Hawaii Nurses Association, Healthy Mothers Healthy Babies Coalition of Hawaii, Mother's Care for Tomorrow's Children, Lanai Community Hospital, Waimanalo Health Center, Kapiolani Medical Center, and seven concerned citizens.

Your Committee finds that there are numerous advantages to breastfeeding an infant. Furthermore, it is important to ensure that mothers who are returning to work are afforded the opportunity to continue feeding breastmilk to their infants.

Your Committee notes that there is a need to take more steps to change the public's perception of breastfeeding in the workplace. This can be accomplished through an increased public awareness campaign on the benefits of breastfeeding.

Your Committee also notes that there is little data to support or refute the anecdotal evidence of discrimination against breastfeeding in the workplace and public accommodations.

Your Committee has amended this measure by:

- (1) Rewriting the new section of chapter 378, Hawaii Revised Statutes, to clarify that the employer shall not prohibit an employee from breastfeeding or expressing breastmilk during meal periods or breaks to which the employee is entitled; and
- (2) Inserting a provision that the Hawaii Civil Rights Commission shall collect data and report to the legislature regarding incidences of discrimination against women breastfeeding or expressing breastmilk in the workplace.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 266, 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. 266, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1543 Judiciary on H.B. No. 936

The purpose of this measure is to allow a payee or a holder of a check, draft, or order for the payment of money, in due course, to assess a maximum service charge of \$20 against the maker for a dishonored check.

Testimony in support of this measure was submitted by Legislative Information Services of Hawaii, Credit Associates of Maui, Ltd., Pacific Board of Trade, Inc., Pacific Collections, VeriCheck, Hawaiian Collectors Association, Inc., Select Consulting Service, the Retail Merchants of Hawaii, Honolulu Collection Corporation, and a concerned individual. The Department of Commerce and Consumer Affairs submitted testimony in opposition to this measure.

Your Committee finds that because merchants and businesses incur administrative costs in attempting to collect a dishonored check, they should be able to assess a charge against the person who wrote the bad check, in order to recover this cost. Your Committee believes that a service charge capped at \$20 ensures an equitable and reasonable charge for the consumers' protection.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 936, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1544 Judiciary on H.B. No. 1267

The purpose of this measure is to make amendments to the alternative power of sale foreclosure law enacted in 1998.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association, the Mortgage Bankers Association of Hawaii, the Hawaii Credit Union League, the Hawaii Financial Services Association, the Hawaii Council of Associations of Apartment Owners, the Community Associations Institute, Security Title Corporation, Title Guaranty of Hawaii, Inc.,

and four individuals. The Department of Commerce and Consumer Affairs, Legal Aid Society of Hawaii, and the American Association of Retired Persons, opposed the measure. The Hawaii Association of REALTORS and two individuals submitted comments.

Your Committee finds that the proposed changes are intended to improve the efficiency of the power of sale foreclosure process and, as a result, reduce the time and cost of foreclosures. Your Committee has heard that under judicial foreclosure procedures, it takes twelve to eighteen months to complete a foreclosure, and that Act 122, Session Laws of Hawaii 1998, provided an alternative non-judicial process. This measure further clarifies and streamlines the procedures under non-judicial foreclosures.

Your Committee has amended this measure to change the proposed thirty days that a delinquent borrower has to bring a loan current to an unspecified number of days, and to make technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1267, 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. 1267, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1545 (Majority) Government Operations and Housing on H.B. No. 122

The purpose of this measure is to enforce the prompt payment of contracts by providing for penalties for the failure of a contractor to promptly pay a subcontractor.

Prior to the hearing, your Committee circulated a proposed Senate draft. Testimony was received on this proposed H.B. No. 122, H.D. 2, S.D. 1.

The proposed H.B. No. 122, H.D. 2, S.D. 1, added to the measure as received, language that requires privately-operated group living facilities who have a contract, pursuant to chapter 103F, Hawaii Revised Statutes, for the purchase of health and human services to be licensed with the Department of Health.

Testimony in support of the proposed Senate draft was received from the Plumbing and Mechanical Contractors Association of Hawaii, Subcontractors Association of Hawaii, JR Electric, Tile, Marble and Terrazzo Contractors Association of Hawaii, R.W. Almonte Enterprises, Inc., Zack's Flooring, Alii Flooring, Inc., B&J Insulation Co., Inc., Bay Harbor Company, Kauai Floors, Inc., Audissey, Structural Pest Control, Inc., Bug Man Termite & Pest Control Inc., Skylights of Hawaii, Dorvin D. Leis Co., Inc., Aluminum Shake Roofing, Inc., T. Taketa Sheet Metal, Inc., Son-Light Electric, Inc., and International Brotherhood of Electrical Workers, Local Union 1186. Testimony with amendments was received from Kanoiehua Industrial Area Association, Inc.

Testimony in opposition to this measure was received from Building Industry Association of Hawaii, T. Iida Contracting, Ltd., Armstrong Builders, Ltd., Thurston Pacific, Inc., Willocks Construction Corporation, Allied Builders System, Reef Development of Hawaii, Inc., Fletcher Pacific, Universal Construction, Inc., Kaikor Construction Associates, Inc., Jayar Construction, Inc., Graham Builders, Inc., Hawaiian Dredging Construction Company, BKA Builders Inc., Hallmark Construction Corporation, QMC Corp., Teval Corp., Walter Y. Arakaki General Contractor, Inc., and Robert M. Kaya Builders, Inc.

Prompt Payment of Contracts

Your Committee recognizes that the intent of this provision is to enforce the prompt payment of contracts which is required under section 103-10.5, Hawaii Revised Statutes. This will be served by providing appropriate incentives and penalties for failing to comply with this requirement.

Licensing of Group Living Facilities

Your Committee finds that pursuant to 103F, Hawaii Revised Statutes, the State may procure for the purchase of health and human services from group living facilities.

Some group living facilities, however, are not licensed by the Department of Health. Your Committee finds that licensed group living facilities ensure services provided to the public are safe for all residents and surrounding communities.

This provision will prohibit the State from procuring with unlicensed group living facilities, including, but not limited to domestic abuse shelters, halfway houses, and other private residences used for the purpose of providing health services or human services.

Your Committee has amended this measure, as received, by replacing its contents with the contents of the proposed Senate draft with the following changes:

- (1) Deleting the reference instructing the comptroller to adopt a system of graduated penalties and replacing it with specific penalties for violation of the prompt payment provision; and

- (2) Prohibiting the State from procuring services from unlicensed group living facilities for the purpose of providing health and human services.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 122, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 122, 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, 2 (Sakamoto, Tanaka). Excused, 3 (Hanabusa, Levin, Anderson).

SCRep. 1546

Commerce and Consumer Protection on H.B. No. 460

The purpose of this measure is establish stronger consumer protection regulations on the check cashing industry by:

- (1) Setting caps on the fees that may be charged by check cashing businesses;
- (2) Requiring posted and separate written notices to consumers of actual fees;
- (3) Specifying other prohibited acts with regard to check cashing; and
- (4) Making violations of check cashing laws an unfair or deceptive trade practice in the conduct of trade or commerce pursuant to Section 480-2(a), Hawaii Revised Statutes.

The Office of Consumer Protection and American Association of Retired Persons presented testimony in support of this measure. Community Financial Services Association of America presented testimony in support of the intent of the measure with proposed amendments. Hawaii Check Cashing and Check Fora Check presented testimony in opposition to this measure.

Your Committee finds that more consumers are using deferred deposit transactions in order to meet day-to-day financial needs. These transactions are also known as "payday advances". In these transactions the consumer writes a check to a check cashing business. In exchange for a fee, the business will cash the check and agree to not deposit the check for a specific period of time, typically one week to a month.

Your Committee further finds that although many consumers utilize these services with satisfactory results, abuses may take place in an unregulated industry. Excess fees, rollover of debts, and mandatory collateral purchases may all be used in order to inflate the cost of the services rendered.

Your Committee has amended this measure to:

- (1) Add definitions for the terms "check casher" and "deferred deposit";
- (2) Require that the required notices include fees charged for issuing money orders, and initial issuance of membership or identification cards;
- (3) Delete the "prohibited practices" section of the measure;
- (4) Add a new section specifying the conditions under which deferred deposit transactions are allowed, including:
 - (A) Prohibiting deferred deposit transactions where the check casher holds the check for more than 31 days;
 - (B) Prohibiting deferred deposit transactions for more than \$400;
 - (C) Requiring a written agreement signed by both the consumer and the check casher which sets forth the actual fees and interest rate;
 - (D) Limiting fees that may be charged by check cashers in deferred deposit transactions to 15% of the face amount of the check;
 - (E) Prohibiting rollover of deferred deposit transaction balances;
 - (F) Limiting the fees a check casher may charge for dishonored checks to \$20; and
 - (G) Prohibiting the sale of collateral products pursuant to a deferred deposit agreement;
- (5) Amend the penalties section to:
 - (A) Allow consumers, injured by a wilful violation of this Act, to bring a court action to restrain the practice of the check casher and recover damages and attorney's fees; and

(B) Specify that a wilful violation of this Act is punishable by a fine of up to \$500 and up to 30 days imprisonment; and

(6) Make technical, nonsubstantive amendments.

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. 460, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 460, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1547 Commerce and Consumer Protection on H.B. No. 1361

The purpose of this measure is to protect consumers from risk of financial loss caused when making advance purchases for charter tours.

Your Committee finds that although current law requires travel agents to maintain a client trust account, there is no mechanism for detecting non-compliance with this requirement. Moreover, public concern was raised when one tour operator left hundreds of consumers, who paid in advance for tours, with little or no recourse after filing for bankruptcy. This measure offers a solution by providing greater regulatory oversight of certain charter tour operators, which operate six or more charter tours each year.

Your Committee has amended this measure to:

- (1) Replace its contents with the contents of a similar measure, S.B. No. 1513 S.D. 1, to specify that charter tour operators are prohibited from commingling trust account assets with other funds, and make several nonsubstantive amendments;
- (2) Reduce the minimum bond or irrevocable letter of credit requirement from \$1,000,000 to \$300,000, less the amount of any security provided by charter tour operators pursuant to federal statute or regulation;
- (3) Require semi-annual rather than quarterly reporting by charter tour operators; and
- (4) Make technical, non-substantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1361, 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. 1361, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 1548 Ways and Means on H.B. No. 37

The purpose of this bill is to promote the film production industry in Hawaii.

Specifically, this measure establishes the State of Hawaii film revolving fund from which the Department of Business, Economic Development, and Tourism may make loans and grants to independent filmmakers who make films in Hawaii using local creative talent and technical personnel. This measure also exempts revenue from the construction of film production facilities from the general excise tax and exempts the importation of related film equipment from the use tax.

This measure also makes three appropriations of unspecified amounts. The first appropriation is to the fund, the second for documentary films relating to the Pacific region made by Hawaii-based film companies, and the third for internationally recognized productions that can be used for tourism marketing. Finally this measure requires the Department to report to the Legislature before the Regular Session of 2000.

Your Committee finds that promotion of the film production industry will diversify the economy as well as provide valuable worldwide media exposure of the natural beauty of Hawaii. Your Committee has amended this bill by deleting all appropriations.

Your Committee finds that the fund created in section 1 of this measure is not intended to be replenished by the charges for the grants and loans provided, but is intended to be a dedicated source of funds that is set aside by law for the specific purpose stated. Your Committee agrees with the Department of Budget and Finance's objections to the revolving fund and has amended this measure by changing the revolving fund to a special fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 37, 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. 37, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1549 **Ways and Means on H.B. No. 162**

The purpose of this measure is to clarify the scope of the subpoena powers of state and county legislative bodies by removing obsolete references to the loyalty oath that was a part of the repealed Chapter 85, Hawaii Revised Statutes.

Your Committee finds that the measure is intended to remove an unintended anomaly in the law. The proposed amendment intends to prevent a situation where, read literally, the law providing legislative bodies the authority to subpoena executive officials would not apply to any current executive officials. Your Committee notes that the original law, by limiting the legislative subpoena power to apply only to officials required to take a loyalty oath, prevented low-level public employees from being subject to subpoena.

Your Committee has amended the measure by adding provisions that enhance public service by agencies of the legislative branch, by:

- (1) Providing funds to the public access room to increase its capability to provide public access, education, and support to citizens;
- (2) Funding a legislative media streaming pilot project to allow public access to legislative hearings on the Internet;
- (3) Transferring responsibility for statutory publications from the Lieutenant Governor to the Legislature to increase public access to these publications;
- (4) Funding replacement of the antiquated computer system of the office of the ombudsman to better service citizen complaints;
- (5) Providing initial funding for the Office of the Legislative Analyst to begin conducting a review and analysis of state economic conditions and fiscal matters; and
- (6) Providing funds to the Legislative Reference Bureau to study the feasibility of establishing and fostering a biotechnology and high technology industry in 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 is in accord with the intent and purpose of H.B. No. 162, 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. 162, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1550 **(Majority) Ways and Means on H.B. No. 756**

The purpose of this measure is to prohibit approval of new high-voltage transmission systems by the Public Utilities Commission (PUC) in residentially-zoned areas or within three hundred feet of school grounds or licensed child care facilities unless the systems are placed underground and insulated against electro-magnetic field (EMF) emissions.

The bill applies to future forty six kilovolt or greater transmission systems and those approved by the PUC prior to the effective date of this measure, but does not apply to transmission systems constructed with PUC approval in accordance with law.

Your Committee has amended this measure to:

- (1) Delete the provision making the measure applicable to forty six kilovolt transmission systems that were approved by the PUC, but not constructed prior to the effective date of this Act;
- (2) Make this Act only applicable to new one hundred thirty eight kilovolt and greater transmission systems, rather than forty six kilovolt or greater systems.
- (3) Make the measure apply only to applications pending before the PUC, and applications which may be filed after the effective date of this Act;

As affirmed by the record of votes of the members 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. 756, 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. 756, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, 2 (Chun, Anderson). Excused, none.

SCRep. 1551 **Ways and Means on H.B. No. 1041**

The purpose of this measure is to authorize the Board of Trustees of the Hawaii Public Employees Health Fund (Fund) to use rate credits and reimbursements to:

- (1) Improve plan benefits;
- (2) Reimburse employee-beneficiaries; or
- (3) Reduce employee-beneficiaries' monthly contributions.

Your Committee finds that the Fund is currently holding approximately \$17 million in state and county employee contributions which it cannot expend due to the lack of statutory authority.

Your Committee has amended the measure by deleting its substance and inserting therefor, provisions that:

- (1) Establish a two year employer-union trust pilot project; and
- (2) Allow for the porting of Medicare Part B reimbursements to employee organization health benefits plans.

Your Committee has also amended the effective date from upon approval to July 1, 2500, to facilitate further discussion.

Your Committee is keenly aware that the large number of "baby boomers" are approaching retirement, the increasing cost of health care, and the retirees' increased life expectancy threatens the future financial stability of the current "pay-as-you-go" funding method of the Fund. Based on these findings, your Committee believes that the time has come to explore alternatives that may effectuate significant change in the provision of health care benefits for employees, retirees, and beneficiaries.

While the pilot project is ongoing, your Committee is committed to making the health benefits plan of the Fund more competitive with other health benefits plans. To accomplish this, the porting of Medicare Part B reimbursements is crucial to evening out the actuarial experience of the Fund's pool of beneficiaries. By authorizing the porting of Medicare Part B reimbursements to employee organizations' health benefits plans, retirees have more of an incentive to switch to employee organization health benefits plans.

As affirmed by the record of votes of the members 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. 1041, 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. 1041, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 1552 Ways and Means on H.B. No. 1071

The purpose of this bill is to make continuing education a prerequisite for license renewals of insurance agents and solicitors in either life or disability insurance or property and casualty insurance.

Furthermore, this measure establishes an insurance licensing administration special fund to be administered by the Insurance Commissioner to carry out licensing activities, including continuing education, concerning insurance agents and solicitors. This bill also raises insurance licensing and authorization fees and reroutes them from the general fund to the newly created special fund. The measure also appropriates funds out of the special fund over the next two fiscal years for continuing education.

Additionally, this measure levies an assessment against all insurers, agents, brokers, solicitors, adjusters, and limited licensees over the next two fiscal years.

Your Committee finds that continuing education requirements for licensees under the insurance code are necessary to maintain professional competence in the rapidly changing and complex world of insurance. The knowledge that was formerly necessary to obtain initial licensure is not necessarily sufficient to sustain a licensee throughout the rest of the licensee's career. Maintaining competency requires diligent and continual study of changes in both the industry and the laws governing the industry.

Your Committee has amended this measure by exempting the first \$25,000 of premiums of the Hawaii Employers' Mutual Insurance Company, Inc., from levy by the special compensation fund administered by the Director of Labor and Industrial Relations under the workers' compensation law.

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

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1553 Ways and Means on H.B. No. 1522

The purpose of this bill is to clarify that county real property tax assessors are not subject to the requirements of the law regulating real estate appraisers.

Your Committee finds that exempting county tax assessors from the requirements of licensing and certification is in keeping with the State Constitution's grant of authority to counties for the exclusive authority over matters relating to real property taxation.

As affirmed by the record of votes of the members 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. 1522, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1554 Ways and Means on H.B. No. 318

The purpose of this bill is to appropriate funds to the Department of Education for two hundred ninety-two full-time equivalent (292.00 FTE), temporary, school clerical positions to partially implement the recommendations of the 1990 school and district office clerical staffing study.

Your Committee finds that this figure represents the number of clerk positions needed to bring all schools into compliance with the recommended staffing standards for clerks, based on projected enrollment figures for 1997. This figure does not include the number of clerk typist and account clerk positions needed to bring all schools into compliance with the recommended staffing standards for those positions.

If the Department of Education's clerical shortage is not alleviated in the near future, then problems relating to employee morale; the recruitment and retention of clerical personnel; and the effective and efficient utilization of administrative, technical, professional, and paraprofessional school-level personnel, will only worsen with time. While your Committee realizes the gravity of the situation, it is unclear whether sufficient moneys exist at this time to fund even a small portion of these positions. Consequently, your Committee has chosen not to specify the full amount of moneys to be appropriated for the 1999-2000 fiscal year until work on the state budget is substantially complete and the cost of other fiscal commitments can be accurately calculated.

As affirmed by the record of votes of the members 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. 318, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1555 Ways and Means on H.B. No. 632

The purpose of this bill is to assist persons with developmental disabilities or mental retardation to live independently in settings other than licensed residential facilities.

To achieve this purpose, this bill creates the developmental disabilities special fund whose funds are to be solely appropriated for home- and community-based waiver services to be expended by the Department of Health for persons with developmental disabilities or mental retardation. The bill also requires the Department of Health to provide supported living stipends for persons with developmental disabilities or mental retardation choosing to live independently in settings other than licensed residential facilities. The bill finally appropriates:

- (1) An unspecified amount of general revenues for fiscal year 1999-2000 and fiscal year 2000-2001 to provide Title XIX home- and community-based waiver services for persons with developmental disabilities or mental retardation and to support changes to the present system so that it is more flexible and responsive to meet the needs of families;
- (2) An unspecified amount of general revenues for fiscal year 1999-2000 and fiscal year 2000-2001 for the State Planning Council on Developmental Disabilities to hire an independent entity to conduct a programmatic evaluation of case management services provided by the Department of Health; and
- (3) An unspecified amount from the developmental disabilities special fund for fiscal year 1999-2000 and fiscal year 2000-2001 for Title XIX home- and community-based waiver services for persons with developmental disabilities or mental retardation.

The bill requires that the appropriations shall increase the federal funds ceiling, in the same amounts as the respective appropriations, for Title XIX programs. Finally, the Auditor is required to conduct a "financial evaluation" of case management services provided by the Department of Health and report to the Legislature twenty days prior to the convening of the Regular Session of 2000. The bill takes effect on January 1, 2000.

Your Committee believes that the creation of the developmental disabilities special fund, the stipends, and the appropriations made in this bill will assist persons with developmental disabilities or mental retardation who choose to live independently in settings other than licensed residential facilities.

As affirmed by the record of votes of the members 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. 632, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1556 Ways and Means on H.B. No. 635

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Hilo Residency Training Program, Inc., a not-for-profit Hawaii corporation, that provides health care facilities.

This bill, as received, authorizes the issuance of \$15,000,000 in special purpose revenue bonds for the Hilo Residency Training Program, Inc., to retire its outstanding debt, purchase the lease of existing equipment, acquire and install additional equipment, and plan, design, construct, and operate new additions to existing health care facilities. The bill also authorizes an unspecified amount of refunding special purpose revenue bonds to refund the special purpose revenue bonds.

Your Committee finds that the Hilo Residency Training Program, Inc., a not-for-profit Hawaii corporation, is engaged in the development of a health care facility and thereby serves the public. Your Committee further finds that special purpose revenue bonds not exceeding \$15,000,000, will assist the Hilo Residency Training Program, Inc.

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

- (1) Creating a new section 321- , Hawaii Revised Statutes, to establish a hospital and medical facilities special fund in the Department of Health to receive all fees collected under section 321-11.5, Hawaii Revised Statutes, and from which moneys are to be expended to offset the program expenses of the Department's Hospital and Medical Facilities Branch; and to clarify that any other entities required by law to be licensed by the Department are also subject to fees;
- (2) Creating a new section 323D- , Hawaii Revised Statutes, to establish a state health planning and development special fund to receive all fees collected under chapter 323D, Hawaii Revised Statutes, and from which moneys are to be expended to offset the program expenses of the State Health Planning and Development Agency; and to require the agency to adopt rules to establish reasonable fees;
- (3) Amending section 321-11.5, Hawaii Revised Statutes, to require the Director of Health to adopt rules to set fees for licensure or certification for certain facilities, and to require those fees to be deposited into the hospital and medical facilities special fund, while leaving all other fees to be deposited into the environmental health education fund; and
- (4) Amending section 321-27(a), Hawaii Revised Statutes, to make a conforming amendment to allow certain fees to be deposited into the hospital and medical facilities special fund.

Your Committee received testimony in support of these amendments from the Department of Health and the State Health Planning and Development Agency.

As affirmed by the record of votes of the members 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. 635, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 635, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1557 Ways and Means on H.B. No. 235

The purpose of this bill is to provide for an elected Hawaiian Homes Commission to oversee the Department of Hawaiian Home Lands.

Your Committee finds that this measure is designed to provide the native Hawaiian community more direct input into their own future in the Hawaiian home lands program. By electing the members of the commission, the beneficiaries of the program can demand accountability of their elected representatives; can direct their questions and express their needs to identifiable individuals; and have a measure of influence on what happens to a program that was established for their benefit. This is an idea that recognizes the importance of self-governance and the value of Hawaiian ownership in the program.

Your Committee has amended this bill by changing its effective date to July 1, 3001, to promote continued discussion and conference. This is not an indication of any lack of commitment to move forward expeditiously on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 235, 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. 235, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1558 Ways and Means on H.B. No. 827

The purpose of this bill is to authorize the Board of Land and Natural Resources to issue new leases to existing lessees in the Banyan Drive resort area of Hilo.

The State owns virtually the entire Banyan Drive resort area. Your Committee finds that the State has a significant interest in maintaining the value of the land and the State's surrounding properties. The majority of leases in the area are set to expire in 2015. This is a comparatively short time for resort property, and as a consequence, the lessees will have increasingly less incentive to maintain their facilities and make investments in improving their infrastructure. Your Committee finds that the State is in a unique position in regard to these leases, and that an exception to the general policy of making land available to the highest bidder should be made here, to ensure that the resort character of the area is maintained and enhanced.

Your Committee also finds that the bill contains conditions to ensure an appropriate, fair lease rent will be charged and that the State will not subsidize the lessees.

As affirmed by the record of votes of the members 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. 827, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Iwase, Nakata, Anderson).

SCRep. 1559 Ways and Means on H.B. No. 1703

The purpose of this bill is to extend the deadline for the Department of Land and Natural Resources to negotiate long-term leases with revocable permittees in the Waimanalo area from July 1, 1999, to July 1, 2001.

Your Committee finds that in an effort to address the concerns of Waimanalo farmers who were revocable permittees but had previously been ineligible for a lease under Act 237, Session Laws of Hawaii 1988, the Legislature enacted Act 257, Session Laws of Hawaii 1996, to authorize the Department of Land and Natural Resources to negotiate long-term leases with them. While most of the leases have been executed, some are still working their way through the process. Your Committee finds that the additional two-year extension will allow adequate time for all the leases to be negotiated.

As affirmed by the record of votes of the members 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. 1703 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Chun, Chun Oakland, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 1560 Ways and Means on H.B. No. 142

The purpose of this measure is to create a task force to conduct a comprehensive review of the State's civil service laws.

Specifically, the measure requires the Director of Human Resources Development to:

- (1) Bring together major stakeholders in civil service reform to identify and work collaboratively to develop a broad-based set of recommendations for reforms to chapters 76, 77, 78, 79, 80, 81, and 82, Hawaii Revised Statutes;
- (2) Submit monthly reports to the Legislature;
- (3) In collaboration with the stakeholders, submit draft model legislation to a joint House and Senate Labor Committee meeting on November 15, 1999; and
- (4) Submit revised legislation developed in collaboration with the major stakeholders to the Legislature by January 15, 2000.

In addition, the measure requires that the Legislature adopt civil service reform legislation effective June 29, 2000, and that, effective June 30, 2000, chapters 76, 77, 78, 79, 80, 81, and 82, Hawaii Revised Statutes, be repealed if such reform legislation is enacted.

Your Committee has amended the measure by adding provisions that:

- (1) Provide voluntary severance benefits to qualified dislocated public employees;
- (2) Provide special retirement benefits to qualified dislocated public employees;
- (3) Provide for the orderly transfer of employees of the Hawaii Public Broadcasting Authority to the Hawaii Public Television Foundation;
- (4) Authorize the establishment of flexible spending accounts to allow public employees to deduct moneys from their paycheck on a pre-tax basis to pay for unreimbursed medical and dependent care expenses; and

- (5) Authorize the Department of Human Resources Development to conduct human resource management demonstration projects.

The amended measure gives permanent full-time employees whose positions are to be eliminated the right to receive transitional severance benefits in lieu of other rights to which the employee may be entitled. If the employee is a vested member of the Employees' Retirement System, the amended measure also gives the employee special retirement benefits in lieu of other entitlements.

With respect to the transfer of Hawaii Public Broadcasting Authority employees to the Hawaii Public Television Foundation, your Committee inserted this provision to ensure that the needs of affected employees would be adequately addressed.

With regard to authorizing the establishment of flexible spending accounts by public agencies for the benefit of their employees, your Committee believes that these accounts will provide an additional benefit to participants without undue administrative costs to the State since the interest earned on the accounts and any unused and forfeited participant balances can be used to defray administrative costs.

Your Committee finds that if government is to transform the outdated civil service system in order to meet the needs of a modern, flexible economy, the current system must be replaced with new laws that are flexible, responsive, and sensitive to the needs of not only the public it serves, but to its employees as well.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 142, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 142, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Ige, D., Anderson).

SCRep. 1561 (Majority) Ways and Means on H.B. No. 765

The purpose of this measure is to permit rental motor vehicle lessors to visibly pass on concession rents and service permit fees to lessees, as an amount separate from the periodic rental rate set forth in the rental agreement ("unbundling").

Your Committee distributed a proposed Senate Draft of this measure and received testimony on the proposed draft which amends this measure by:

- (1) Eliminating the requirement that an independent certified public accountant audit a rental motor vehicle lessors reports;
- (2) Repealing the authority to "unbundle" the rents or fees under concession contracts and service permit fees on June 30, 2001; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

In addition, the proposed Senate Draft of this measure includes provisions that:

- (1) Increase the surcharge tax for rental motor vehicles beginning January 1, 2000. The amount of the increase is unspecified for purposes of discussion and determination during conference;
- (2) Exempt from the surcharge tax lessors who are renting out a vehicle to replace a vehicle of a lessee that is being repaired;
- (3) Increase the surcharge tax for tour vehicles beginning January 1, 2000. The amount of the increase is unspecified for purposes of discussion and determination during conference;
- (4) Provide that the moneys from the surcharge taxes shall be deposited into the general fund rather than the state highway fund beginning July 1, 1999, and ending January 1, 2002, when that provision will be repealed;
- (5) Repeal the surcharge tax increases on January 1, 2002; and
- (6) Allow indirect and other commissions calculated in part from, the sale of collision damage waivers until June 30, 2001, when that provision will be repealed.

Catala-Hawaii, Budget Rent A Car, and National Car Rental submitted testimony in support of the proposed Senate draft provided that certain amendments be incorporated in the draft. The Department of Budget and Finance submitted testimony commenting on the provisions relating to surcharge tax increases and opposing the surcharge tax exemption.

Testimony in opposition to the proposed Senate draft was received from the Hawaii Activities and Tours Association and Trans Hawaiian Services.

Testimony in opposition to allowing "unbundling" was received from the Department of Transportation and the Department of Commerce and Consumer Affairs.

Testimony in opposition to allowing indirect and other commissions calculated in part from, the sale of collision damage waivers was received from the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure provides for additional revenues for the state general fund. In addition, this measure will make Hawaii's rental motor vehicle industry more competitive by allowing rental motor vehicle lessors to "unbundle" costs such as concession rents and service permit fees, as they do general excise tax and licensing and registration fees.

Your Committee finds that tour vehicles are rented vehicles, that is they are rented by the occupants for sight-seeing and other purposes. Therefore, the rental motor vehicle industry includes tour vehicles for the purposes of this measure.

Your Committee has amended this measure by replacing its contents with the proposed Senate Draft with the following changes:

- (1) Requiring a lessor to report the following additional details to the Director of Commerce and Consumer Affairs regarding collision damage waivers:
 - (A) Records of all written, telephonic, and in-person consumer complaints relating to collision damage waiver sales for the year reported;
 - (B) A schedule of amounts charged for each collision damage waiver product offered;
 - (C) The number of rental agreements entered into in each month of the year reported;
 - (D) The number of each type of collision damage waiver sold in each month of the year reported;
 - (E) Gross revenues for each type of collision damage waiver sold in each month of the year reported;
 - (F) For each collision damage waiver reported, amounts expended by lessees to repair damage to rental motor vehicles where the payment for damages falls within the scope of the collision damage waiver; and
 - (G) All cost factors used by the lessor to determine the amounts charged for each collision damage waiver offered; and
- (2) Amending the effective date to make it defective to assure this measure is discussed during conference.

As this measure proceeds into conference, your Committee intends to take into consideration the further concerns and recommendations provided in the testimony of the Department of Transportation and the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members 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. 765, 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. 765, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, 5 (Buen, Chun, Ige, M., Iwase, Anderson). Excused, 1 (Nakata).

SCRep. 1562

Ways and Means on H.B. No. 1726

The purpose of this bill is to provide necessary funds to enable the Department of Human Services to raise the income eligibility level for the medically needy program.

To achieve this goal, this bill appropriates \$1 to the Department of Human Services in order to raise the income eligibility level for the medically needy program to one hundred thirty-three per cent of the assistance allowance.

The Medicaid program allows a state to expand coverage to persons whose incomes are above the Medicaid income level but are still low and are deemed "medically needy." The Department has the authority to establish the income eligibility level for the medically needy program at one hundred thirty-three per cent of the assistance allowance, subject to appropriation of state funds along with federal matching assistance. This measure will allow the Department to implement the new higher income eligibility level and provide services to a greater number of financially and medically needy individuals.

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

- (1) Amending the appropriated amount of \$1 to \$2; and
- (2) Changing the effective date from July 1, 1999 to July 1, 2003;

for purposes of promoting 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. 1726, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1726, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1563 (Majority) Ways and Means on H.B. No. 232

The purpose of this measure is to encourage the economy by reducing the general excise tax on services purchased by a taxpayer that are then resold by the taxpayer to another.

Specifically, this measure reduces the general excise tax on services that are resold from four per cent to one-half per cent. The reduction to one-half per cent is phased in over six years.

Testimony in support of this measure was submitted by the Department of Taxation, Hawaii Farm Bureau, Honolulu Japanese Chamber of Commerce, The Hawaii Business League, Hawaii Business Roundtable, Hawaii Association of Realtors, Retail Merchants of Hawaii, National Federation of Independent Business, Small Business Economic Revival Force, Plumbers and Fitters Local 675, Native Hawaiian Chamber of Commerce, Tax Committee of the Hawaii Society of Certified Public Accountants, and Tax Section of the Hawaii Bar Association. Testimony discussing the measure was submitted by the Tax Foundation of Hawaii.

Your Committee finds that this measure addresses the pyramiding of the general excise tax in the service area. The general excise tax pyramids on services because they seldom are taxed at one-half per cent in a manner similar to the wholesale sale of goods. Additionally, when goods are involved, businesses can integrate in a manner that avoids several steps of taxation. For example, a manufacturer may also be a wholesaler and a retailer and thus avoid the general excise tax at each of those separate business steps. Service providers are generally unable to take advantage of integrating businesses.

Your Committee finds that the pyramiding of the general excise tax was first studied by Arthur D. Little, Inc. in a 1968 report entitled "Hawaii's General Excise Tax -- Prospects, Problems, and Prescriptions". That report suggested addressing the pyramiding of the general excise tax and the attempt to address the service problem resulted in the creation of intermediary services that are taxed at one-half per cent. Unfortunately, this area is not well understood and has been narrowly interpreted by the courts. In addition to the Little report, Tax Review Commissions over the years have suggested that pyramiding in this area be addressed.

This measure addresses pyramiding of the general excise tax in the service area in a well thought out manner. Now that services are sixty per cent or more of our economy, this area must be addressed in a manner similar to the one-half per cent allowed the wholesale sale of goods.

Upon review of this measure, your Committee has deleted its contents and inserted the contents of Senate Bill No. 638, S.D. 1, and Senate Bill No. 44, S.D. 1, with modifications. The contents of Senate Bill No. 638, S.D. 1, which amends the general excise tax law to address pyramiding on services, was modified as follows:

- (1) The new section to phase in the reduction of tax by allowing a deduction from gross income representing a reduction in tax rate (the concept which was contained in House Bill No. 232, H.D. 1) instead of a deduction now reduces the tax rate by one-half per cent a year until 2006. This approach will address both the new wholesale treatment of goods used in services and the resale of services. The new section further allows the department of taxation to establish the manner in which the tax is reported by deduction, allocation, or other representative method. This will allow implementation of the change in rates without requiring the department to make major changes in its computer system. Your Committee notes that cash registers in the private sector will have no trouble addressing the change in rates;
- (2) The definition of overhead has been substantially amended to specifically reflect the items included;
- (3) The amendments to section 237-4(a)(8), Hawaii Revised Statutes (HRS), have been modified to clearly reflect the sale of tangible personal property for the purpose of rendering a service or for the purpose of furnishing transient accommodations, and to provide clearer transition between the current language in that provision and the new language;
- (4) The resale of services provision in section 237-4(a)(10), HRS, has been clarified and for a matter of consistency the sale of services to transient accommodations rental transactions has been added;
- (5) Transition provisions to the new tax rate for the new provisions for the sale of tangible personal property under section 237-4(a)(8), HRS, have been added to section 237-13(2)(A), HRS, which levies the tax on the sale of tangible personal property;
- (6) The choice between the intermediary sales tax rate and the new resale of services provisions in section 237-13(6)(C), HRS, has been clarified to limit the choice to the intermediary services provision for the life of that provision. Since this is currently a more beneficial tax rate for those who qualify, this is the appropriate choice;
- (7) The exemption from section 237-16, HRS, has been clarified to apply to all transactions subject to section 237-4(a)(8)(B) and (10), HRS;

- (8) The amendment to section 238-2, HRS, taxing certain transactions at one-half per cent has been amended to include all transactions subject to section 237-4(a)(8)(B), HRS, to reflect the changes to that section by your Committee; and
- (9) A yearly reporting requirement for the department of taxation regarding the implementation of the reduction and the yearly revenue loss has been added.

In inserting language based on the contents of Senate Bill No. 44, S.D. 1, your Committee intends this measure to address another problem area and to level the playing field between Hawaii service providers and service providers in other jurisdictions. This measure exempts the sale of services out of State and levies the use tax on services imported into the State. Thus, Hawaii will provide the same treatment to services that it provides for goods. This measure will encourage Hawaii service providers and will improve the economy. The language from Senate Bill No. 44, S.D. 1, was modified by your Committee as follows:

- (1) A definition of service business or calling, including professional services, was added to section 237-B, HRS, and to chapter 238, HRS, to clarify the application of the new provisions added by the measure;
- (2) A provision was added for a zero tax rate for certain importations and uses of services in a manner similar to that now accorded tangible personal property;
- (3) A provision was added for treating certain importations of services by contractors as one-half per cent transactions in a manner similar to tangible personal property;
- (4) The definition of identifiable element was deleted.

Other technical amendments were made by your Committee to both Senate Bills inserted into this measure.

Your Committee believes that this major piece of tax legislation completes the legislature's attempts to provide tax incentives to the business community which in turn will improve 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. 232, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 232, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, 1 (Ige, M.). Excused, 2 (Ige, D., Anderson).

SCRep. 1564 Ways and Means on H.B. No. 375

The purpose of this measure is to exempt exported services from the GET and to impose the use tax on imported services.

Prior to the hearing, your Committee circulated a proposed Senate Draft. Testimony in general support of the proposed Senate Draft was submitted by the Department of Taxation, and testimony in support of the provisions concerning reimbursement of the GET to the counties was submitted by the County of Maui, Chair of the County Council of the City and County of Honolulu, the City and County of Honolulu, and the Hawaii Hotel Association. The Association also supported the hotel construction and remodeling tax credit. The Department of Business, Economic Development, and Tourism submitted testimony in support of the hotel construction and remodeling tax credit and the tax incentives for call centers and made comments on the technology tax credit. The Department of Budget and Finance submitted testimony in opposition to the provisions on the reimbursement of the GET to the counties and the income tax check-off for the children's special fund.

Your Committee has amended House Bill 232, H.D. 1, by deleting its contents and substituting the proposed Senate Draft. As amended, this measure contains the following:

- (1) A hotel construction and remodeling income tax credit for the period January 1, 1999, to December 31, 2001. This provision is similar to Senate Bill No. 1325;
- (2) Provisions for the reimbursement to the counties for the general excise tax passed on to them by taxpayers. The reimbursement may be claimed starting July 1, 1999, by submitting claims to the director of finance. These provisions are similar to Senate Bill No. 17, S.D. 1;
- (3) Provisions for exempting telecommunications furnished to call centers from the general excise tax and the public service company tax. Call centers are also exempted from the general excise tax for income received for customer service and support. These provisions are similar to Senate Bill No. 744, S.D. 1;
- (4) Provisions for the exemption of certain health care activities. The provisions provide definitions and exempt from the general excise tax, income received from a health care plan or provider where all or part of the income is paid to another health care provider or plan and certain income received by a health plan provider in a joint venture that is paid to a health care provider. These provisions are similar to Senate Bill No. 44, S.D. 1;

- (5) A provision that adopts federal Internal Revenue Code section 911 that exempts from income taxation, income received by citizens and residents living abroad. This provision is similar to Senate Bill No. 32;
- (6) A provision exempting from the general excise tax the income of attorney's-in-fact of reciprocal insurers from their business in that capacity. This provision is similar to Senate Bill No. 364, S.D. 1;
- (7) Provisions establishing an income tax check-off for the Hawaii human services children's special fund also established in the bill. The check-off will be a reduction of any tax refund and not an addition to tax liability, and the moneys in the special fund will be used for children's programs of the department of human services;
- (8) Provisions that establish a financial institution technology tax credit. Financial institutions, if interested, will be allowed a tax credit for the investment of venture capital in technology companies. The high technology development corporation are to determine the companies that are available, notify the financial institutions of the availability, and certify the credit for the financial institutions.

Your Committee notes that further consideration of including time shares in the hotel construction and remodeling tax credit may be warranted if the appropriate definitions and categories can be identified. Your Committee believes that the mixture of tax incentives in this measure will encourage various sectors of the State's 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. 375, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 375, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1565 (Joint/Majority) Economic Development and Ways and Means on H.B. No. 1028

The purposes of this measure, as received, are to remove the restriction placed on the Aloha Tower Development Corporation's (ATDC) ability to develop Irwin Park, to authorize the ATDC to hire exempt employees, officers, and agents, and to appropriate funds to acquire the reversionary interest contained in the deed of Helene Irwin Fagan.

Your Committees also heard discussion on a proposal to authorize the Aloha Tower Development Corporation to negotiate an agreement with the Aloha Tower Marketplace lessee to develop a public parking facility at piers 10 and 11.

Your Committees received testimony in strong support of additional parking for the Aloha Tower Marketplace, with testifiers differing on the location of such parking. The Maritime Committee of the Chamber of Commerce of Hawaii presented testimony in support of the development of Irwin Memorial Park. Opposition to the Irwin Park proposal was received from Na Leo Pohai, the Public Policy Affiliate of the Outdoor Circle, Life of the Land, Hawaii's Thousand Friends, and four individuals. Twelve individuals who operate businesses in Aloha Tower Marketplace testified on the immediate need for additional parking close to the Marketplace. The Aloha Tower Development Corporation and the Department of Transportation (DOT) presented comments. Trinity Investment Trust, L.L.C., presented information and site renderings on the proposed parking plans for both Irwin Memorial Park and piers 10 and 11.

Your Committees find that currently there are 365 parking stalls available on "boat days" and 585 available on regular days, for 170,000 square feet of retail space. Using the standard determination for parking for a shopping center, the Marketplace should have 850 stalls available. Your Committees have heard that the Marketplace runs a trolley service between Waikiki and the Marketplace to encourage tourists to visit the area, but that residents must compete for limited parking when they want to patronize the Marketplace's shops and restaurants. As a result, many local residents stay away from the Marketplace because parking is often nonexistent.

Your Committees are very supportive of the Aloha Tower Marketplace and the many small business owners who have persevered in the face of difficult economic conditions. Your Committees have heard that under the present management, occupancy of the Marketplace is up from seventy-two percent to eighty-five percent, and the shop owners are optimistic about the future of the Marketplace. Given the strong commitment of these small business people, and their vital contributions to our economy, your Committees believe the State, through the ATDC and the DOT, must take immediate, proactive steps to resolve the long-standing parking shortage at the Marketplace.

In developing solutions, however, the ATDC and the DOT are advised that the Senate is adamantly opposed to any further development of Irwin Memorial Park. There appears to be adequate space at piers 10 and 11, and there may be additional options in the nearby vicinity, for a public parking facility sufficient to meet the needs of the Aloha Tower Marketplace.

Your Committees have amended this measure to:

- (1) Delete all references to Helene Irwin Fagan and redevelopment of Irwin Memorial Park from the purpose section;
- (2) Change the purposes to:
 - (A) Preserve Irwin Memorial Park in the future;

- (B) Direct the ATDC and the Department of Transportation to resolve immediately the parking shortage for the Aloha Tower Marketplace, with a report to the 2000 legislature on the status of parking for the Marketplace; and
 - (C) Authorize the ATDC to appoint officers, employees, and agents without regard to chapters 76 and 77, Hawaii Revised Statutes; and
- (3) Delete section 2, amending section 206J-6, Hawaii Revised Statutes, relating to the powers of the ATDC;
 - (4) Delete section 3, which appropriates funds for acquisition of the reversionary interest described in the deed of Helene Irwin Fagan;
 - (5) Require the ATDC and the DOT to work together to resolve immediately the parking shortage for the Aloha Tower Marketplace and to develop plans to expedite the construction of additional parking;
 - (6) Require the ATDC and the DOT to report to the 2000 Legislature on the status of resolving the shortage of parking, including a plan of action and a timeframe for implementation of its recommendations;
 - (7) Change the effective date to July 1, 1999; and
 - (8) Make technical amendments.

As affirmed by the records of votes of the members of your Committees on Economic Development and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1028, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1028, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, 1 (Buen). Excused, 4 (Chun, Ige, D., Iwase, Nakata).

SCRep. 1566 Judiciary on H.B. No. 138

The purpose of this measure is to provide ownership and certification requirements for agricultural goods and commodities.

Testimony in support of this measure was submitted by the Department of Agriculture, the Pineapple Growers Association of Hawaii, the Hawaii Agriculture Research Center, and the Hawaii Farm Bureau Federation.

Your Committee finds that not only is the theft of agricultural goods a major problem in Hawaii, but it is also increasing at alarming rates each year. This measure, in providing for ownership requirements for agricultural commodities, also gives authority to county police to inspect the transportation of these commodities to verify proper ownership.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 138, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1567 Judiciary on H.B. No. 1178

The purpose of this bill is to specify that the Department of Land and Natural Resources may require persons who illegally took perishable natural resources to sell those resources at fair market value with the proceeds turned over to the department.

Your Committee finds that under present law the department may seize and sell unneeded resources only through a public auction. This measure frees up departmental resources by having the seized perishable resources sold by the persons who took the resources, and also ensures that the resource itself is not wasted.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1178, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1568 Judiciary on H.B. No. 273

The purpose of this measure is to create criminal offenses for child abuse in the first and second degrees and to make other revisions to the penal code pertaining to child abuse.

Specifically, this measure:

- (1) Makes it a class A felony to intentionally, knowingly, or recklessly cause serious bodily injury to a minor twelve years of age or younger;
- (2) Makes it a class B felony to intentionally, knowingly, or recklessly cause substantial bodily injury to a minor twelve years of age or younger;
- (3) Requires that, in determining whether the use of force is justifiable under section 703-309, Hawaii Revised Statutes, consideration must be given to the condition of the minor;
- (4) For purposes of determining whether to impose an extended term of imprisonment, under section 706-662, Hawaii Revised Statutes, raises the age of a child victim from eight to twelve years old;
- (5) For purposes of determining whether to impose a mandatory term of imprisonment for offenses against children, elder persons, or handicapped persons, resulting in the victim's death or serious bodily injury, under section 706-660.2, Hawaii Revised Statutes, raises the age of a child victim from eight to twelve years old; and
- (6) Makes it a class C felony offense (endangering the welfare of a minor in the first degree) to recklessly allow another person to inflict serious or substantial bodily injury to a minor instead of a misdemeanor offense (endangering the welfare of a minor in the second degree).

Your Committee is painfully conscious of the continued high incidence of child abuse in our society and finds that present provisions in the penal code are woefully insufficient to provide appropriate punishment for or deterrence to child abuse. Accordingly, your Committee believes that stronger measures are needed to sufficiently safeguard children in our society who are most at risk of being harmed.

Your Committee has amended the bill by:

- (1) Making a conforming amendment to section 709-903.5(2);
- (2) Inserting the words "in the second degree" at page 11, line 6, for clarification and to distinguish the section from the offense of endangering the welfare of a minor in the first degree under section 709-903.5; and
- (3) Adding a savings provision as a new section 8 and renumbering the remaining sections in the bill consecutively.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 273, 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. 273, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1569 Judiciary on H.B. No. 1115

The purpose of this administration bill is to require the Department of Human Services to make a name inquiry into the criminal history records of foster boarding homes.

The inquiry is required to be made for the first two years of certification of a foster boarding home and annually or biennially thereafter depending on the certification status of the home. This bill also clarifies the definition of "foster boarding home."

This bill is intended to fill two gaps in the current law relating to foster boarding home regulations. First, this bill requires that name inquiries for criminal history record checks be made annually for the first two years of certification, and annually or biennially thereafter, in conjunction with certification. Second, this measure allows foster boarding homes to have six or more minor siblings, apart from their parents or guardians, on a twenty-four-hour basis for a fee or charge.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1115, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1570 Judiciary on H.B. No. 1117

The purpose of this bill is to conform Hawaii law with the federal Adoption and Safe Families Act of 1997, which seeks to expedite permanency for children in foster care.

Specifically, the bill makes the following revisions to chapter 587, Hawaii Revised Statutes:

- (1) Provides a definition for "abandoned infant";
- (2) Clarifies the definition of "aggravated circumstances" to include abandonment or torture of the child;
- (3) Clarifies service of summons on an out-of-state party;
- (4) Reduces the time period that triggers a show cause hearing under section 587-71(e), Hawaii Revised Statutes, when the child's family home has been determined to be unsafe, from eighteen months to twelve consecutive months in which a child has been residing outside the family home;
- (5) Requires the court to set the case for a show cause hearing within thirty days if the court determines, in a disposition hearing, that aggravated circumstances exists;
- (6) Requires the court, at a review hearing, to set the case for a show cause hearing: within thirty days if the court determines that aggravated circumstances are present; or if the child has been residing outside the family home for twelve consecutive months;
- (7) Requires the Department of Human Services to file a motion for a permanent plan hearing, if the child has been residing outside of the family home for an aggregate of fifteen months out of the most recent twenty-two months; and
- (8) Reduces from three years to two the time in which it is presumed reasonably foreseeable that a safe family home can be provided to the child by the legal mother or father, or natural father for purposes of a permanent plan hearing.

Your Committee notes that this bill is part of an ongoing effort to protect children from child abuse, prevent child abuse, and provide follow-up attention and care to children who are under the court's jurisdiction as child abuse victims.

Your Committee has amended the definition of "abandoned infant", to clarify that a child is not deemed "abandoned" by only one parent if the other parent is still willing and able to provide care.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1117, 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. 1117, H.D. 3, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1571 Judiciary on H.B. No. 1119

The purpose of this bill is to amend the law establishing the pilot project on child protective services.

In particular, this bill amends Act 302, Session Laws of Hawaii 1996, by:

- (1) Increasing the membership of the child protective services reform coordinating committee from thirteen to at least fifteen members, to be appointed by the Director of Human Services rather than the Governor;
- (2) Specifying that two of the committee representatives at-large are to be line staff of the child protective services unit selected by the designated representative of the applicable collective bargaining unit;
- (3) Designating the Director of Human Services, rather than the Governor, as the chairperson of the committee;
- (4) Allowing the committee to adopt procedures, rather than administrative rules;
- (5) Allowing the Department of Human Services to share information with the "neighborhood places", provided the information remains confidential;
- (6) Requiring the committee to submit annual reports on the pilot project to the Legislature before the 2000, 2001, and 2002 regular sessions; and
- (7) Extending the repeal date of Act 302 from June 30, 1999, to June 30, 2002.

Your Committee agrees with the intent of this bill, and finds that the pilot project for child protection and diversion services, which is to be conducted as a public-private partnership pursuant to Act 302, will help to improve the delivery of child protective services in the State and thereby enhance the protection of Hawaii's children at risk.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1119, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1572 Judiciary on H.B. No. 212

The purpose of this bill, as received, is to impose an additional, mandatory minimum jail term of forty-eight hours, but not to exceed a thirty-day term of imprisonment, and a \$500 fine on any person at least eighteen years old who is convicted of driving under the influence of intoxicating liquor while having a minor passenger less than eighteen years old in or on the vehicle.

Testimony in support of the bill was submitted by the Department of Transportation, the Police Department for the County of Maui, the Honolulu Police Department, Mothers Against Drunk Driving, and the Keiki Injury Prevention Coalition. Testimony in opposition to the bill was submitted by the Office of the Public Defender.

Your Committee finds that increasing the penalty for driving under the influence with a minor passenger will act as a deterrent to such reckless conduct and consequently will increase highway safety for children. However, your Committee notes that the measure, as drafted, could result in jail sentences of greater than thirty days, thus potentially triggering the right to a jury trial.

Upon further consideration, your Committee has amended this bill by deleting its contents and substituting those of S.B. No. 660, S.D.1, which provides for imposition of a mandatory fine of \$500, in addition to existing penalties, on any person age eighteen or older who is convicted of driving under the influence of intoxicating liquor while having in the vehicle a passenger age twelve or under. Your Committee also has amended the bill to clarify that convictions under section 291-4.4, Hawaii Revised Statutes (habitually driving under influence) count as prior driving under the influence offenses for sentencing purposes under section 291-4, Hawaii Revised Statutes. Your Committee believes this amendment is necessary to close a loophole in the law whereby, depending upon the time interval, convictions under section 291-4.4 are not being counted as prior driving under the influence offenses in the sentencing under section 291-4.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 212, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 212, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1573 (Joint) Health and Human Services and Judiciary on H.B. No. 351

The purpose of this bill is to protect individual privacy rights through comprehensive regulation of the use, handling, and disclosure of personal health care information by health care providers and others.

Your Committees find that with the advances in modern technology and the systematic changes in health care practices, the primary relationship between a patient and the doctor has now been expanded to a multi-party relationship that includes health plans, employers, consulting physicians and other health care providers, laboratories and hospitals, researchers and data organizations, and various governmental and private oversight agencies. These multiple relationships have fundamentally changed the way in which medical information is used, and the legislature acknowledges that individuals are often unaware of how their medical information is being used and disclosed in the modern health care delivery system. Your Committees find that current law does not provide any mechanisms for the disclosure of all medical records. Thus, an individual's right to privacy with regards to the individual's health care information is currently unclear.

However, your Committees recognize that review of medical information encourages health care quality. Encouraging affordable quality health care, facilitating effective medical research, and prevention of fraud and abuse are necessary to the health and safety of our citizens. These are compelling state interests which require the sharing of medical information for limited purposes without eliminating confidentiality within the patient-doctor relationship.

Your Committees note that the issue of what agency is the most appropriate and best equipped to enforce these provisions has not been fully debated during this legislative session. Therefore, the bill purposely does not designate a specific agency as the enforcement agency. It is your Committees' intent that the Office of Information Practices, which currently has the authority to administer these provisions and is granted rule-making authority, be considered as the agency for enforcement. However, your Committees would like to pursue further deliberation on this issue during the regular session of the 2000 regular session.

Testimony in support of this measure was submitted by the Department of Health, the Insurance Commissioner, Common Cause Hawaii, the Hawaii Medical Association, and a private citizen. Testimony in opposition to this measure was submitted by the American Council of Life Insurance, the Coalition to Protect Privacy, the Hawaii Insurers Council, the Immigrant Center, the Multiple Sclerosis Mutual Support Group, the Pharmaceutical Research and Manufacturers of America, two licensed physicians, and a licensed attorney. Your Committees received letters expressing concerns generally about privacy rights from fifty private citizens.

Your Committees drafted a proposed S.D. 1 which was circulated and also heard at the hearing. The Department of Commerce and Consumer Affairs, Kaiser Permanente, the Hawaii Medical Service Association, the Hawaii Coalition for Health, and Queen's Health Management submitted testimony in favor of H.B. 351, H.D.2 but opposed the proposed S.D. 1 version of the bill. The Department of the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department submitted testimony in opposition to only the provisions in the bill relating to the disclosure for law

enforcement purposes. State Farm Insurance Company and the Hawaii Health Information Corporation submitted comments on this measure.

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

- (1) Adding a findings section that discusses the existing practices of health care information disclosures, an individual's right to privacy, and the need to balance this privacy right with the interests of encouraging quality and affordable health care;
- (2) Deleting the definitions of "director" and "law enforcement inquiry";
- (3) Adding an incomplete definition of "educational institution";
- (4) Adding the definitions of "entity" and "surrogate";
- (5) Amending the definitions of "insurer," "nonidentifiable health information," "public health authority," and "protected health information"
- (6) Allowing for a two-year exemption from the requirements of this Act for life insurers, disability income insurers, and long-term care insurers;
- (6) Requiring that these exempted insurers submit a status report to the regular session of 2001, regarding their support for or opposition to adopting the National Association of Insurance Commissioners Information and Privacy Protection Act, which governs the treatment of protected health information or substantially similar legislation;
- (7) Requiring that a signed written acknowledgement be obtained from individuals indicating that they have received the notice regarding the release of their medical records and the purposes for which the records will be released;
- (8) Providing that an individual may append the individual's medical records and that any response by the health care provider to the submitted addition must be included in the individual's record;
- (9) Enumerating the types of information required to be included in the notice of an entity's confidentiality practices;
- (10) Providing that a health plan may decline to cover health care services for which an individual has refused to allow the release of health care information;
- (11) Providing that the written acknowledgement of notice is prospective only;
- (12) Requiring that the health plans inform individuals that the individual is signing on behalf of the individual and those for which coverage is provided and that the information is to be released for certain purposes;
- (13) Deleting the provision relating to disclosure of protected health information for law enforcement purposes; and
- (14) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 351, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 351, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 1574 Judiciary on H.B. No. 32

The purpose of this bill, as received by your Committee, is to allow privately-funded industrial hemp research to be conducted in Hawaii pursuant to appropriate law enforcement authorizations and controls.

Your Committee finds that industrial hemp is a non-intoxicating strain of Cannabis that is grown in over thirty countries and used to produce a wide variety of products, including building materials, clothing fabrics, and personal care products. As to possible confusion with the intoxicating form of Cannabis, your Committee notes that industrial hemp is distinguishable both in its chemical composition and its physical manifestation.

Your Committee further finds that privately-funded investigation and research into the feasibility of producing industrial hemp in Hawaii should only be accomplished with the appropriate authorizations from and within the controls of the federal Drug Enforcement Administration and the state Department of Public Safety. Your Committee intends that these authorizations and controls be strictly enforced, and thus supports monitoring by the appropriate county law enforcement agency in addition to the necessary federal and state efforts.

Testimony in support of this measure was submitted by the Board of Agriculture, the Department of Business, Economic Development, and Tourism, the ILWU Local 142, HEMPTECH, Miller Consulting Group, The Larch Company, Island Hemp Wear, and four private citizens. Comments regarding this measure were submitted by the College of Agriculture, Forestry and Natural Resource Management of the University of Hawaii at Hilo. Testimony in opposition was submitted by the Hawaii Island Economic Development Board, the Office of the Prosecuting Attorney of the County of Hawaii, the Honolulu Police Department, and the Hawaii County Police Department.

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

- (1) Changing the definition of "industrial hemp" to mean marijuana with .3 percent or less of tetrahydrocannabinols, including mature stalks, by-products, and seeds not capable of germination;
- (2) Including county law enforcement agencies for the purposes of monitoring the research project;
- (3) Requiring any research project to submit their project proposal and quarterly reports to the appropriate county law enforcement agency; and
- (4) Requiring any research project to submit annual reports to the legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 32, 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. 32, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1575 Judiciary on H.B. No. 161

The purpose of this bill is to allow state and county governments to seek reimbursement for search and rescue operations necessitated by a person's acting contrary to an official warning or notice.

Your Committee finds that when irresponsible people put themselves or others in danger despite clear official warnings to stay out of a hazardous area, the State or counties may be forced to place their rescue workers in danger and spend substantial sums to rescue those irresponsible people from the results of their folly. In such a situation, your Committee believes a person responsible for the expense of a search and rescue operation should be obligated to repay the State or county that conducted the operation.

Testimony on this measure was submitted by the Department of Defense and Life of the Land.

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

- (1) Limiting the definition of official warnings or notices to warnings or notices made pursuant to chapters 127, 128, or 209, Hawaii Revised Statutes;
- (2) Deleting a provision limiting the places in which qualifying search and rescue activities could be conducted;
- (3) Deleting a provision that would have allowed the State to seek reimbursement from a person's parents, guardian, or custodian for a search and rescue operation;
- (4) Limiting the circumstances under which reimbursement may be sought to when a person has acted contrary to an official warning or notice;
- (5) Deleting as redundant a provision requiring a private enterprise to reimburse search and rescue expenses;
- (6) Deleting the definition of private enterprise; and
- (7) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 161, 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. 161, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 1576 Judiciary on H.B. No. 1622

The purpose of this bill, as received by your Committee, is to permit a brewer of beer to hold an interest in a manufacturer's license and a wholesale dealer's license, when such license is limited to wholesaling the beer brewed.

Your Committee finds that this measure, as proposed, would blur the lines of the current three-tier distribution system for beer, wine, and other liquors. Your Committee further finds that the three-tier distribution system, which has been in place in Hawaii and other states since the end of Prohibition, provides a relatively high degree of regulation in the liquor industry in response to anti-competitive abuses that were common before Prohibition. Your Committee believes the current system tends to promote competition and thus provides more choice and competitive pricing for the consumer. Your Committee is, therefore, reluctant to erode this system.

Your Committee has been informed that there have been differing interpretations as to whether the manufacturer's license referred to in the law, a holder of which is prohibited from holding any other kind of license, refers to a manufacturer's license from any jurisdiction or a manufacturer's license issued under Chapter 21, Hawaii Revised Statutes. Your Committee notes that the Attorney General has opined that they interpret the law to mean that a holder of a manufacturer's license issued pursuant to Chapter 281 may not hold an interest in any other license issued under this same chapter. However, the Attorney General further opined that they would narrowly construe this application to mean only entities holding a manufacturer's license under Chapter 281, and not any manufacturer. Thus, your Committee agrees that a codification of the Attorney General's opinion on this issue would help to clarify this point and prevent litigation.

Testimony in support of this measure was received from Anheuser-Busch Sales of Hawaii, the Hawaii Restaurant Association, two restaurants, two employees of Anheuser-Busch Sales of Hawaii, and an alcoholic beverages consultant.

Upon further consideration, your Committee has amended this measure by deleting its contents and substituting an amendment to section 281-31(a), Hawaii Revised Statutes, clarifying that the restriction on a manufacturer's ability to hold another type of license applies only to a manufacturer who holds a Hawaii manufacturer's license.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1622, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1622, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1577 Judiciary on H.B. No. 294

The purpose of this bill is to prohibit the distribution of samples and promotional material of tobacco products on any public street, sidewalk, park, or within one thousand feet of any elementary, intermediate, or high school.

Your Committee finds that the distribution of brand-name promotional items is a major component of the tobacco industry's marketing strategy. Studies show that tobacco advertising promotes smoking by using images and messages that appeal to our children, and that our children are particularly susceptible to these images and messages.

Your Committee recognizes that First Amendment rights may be implicated by the restrictions on the distribution of tobacco promotional materials. However, your Committee believes that the State has a compelling interest in reducing illegal sales of tobacco products to minors and in protecting the health of our youths. Three thousand children become regular smokers every day, and over eighty percent of adult smokers started when they were children or adolescents. In addition, your Committee believes that the First Amendment does not protect commercial speech that proposes an illegal transaction. Most smokers are initiated into tobacco use as children, develop their tobacco habits as children, and become addicted as children, even though it is illegal to sell tobacco products to minors. Because promotional items are all too often used to deliver a selling message to children, and because there is no way to limit the distribution of these products to adults, such products should be restricted without offending the First Amendment.

Testimony in support of this measure was submitted by the Department of Health, the Department of Education, the Honolulu Police Department, the American Heart Association, and the Hawaii Medical Association.

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

- (1) Adding a preamble that defines the State's compelling interests in protecting the health and safety of its minors by restricting the distribution of sample and promotional tobacco products;
- (2) Providing that within the boundaries of private commercial establishments, such as stores or restaurants where tobacco products are sold, such distribution is permissible so long as it is not visible to the public from outside the establishment; and
- (3) Providing that such distribution is permissible for commercial establishments where access to the premises by minors is prohibited by law.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 294, 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. 294, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1578

(Majority) Judiciary on H.B. No. 1073

The purpose of this bill is to create a new chapter in the Hawaii Revised Statutes to regulate telemarketing activity in Hawaii. Specifically, this measure creates the Telemarketing Fraud Prevention Act, which:

- (1) Provides that a seller or telephone solicitor commits an unfair and deceptive act or practice by making false representations or by being abusive;
- (2) Requires recordkeeping by persons who engage in telemarketing in Hawaii;
- (3) Exempts certain persons and activities from being subject to the Act; and
- (4) Makes contracts or agreements in violation of the Act voidable at the consumer's request.

Your Committee finds that telemarketing fraud is a widespread crime that is nonetheless hard to trace and prosecute. Fraudulent telemarketers, working out of anonymous boiler-rooms, prey on our society's most vulnerable members. Fraudulent telemarketers offering legitimate products, use misleading or high-pressure tactics to manipulate victims into giving the perpetrators of the fraud, money in exchange for nonexistent or low-value goods or services. Further, unregulated telemarketers, even when offering legitimate goods or services, often use highly intrusive methods of reaching consumers without regard to the annoyance such methods may cause.

Your Committee notes that many businesses use telemarketing as part of their legitimate and non-fraudulent marketing practices. Your Committee believes that such businesses should comply with the requirements set forth in this measure; however, it is not your Committee's intent to harshly punish legitimate businesses that use telemarketing for minor technical violations of the proposed Act.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Office of the Public Defender, the Policy Advisory Board for Elder Affairs, and the American Association of Retired Persons. Testimony commenting on this measure was submitted by the Hawaii Financial Services Association, GTE, and Legislative Information Services of Hawaii.

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

- (1) Inserting a definition of an "autodialer;"
- (2) Raising the number of telephone rings qualifying as an abusive practice from five to seven;
- (3) Adding the use of an autodialer with an abandonment rate of more than five percent to the list of abusive telemarketing practices;
- (4) Specifying that the Attorney General and the Department of Commerce and Consumer Affairs are agencies authorized to review records kept by telemarketers;
- (5) Deleting the requirement that telemarketers list their social security numbers and birthdates in the records required to be kept;
- (6) Limiting the scripts required to be kept as part of the records to all substantially different scripts;
- (7) Amending terms used throughout the Act to conform to the definitions of terms in the first section of the Act;
- (8) Changing the effective date; and
- (9) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1073, 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. 1073, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, 1 (Anderson). Excused, 1 (Chun Oakland).

SCRep. 1579

Judiciary on H.B. No. 955

The purpose of this bill is to make it a class C felony to take sexual photographs or videotapes of a person without consent and when the person expects privacy, and a misdemeanor to possess such materials. In addition, your Committee made available and heard testimony on a proposed amended version of this bill which would also have provided penalties for persons assisting a minor who had run away from home.

Your Committee finds that current laws criminalizing a violation of privacy do not distinguish between surreptitious recording of any events and sounds in a private place, and the more egregious offense of installing a hidden device to surreptitiously record or observe persons while they are undressed or engaging in sexual activity. Your Committee believes that using a hidden device to record someone while engaged in very personal acts merits a higher penalty than simply using a hidden device to record any events in a private place. Your Committee further finds that the current law relating to violation of privacy does not specifically address potential violations of privacy through videotaping, or through interception of electronic transmissions such as facsimiles or e-mail.

Your Committee finds that the proposed penalties for assisting a minor runaway would apply to anyone who assisted a minor runaway in need of food or shelter. This provision would penalize equally adults who lured minors from their homes for bad reasons, and adults who helped minors fleeing abusive home situations. Your Committee believes that limiting the acts penalized to concealment of a runaway minor would serve the needs of police and prosecutors in their efforts to enforce laws against custodial interference when, for instance, a runaway minor is intentionally concealed by an adult boyfriend.

Your Committee also supports providing assistance to crime victims in obtaining compensation for their losses, both financial and non-pecuniary, so that they may be made whole. Your Committee notes that the Crime Victim Compensation Commission has been provided the authority to seek compensation for victims from the offenders, especially in cases in which judgments and restitution have been ordered by the court and the victim is unable to collect from the offender. Your Committee agrees that in order to maximize the ability of the crime victim compensation commission to seek compensation for the victims they represent, the administrative cap placed on their collections should be removed.

Testimony in support of this measure was submitted by the Department of the Prosecutor for the City and County of Honolulu and the Honolulu Police Department. Testimony partially in support and partially in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Moving from Chapter 707, Hawaii Revised Statutes, to Chapter 711, the provision penalizing surreptitious filming of a person in a state of undress or engaging in sexual conduct;
- (2) Renaming the offense created by this bill as a violation of privacy in the first degree, and renaming the current invasion of privacy offense as an invasion of privacy in the second degree;
- (3) Moving the provision making it a misdemeanor to possess a surreptitiously filmed recording of someone undressed or engaging in sexual activity, to the offense of invasion of privacy in the second degree;
- (4) Adding videotaping and filming of private events, and interception of electronic transmissions, to the acts giving rise to the offense of invasion of privacy in the second degree;
- (5) Amending the provision of the proposed S.D. 1 which would have penalized any person who rendered assistance to a runaway minor, to instead penalize persons who concealed the minor;
- (6) Inserting the provisions of S.B. 1159, S.D. 1, which repeals the administrative cap on the crime victim compensation fund; and
- (7) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 955, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 955, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1580

Judiciary on H.B. No. 996

The purpose of this bill is to maintain the confidentiality of protected information when it is brought before a state or county board.

Your Committee finds that this measure seeks to resolve the conflict that boards face when attempting to comply with open meeting requirements under the Sunshine Law, confidentiality statutes, and court orders. Your Committee notes that under the Uniform Information Practices Act (UIPA), Chapter 92F, Hawaii Revised Statutes, an agency is not required to disclose government records that are protected from disclosure pursuant to state or federal law or under a state or federal court order. Your Committee further finds that this bill would make the State's public meeting laws consistent with UIPA.

The Attorney General has advised your Committee that pursuant to section 92-4, Hawaii Revised Statutes, closed meetings are expressly limited to those matters exempted by section 92-5. Therefore, only matters that fall within one of the exceptions set out in section 92-5, Hawaii Revised Statutes, can be discussed in an executive session, and then only after the exception is announced and a majority of the board's membership agrees that an executive meeting should be held.

Testimony in support of this measure was submitted by the Department of the Attorney General and the Office of Information Practices.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 996 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1581 Commerce and Consumer Protection on H.B. No. 642

The purpose of this measure is to allow the payment and receipt of indirect commissions from the sale of collision damage waivers in car rental transactions.

Catrala-Hawaii and Budget Rent A Car presented testimony in support of the measure. Alamo Rent A Car, while not present, submitted supporting testimony. The Department of Commerce and Consumer Affairs (DCCA) presented testimony in opposition to the measure.

Your Committee finds Hawaii is the only state that does not allow a car rental company to consider, directly or indirectly, the sale of collision damage waivers (CDWs) in evaluating or paying commissions to its employees. This measure will allow companies to use the sale of CDWs as one factor in evaluating and compensating employee performance. The direct payment or receipt of commissions for CDW sales will continue to be prohibited.

Your Committee has amended this measure by:

- (1) Establishing a requirement that car rental companies submit annual reports to the Director of DCCA regarding its employee compensation plans that reflect all factors, including indirect CDW commissions, used to calculate employee compensation, employee performance standards and benchmarks used in determining promotions and raises, and other devices used by the lessor that encourage the sale of CDWs; and
- (2) Providing for its repeal on June 30, 2001.

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. 642, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 642, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1582 (Majority) Ways and Means on H.B. No. 753

The purpose of this bill is to allow counties to create special improvement districts.

In particular, this bill allows a county to create these districts for the purpose of providing and financing supplemental maintenance and security services and other improvements to promote business activity within those districts. The county may levy and assess a special assessment on property located within a special improvement district to finance the maintenance and operation of the district and to pay the debt service on any bonds issued to finance improvements within the district. The county may also issue and sell bonds to finance improvements within the district.

Your Committee agrees with the intent of this bill, and finds that special improvement districts, also known as "business improvement districts", have proven to be very successful in the economic revitalization of many mainland cities, including New York City's Times Square district and the downtown area of Portland, Oregon. One positive impact of a special improvement district is that additional security services can be procured to create a safer and more attractive environment to encourage business activity. Your Committee further finds that Waikiki and other areas around the State would greatly benefit from a special improvement district designation.

Your Committee has further amended this bill by changing the effective date from upon approval to July 1, 1999, and 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 H.B. No. 753, 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. 753, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, 1 (Ige, M.). Excused, 3 (Chun, Iwase, Anderson).

SCRep. 1583 Ways and Means on H.B. No. 989

The purpose of this bill is to appropriate general funds to pay claims for legislative relief, judgments, settlements, and miscellaneous claims against the State.

Your Committee has amended this measure by removing claims totalling \$2,976,861 from the total general fund appropriation, and by instead appropriating the same amount of \$2,976,861 out of the state highway fund to pay for those claims.

Your Committee has also amended this measure by adding a miscellaneous claim for attorneys fees incurred in State of Hawaii v. W.H. McVay et al Civil No. 91-4097-12, and by appropriating an additional \$269,792.50 out of general funds to pay for the claim.

Your Committee finds that a suit was filed against Harold Masumoto, the State, and others, regarding condemnation of a feedlot and other parcels in Kapolei. The State eventually settled with Hawaii Meat Company and Mr. Masumoto in his official capacity was dismissed from the suit, but he was not dismissed in his individual capacity. To this end, Mr. Masumoto hired a private attorney to defend him in this litigation. In November 1998, the remaining litigation was concluded without any findings of Mr. Masumoto acting illegally, maliciously, or for corrupt motives. The Department of the Attorney General, finding that Mr. Masumoto was at all times acting within the scope of his duties and in furtherance of the best interests of the State as he understood it, recommended that his attorneys' fees and costs be paid as a claim against the State. Your Committee concurs.

Your Committee finds that the judgments and settlements as represented in this measure have been evaluated and recommended by the Department of the Attorney General.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 989, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 989, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Anderson).

SCRep. 1584 Ways and Means on H.B. No. 1017

The purpose of this bill is to authorize the issuance of bonds for the repair and maintenance of public housing, the Hula Mae program, and the rental housing trust fund.

The bill also provides assistance to mortgagees facing employment difficulties.

Specifically, the bill authorizes the issuance of bonds for:

- (1) The repair and maintenance of state-owned public housing for a bond term of five to ten years;
- (2) An increase in the bond ceiling of the Hula Mae mortgage loan program; and
- (3) The rental housing trust fund.

The bill also requires banks, savings banks, savings and loan associations, financial services loan companies, and credit unions to restructure mortgages for mortgagees facing employment and foreclosure difficulties.

Your Committee has amended the bill by removing sections 3 through 7 of the bill relating to mortgagee loan restructuring and retaining the sections relating to the issuance of bonds. Your Committee has also made technical changes that have no substantive effect.

As affirmed by the record of votes of the members 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. 1017, 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. 1017, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1585 Judiciary on H.B. No. 8

The purpose of this bill, as received by your Committee, is to prohibit the use of social security numbers on driver's licenses after July 31, 2001.

Your Committee finds that the widespread use of social security numbers in the private sector to identify individuals tracked by financial, credit, educational, and other institutions, has facilitated the criminal practice of identity theft through unlawful use of another's social security number. Hawaii's statewide practice of using social security numbers as driver's license numbers makes it a relatively simple matter for con artists, financial services organizations, and other unscrupulous people to obtain social security numbers for their nefarious practices.

Your Committee further finds that rules promulgated by the federal Department of Transportation will require states, beginning in October 2000, to collect and verify the social security numbers of driver's license applicants and, unless a state explicitly does not so require, to use the social security numbers on the licenses. Thus, Hawaii must collect social security numbers as part of the driver's license application to comply with these rules, but may provide by statute that the numbers shall not appear on the driver's license itself.

Testimony in support of this measure was submitted by the Office of Information Practices and the American Civil Liberties Union of Hawaii. Testimony in support of this measure with amendments was submitted by the Department of Transportation and the Department of Customer Services of the City and County of Honolulu. Testimony commenting on this measure was submitted by the Judiciary.

Upon further consideration, your Committee has amended this measure by adding a provision to require collection of social security numbers as part of the general driver's license application.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 8, 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. 8, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1586 Judiciary on H.B. No. 500

The purpose of this bill is to develop a commercial hunting industry in the State.

Specifically, the bill allows nonresident aliens to bring a limited number of firearms into the State for recreational purposes; provided the person meets the registration requirement and other criteria.

Testimony in support of the bill was received from the Board of Land and Natural Resources, the City and County of Honolulu Police Department, the Hawaii Rifle Association, and Hawaii Citizens' Rights PAC. The Manager of Lanai Pine Sporting Clays and two individuals submitted comments on the bill.

Your Committee finds that there is a growing interest in hunting and shooting competitions around the world and that hosting these events would enhance the State's economy. Furthermore, developing niche markets, such as recreational hunting, will help to expand the State's visitor industry. Your Committee believes that this measure provides the necessary safeguards to protect our citizenry while allowing residents of other states or foreign countries to participate in Hawaii's recreational shooting and game hunting events.

Your Committee has amended this bill by changing the word "three" to "seven", at page 2 line 2, to ensure that nonresident aliens bringing firearms into the State under this bill will have sufficient time to comply with the registration requirements.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 500, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 500, H.D. 3, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 1587 Judiciary on H.B. No. 582

The purpose of this measure, as received by your Committee, is to provide governmental agencies with civil liability immunity when injuries occur on public trails and accesses, and to clarify that commercial property such as a hotel is not included within the landowner liability provided by chapter 520, Hawaii Revised Statutes (HRS).

Your Committee finds that government should fairly be provided with some degree of immunity for injuries that occur on public trails and accesses, to encourage government agencies to provide additional trails and accesses on government lands. However, because it is part of government's function to allow access to public lands, your Committee does not believe that government should be provided with a level of immunity as great as that provided for a private landowner voluntarily allowing public access to private land.

Your Committee is aware that under chapter 520, HRS, there have been instances of commercial landowners not intended to be provided with immunity thereunder, who have asserted immunity from claims brought by invited recreational users of the property. However, your Committee believes that changes in the scope of chapter 520 would be better addressed through a bill introduced for that purpose, to permit a thorough opportunity for public hearing by the appropriate committees.

Testimony in support of this measure was submitted by the Department of the Corporation Counsel for the City and County of Honolulu, the Hawaii Hunting Advisory Council, the Hawaii Rifle Association, Consumer Lawyers of Hawaii, and the Hawaii Equestrian and Trails Association. Testimony supporting the measure in part but opposing the commercial use provision was

submitted by the Board of Land and Natural Resources, Maui Land & Pineapple Company, Kapalua Land Company, and the Land Use Research Foundation of Hawaii.

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

- (1) Deleting the provision that would add government land into the coverage of chapter 520, HRS, relating to landowner immunity;
- (2) Adding a new section to provide the State with liability from claims other than gross negligence claims arising from the use of State lands used as trails under chapter 198D, HRS; and
- (3) Deleting the provision creating a commercial use exception in chapter 520, HRS.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 582, 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. 582, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1588 Judiciary on H.B. No. 1080

The purpose of this measure is to establish administrative relief for a corporation, partnership, limited liability partnership, or limited liability company against an entity that has registered or is using a name that is substantially identical or confusingly similar to the name of the corporation, partnership, limited liability partnership, or limited liability company.

This measure allows businesses to resolve business name disputes through the Department of Commerce and Consumer Affairs' administrative hearing process. Specifically, the bill allows a business to file a petition with the Director of Commerce and Consumer Affairs for an order of abatement for infringement of the business' name and allows an appeal from the Director's order to the Circuit Court.

Your Committee finds that the administrative process is more expeditious and less costly for businesses than litigation. Reducing costs to business is essential to putting Hawaii's economy back on track.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1080, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1589 (Majority) Judiciary on H.B. No. 1111

The purpose of this bill, as received by your Committee, is to provide protection for persons who make commercially reasonable efforts to find solutions for potential year 2000 errors in computer systems, and to set standards and provide guidance as to what steps must be undertaken as part of commercially reasonable efforts.

Your Committee finds that there is widespread uncertainty about what claims may be brought based on year 2000 errors, and about what acts may provide a basis for or a defense to liability for such errors. Among businesses seeking to identify and prevent potential errors before the immovable and fast-approaching deadline, this uncertainty has diverted personnel and resources from the actual process of finding and fixing problems to documentation of the process in anticipation of future lawsuits. Your Committee believes that this measure, by providing guidance as to what steps should be taken as part of a commercially reasonable approach to identifying and fixing problems, will help those with potential year 2000 problems to focus on remediation of the potential problems in the time remaining, rather than predicting the possible bases for future claims.

Your Committee notes that even when a respondent takes commercially reasonable steps to avoid a year 2000 problem, a claimant injured by such a problem may still be able to recover its out-of-pocket expenses under this measure. Your Committee further notes that when a respondent fails to take commercially reasonable steps, a claimant may seek consequential and other additional damages.

Testimony in support of this measure, including a proposed amendment which incorporated provisions providing limited immunity to government for year 2000 errors produced by government computer systems, was submitted by the Attorney General, the Department of Accounting and General Services, the Judiciary (relating only to alternative dispute resolution procedures), Chamber of Commerce of Hawaii, Hawaiian Electric Company, Bank of Hawaii, Hawaii Credit Union League, the Hawaii Bankers Association, the Hawaii Medical Service Association, the Queen's Health Systems, the Hawaii Long Term Care Association, the National Accountant's Coalition, and Hawaiian Airlines. Testimony in opposition to this measure was submitted by one individual.

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

- (1) Clarifying that remediation steps must be implemented in a timely fashion to be commercially reasonable, and that implementation of remediation steps and compliance with any standard data formats are minimum requirements for a finding of commercially reasonable efforts;
- (2) Deleting the exclusion of physical injury claims from the alternative dispute resolution procedure, because the current procedure does not conflict with the Court Annexed Arbitration Procedure;
- (3) Deleting punitive damages from categories of damages that may be obtained only in limited circumstances;
- (4) Deleting a provision that would prevent joint and several liability in a year 2000 claim;
- (5) Amending provisions describing the effect of a respondent's failure to engage in commercially reasonable efforts to be analogous to principles of comparative negligence rather than contributory be reduced to the extent the respondent's failure to engage in commercially reasonable efforts contributed to the respondent's injury;
- (6) Inserting a provision excluding claims against software or hardware manufacturers from the provisions of the act;
- (7) Inserting a provision barring creditors and credit reporting agencies from reporting negative credit information about a consumer resulting from a year 2000 problem;
- (8) Inserting provisions from S.B. 1313, S.D. 2, which provided limited immunity to government for year 2000 errors produced by a government computer;
- (9) Amending the government and private industry provisions to remove language specifically excluding a government employee's failure to pay a mortgage from the governmental limited immunity;
- (10) Inserting language in the section of the bill dealing with government computers to specifically exempt from the limitations provided in that section a claim by a person injured by a year 2000 problem against a software or hardware manufacturer that provided or sold a government computer that produced the year 2000 error; and
- (11) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1111, 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. 1111, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, 1 (Anderson). Excused, 1 (Chun Oakland).

SCRep. 1590 Judiciary on H.B. No. 1142

The purpose of this bill is to make housekeeping amendments to the wastewater treatment law.

In particular, this bill transfers the certification of cesspool pumping operations from the State Board of Certification to the Department of Health. This bill also expands the Department of Health's authority under the water pollution law to regulate domestic sewage and recycled water, provide for consistent wastewater penalties, and allow for search warrants to investigate wastewater spills.

Your Committee received testimony in favor of this measure from the Department of Health. Testimony supporting the measure with amendments was received from the City and County of Honolulu Department of Environmental Services.

Your Committee finds that this bill addresses a major concern of the Department of Health, namely, the suspected illegal dumping of wastewater such as cesspool pumpings and sludge into the environment by private pumpers. While existing law requires the State Board of Certification to certify cesspool pumping firms, this requirement has never been implemented because of a lack of time and resources. Your Committee finds that placing these requirements within the jurisdiction of the Department of Health will result in more effective control of illegal dumpings since the department has greater resources to address this problem.

Your Committee further finds that this bill also provides the department with expanded authority to regulate wastewater spills that present risks to human health and the environment, including allowing the department to obtain search warrants to gain access to private property to investigate the deliberate installation of unauthorized wastewater systems and other suspected illegal spills and dumping, and the imposition of appropriate penalties.

Upon further consideration, your Committee has amended this bill by reinserting the term "reclaimed water" back into the definition of "recycled water". Your Committee finds that the two terms are synonymous and that the inclusion of both terms in the law provides continuity with other existing state laws and rules that refer to reclaimed water.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1142, 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. 1142, H.D. 3, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1591 Judiciary on H.B. No. 1153

The purpose of this bill is to exempt minors between eighteen and twenty years of age from the prohibition that minors cannot purchase liquor, if that minor is participating in a controlled purchase as part of a law enforcement activity or a study authorized by the Department of Health.

Your Committee finds that the prohibition against minors possessing or purchasing liquor is a valid one when measured against the statistics that show liquor use by minors increases the chance of motor vehicle accidents, alcoholism experienced in later life, damage to the minor's health, and other social problems produced by alcohol related behaviors. Yet some recent studies have shown that minors remain largely undereducated about the ill effects of alcohol and even shopkeepers unwittingly aid youngsters by selling liquor products to underage persons.

In order to bring this problem under control, sometimes using underage persons to participate in controlled purchases of liquor will enable law enforcement agencies to identify the shopkeepers who sell liquor to underage persons who appear to be older than they really are. Following these identifications, the shopkeepers can be educated about the law and the importance of checking the age of the purchasers. This bill is designed to exempt minors who help the Department of Health or law enforcement agencies in their work in this area.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1153, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1592 (Majority) Judiciary on H.B. No. 1636

The purpose of this bill is to improve traffic enforcement and reduce traffic congestion.

In particular, this bill amends the photo red light imaging and photo speed imaging detector demonstration project established in Act 234, Session Laws of Hawaii 1998, by including other photo technology systems to improve traffic enforcement by producing photographic identification of a vehicle which crosses longitudinal traffic lane markings.

Your Committee agrees with the intent of this bill, and finds that there is a need to reduce traffic congestion on Hawaii's roads through the stricter enforcement of traffic control laws, particularly on controlled access facilities such as the H-1 freeway on Oahu. Allowing for the use of other photo technologies, such as hand-held or mounted video cameras, conventional cameras, and digital cameras, will help to enforce the State's traffic laws and reduce traffic congestion.

Your Committee further finds that vehicles that illegally cross certain longitudinal traffic lane markings may create hazardous driving situations that slow down traffic. However, under current law, police officers in these instances are required to pull over violators and hand them a ticket. Your Committee finds this requirement to be both counterproductive and extremely dangerous on the freeway. Your Committee therefore agrees that the traffic code should be amended to allow for the mailing of traffic citations to violators on access control roads to provide for greater enforcement of the traffic laws, reduce the potential for accidents, and speed up traffic flow.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1636, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, 1 (Tanaka). Excused, 1 (Chun Oakland).

SCRep. 1593 (Majority) Ways and Means on H.B. No. 336

The purpose of this bill is to provide restrictions on the importation of microorganisms into the State.

Your Committee finds that the State's ecology has been irresistibly changed by the careless importation of plant and animal life. Microorganisms can pose the same type of ecological threat to the State's ecosystem. By establishing categories of nonrestricted, restricted, and prohibited organisms, and requiring various safeguards and reporting requirements, the State can do a better job at protecting our ecosystem.

Your Committee has amended the bill by adding a new section on importing microorganisms by certified importers that provides safeguards for the importation of prohibited microorganisms for use in medical or scientific research. The provisions of this bill do not necessarily reflect the Senate's final position, but have been incorporated at the request of the University of Hawaii to allow for further consideration. Your Committee has also amended the bill by changing the effective date to July 1, 3001, to ensure that further discussion will take place before final legislative action.

As affirmed by the record of votes of the members 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. 336, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 336, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, 1 (Ige, M.). Excused, 2 (Ige, D., Anderson).

SCRep. 1594 Ways and Means on H.B. No. 1183

The purpose of this bill is to provide for the restoration of public beach lands.

In particular, this bill:

- (1) Authorizes the Board of Land and Natural Resources to do all things necessary, useful, and convenient to restore beach land;
- (2) Requires the Department of Land and Natural Resources to prepare and revise plans for the restoration of beach lands in the State, which are to guide the board in identifying those beach lands in need of restoration that have been degraded as a result of natural or human actions;
- (3) Authorizes the board to lease and develop public lands within the state coastal zone management area under the board's jurisdiction to generate revenues for beach restoration;
- (4) Creates a beach restoration special fund for the planning and development of beach restoration projects and providing grants to the counties, nongovernmental organizations, and the University of Hawaii for the restoration of beach lands and research and engineering studies to support beach restoration projects; and
- (5) Appropriates funds to the department for the restoration of beach lands, including funds to conduct a beach restoration engineering design and analysis of the Honokowai Beach Park, the Kaaawa Beach Park, and the Sacred Falls shoreline.

Your Committee finds that there is an immediate need to control coastal erosion and beach loss. Many of Hawaii's coastal areas are experiencing erosion rates exceeding one foot per year, and nearly twenty-five per cent of the sandy beaches on Oahu, and possibly as much as thirty per cent of Maui beaches, have been lost or severely narrowed over the past seventy years due to erosion. Given the current trends of rising global sea levels and increased coastal development, coastal erosion is expected to continue to be an environmental, societal, cultural, and economic concern in the foreseeable future. Your Committee finds that this bill will assist in providing for the restoration of public beach lands in those instances in which such restoration is considered to benefit the people of the State.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sums appropriated with blank amounts and changing the effective date to July 1, 2999, to promote continuing discussions on 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. 1183, 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. 1183, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1595 Ways and Means on H.B. No. 1037

The purpose of this bill is to provide emergency funding to satisfy all claims filed with the Unclaimed Property Program during fiscal year 1998-1999.

Specifically, this bill appropriates an additional \$1,000,000 for fiscal year 1998-1999, for the payments of judgments and claims under the Unclaimed Property Program as set forth in chapter 523A, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that in Act 328, section 129, Session Laws of Hawaii 1997, \$1,760,751 was appropriated to the Unclaimed Property Program for fiscal year 1998-1999. The total appropriation was expended as of the beginning of February, 1999, with more than \$500,000 in claims currently awaiting payment. Section 523A-26, Hawaii Revised Statutes, requires that claims be acted upon within one hundred twenty days after its filing or the claimant may bring an action in court.

Your Committee heard testimony that fiscal year 1998-1999 has been a particularly unusual year with large claims being filed. Your Committee also finds that an emergency appropriation of an additional \$1,000,000 was also made for fiscal year 1997-1998 in Act 14, Session Laws of Hawaii 1998. Your Committee is interested in returning abandoned property in its possession to their rightful

owners and recognizes that the increase in professional finders over the years may be responsible for the underestimated needs of the program.

Your Committee has amended this measure by requiring the Director of Finance to report to the legislature on the disbursement of these emergency funds to claimants under the Unclaimed Property 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. 1037, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1037, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1596 (Majority) Government Operations and Housing on H.B. No. 1593

The purpose of this measure is to:

- (1) Designate the heads of the respective county water supply agencies as the chief procurement officers;
- (2) Authorize the use of and establish criteria for the use of project labor agreements intended to ensure the efficiency, stability, and quality on state public works contracts over \$10,000,000;
- (3) Create definitions for "state contractor", "state subcontractor", and "state resident" to provide federal and state contracting officers with clear and absolute definitions;
- (4) Provide that the bid preference shall be given to state contractors as defined by this measure, rather than bidders who filed state tax returns for two successive years prior to submitting the bid;
- (5) Increase the bid preference in favor of state contractors from seven to fifteen percent on state public works projects for \$30,000,000 or less;
- (6) Set out the requirements needed to be satisfied by a state contractor in order to receive the bid preference; and
- (7) Require the review of the bid preference law by June 30, 2005.

Testimony in support of this measure was received from the Board of Water Supply of the City and County of Honolulu, International Brotherhood of Electrical Workers Local Union 1186, Laborers' International Union of North America Local 368 AFL-CIO, Hawaii State Teachers Association.

The State Procurement Office, Department of Water Supply of the County of Hawaii, Department of Water of the County of Kauai, and Department of Water Supply of the County of Maui submitted testimony in support of this measure with recommended amendments.

Testimony in opposition to this measure was received from the Construction Industry Legislative Organization, Inc., General Contractors Association of Hawaii, Building Industry Association of Hawaii, Henry's Equipment Rental & Sales, Inc., CC Engineering & Construction, Inc., Associated Builders and Contractors, Inc., Jas. W. Glover, Ltd., and Alaka'i Mechanical.

Your Committee finds that the water supply authorities of the respective counties are semi-autonomous agencies that generate their own revenues and make independent expenditure decisions. Therefore, designating the respective managers or directors as the chief procurement officers is appropriate.

Your Committee further finds that provisions in this measure relating to project labor agreements, the definitions of "state contractor", "state subcontractor" and "state resident", and the bid preference will help stabilize and revitalize Hawaii's construction industry.

Your Committee distributed a proposed Senate Draft of this measure that:

- (1) Redefines the definition of "state contractor" and "state subcontractor" for purposes of the employment and bid preferences provided in federal and state law by:
 - (A) Requiring an individual to have paid all of the amounts owing on a tax return filed in the preceding year;
 - (B) Requiring a business entity to be a domestic corporation, partnership, or business organized or formed under the laws of the State;
 - (C) Requiring a business entity to maintain its principal place of business within the State for at least two-hundred consecutive days prior to the submission of a bid;

- (D) Requiring a business entity to have filed a Hawaii resident income tax and all other applicable tax returns for the preceding tax year and have paid all amounts owing on those tax returns;
 - (E) Requiring a business entity to have complied with all applicable Hawaii employment, insurance, and worker's compensation laws;
 - (F) Deleting the provisions that require a minimum percentage of state residents as owners, principals, partners, and employees depending on the form of the business entity;
 - (G) Requiring an employer with one or more employees to have one-hundred per cent of those employees qualify as "state residents"; and
 - (H) Requiring a business entity that is a joint venture be composed entirely of entities that qualify as "state residents"; and
- (2) Clarifies the intent of the bid preference for state contractors and subcontractors; and
 - (3) Amends the bid preference of fifteen per cent in favor of state contractors on state public works projects to \$8,000,000 or less from \$30,000,000.

Your Committee has amended this measure by replacing its contents with the proposed Senate Draft and requiring the procurement policy board to establish rules in accordance with chapter 91, Hawaii Revised Statutes, for determining when a procurement officer may require the use of a project labor agreement.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1593, 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. 1593, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 3 (Chun, Matsuura, Sakamoto). Excused, 2 (Tanaka, Anderson).

SCRep. 1597

Judiciary on H.B. No. 159

The purpose of this bill, as received by your Committee, is to amend the Whistleblower Protection Act (WPA) to include "improper quality of patient care" as a reportable violation, among other expanded violations, and to strengthen the civil remedies for a violation of the Act.

Your Committee finds that persons who draw attention to violations of the law or of public safety on the part of their employers are often punished by discrimination ranging from the subtle to the very direct. While many people will be discouraged by the threat of retaliation from coming forward, some will still come forward to report violations, and may bring suit under the Act. Your Committee believes the increased penalties provided in this bill, and the extension of time within which to file, will encourage those few whistleblowers who do come forward to make a claim under the Act. Your Committee further notes that this measure clarifies that the common law remedies for discharges in violation of public policy are not precluded either by the Act nor by the exclusivity provision of the worker's compensation laws.

Your Committee is concerned that this measure as written would include a standard of conduct specific to one profession as a basis for violation of the Act by an employer in any business. Although your Committee is sympathetic to the pressures placed on nurses and other health care professionals faced with conflicting demands from managed care requirements and their own professional codes of ethics, your Committee believes it would cause unnecessary confusion to insert into a general employment statute a standard applicable to only a fraction of employers. Your Committee is of the opinion that extending the coverage of the Act to include conduct by any employer that creates danger to public health, safety, and welfare, will include health care practices that create a threat to patients within the coverage of the Act.

Your Committee is further concerned that many of the proposed amendments in this measure would not substantively change the Act, but instead would simply provide a more ambiguous description of what conduct is proscribed for employers. Modifying the current requirements of the Act in this manner could cause confusion and unnecessary litigation as to whether case law interpreting phrases in the current Act still applied to the modified Act.

Testimony in support of this measure was submitted by the American Civil Liberties Union of Hawaii, the Hawaii Nurses' Association, Common Cause Hawaii, ILWU Local 142, the Hawaii Chapter of the American Psychiatric Nurses Association, the Hawaii State AFL-CIO, and three individuals. Testimony in opposition to this measure was submitted by the Chamber of Commerce of Hawaii and the Healthcare Association of Hawaii.

Upon further consideration, your Committee has amended this measure by deleting its contents and substituting the contents of S.B. 235, S.D. 2, which, with an additional amendment:

- (1) Expands the categories of information being reported about an employer that forms the basis of a whistleblower claim, to include a violation of a regulation or ordinance, or danger to public health, safety, and welfare;

- (2) Expands the limitation period for filing a claim from ninety days to two years;
- (3) Expands the civil remedies available under the Act;
- (4) Increases the fine for a violation of the Act from up to \$500 to no greater than \$10,000; and
- (5) Clarifies that the worker's compensation exclusivity provision does not preclude common law remedies for discharge contrary to public policy.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 159, 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. 159, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1598 Judiciary on H.B. No. 1160

The purpose of this measure is to clarify existing law by specifying that the Department of Labor and Industrial Relations' Employment Security Appeals Referee Office (ESARO) may hold hearings in counties other than the county in which the appeal was filed.

Your Committee finds that current law allows for hearings outside the county in which an appeal is filed in cases in which the parties consent or in order to ensure a fair and impartial hearing. The Department of Labor and Industrial Relations (DLIR) originally requested that the requirement of obtaining a party's consent be deleted in its entirety so that ESARO could conduct the hearings by telephone from Honolulu, explaining that this change is necessary to facilitate the timely disposition of ESARO's hearing calendar. However, your Committee believes that such a change in the current hearing process would be inherently unfair and that an aggrieved party deserves the right to object to a telephone hearing initiated from another county.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations.

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

- (1) Clarifying that a hearing may be held by telephone or by other suitable communication devices or technology, outside the county in which the appeal was filed so long as the parties are notified of their opportunity to object, and neither party objects;
- (2) Clarifying that a party may appear by telephone or other technology if the party is unable to appear in person; and
- (3) Clarifying that the location of a hearing is determined by the location of the hearing officer conducting the hearing.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1160, 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. 1160, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1599 Judiciary on H.B. No. 167

The purpose of this bill, as received by your Committee, is to create a driving curfew for minors, establish a statewide driver education program to substitute in part for road test elements of the driver's license examination, and provide for mandatory license revocation for any minor convicted of a moving violation.

Your Committee finds that minor drivers are generally inexperienced drivers, and that public policy warrants ensuring that they are well prepared to be safe drivers by the time they are fully licensed. However, your Committee does not believe that sanctions for traffic violations committed by minors should be more severe than for the same violations committed by an adult.

Testimony in support of this measure was submitted by the Department of Transportation, the Governor's Highway Safety Council Impaired Driving Task Force, the Department of Customer Services for the City and County of Honolulu, the Maui Police Department, the Honolulu Police Department, Mothers Against Drunk Driving, the Hawaii Association of Safety Traffic Educators, the Hawaii Chapter of the American Academy of Pediatrics, the Hawaii State Teachers Association, AAA Hawaii, and four individuals. Testimony supporting the intent of the bill but objecting to specific provisions was submitted by the Department of Education. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Adding an emergency exception to the curfew provisions;

- (2) Changing the start of the curfew to 12:00 a.m.;
- (3) Changing from 21 to 18 the minimum age at which a passenger who is a licensed driver will provide an exception to the curfew requirement;
- (4) Deleting a provision that would have prevented a minor from submitting an authorizing note from a parent or guardian after being charged with a curfew violation;
- (5) Raising to 15 years and 6 months the age at which a minor may apply for a permit;
- (6) Raising to 16 the minimum age for licensing;
- (7) Limiting mandatory driver education to driver's license applicants under the age of eighteen;
- (8) Clarifying that a person must have a permit to operate a motor vehicle in connection with behind-the-wheel training; and
- (9) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 167, 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. 167, H.D. 3, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1600 Judiciary on H.B. No. 171

The purpose of this measure is to enact the Uniform Health-Care Decisions Act.

Your Committee finds that since the Supreme Court's decision in Cruzan v. Commissioner, Missouri Department of Health, 497 U.S. 261 (1990), significant changes have occurred in state legislation on health care decision making. Nearly all states have statutes authorizing the use of powers of attorney for health care. In addition, a majority of states have statutes allowing family members, and in some cases close friends, to make health care decisions for adult individuals or emancipated minors who lack capacity.

However, your Committee recognizes that there is a greater need for uniformity among advance directives for health care and believes that this Uniform Health Care Decisions Act will simplify and facilitate the making of advance health care directives. Your Committee notes that recommended forms are being included in this measure, and to enhance public access to these forms, they should be posted on the internet websites of appropriate state agencies.

Your Committee intends that this measure replace chapter 327D, Hawaii Revised Statutes, relating to medical treatment decisions which was first enacted in 1986 and has not been revised since 1992. In the intervening years, medical science has advanced tremendously and medical ethics has developed correspondingly. This measure brings medical treatment decisions into today's world of advances in medicine, patient rights, and attitudes toward dying. Your Committee notes that this measure is not intended to disrupt the existing surrogate law and practices in acute care and long-term care settings.

Testimony in support of this measure was submitted by the Executive Office on Aging, the Governor's Surrogate Decision Making Committee, Policy Advisory Board for Elder Affairs, Hawaii Catholic Conference, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaii Nurses Association, a law school professor, and a private citizen. Testimony in opposition to this measure was submitted by the Third Order of Mary in Kapaa, Christian Voice of Hawaii, Hawaii Right to Life, the Archbishop Fulton Sheen Foundation, Pro-Family Hawaii, the Good Shepard Lutheran Church, and nine private citizens. The Hawaii Right to Life (Kamuela Chapter) also submitted comments on this measure.

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

- (1) Including within the definition of "health care" that withholding or withdrawing artificial nutrition or hydration is in accord with the health care providers prevailing clinical standard of conduct;
- (2) Deleting all references to "non-designated surrogate" and establishing classes of surrogates as either those who are designated in writing or orally by the patient, or those who are not designated but can act as surrogates based upon their relationship to the patient;
- (3) Clarifying that only surrogates designated in writing or orally by the patient are extended the full-range of surrogate decisions, and limiting the range of decisions that can be made by surrogates who are not designated by the patient to prevent them from withdrawing or withholding artificial nutrition and hydration;
- (4) Providing a ranking hierarchy of priority for surrogates and defining the process through which disputes between surrogates are to be resolved; and

- (5) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 171, 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. 171, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 1601 Ways and Means on H.B. No. 86

The purpose of this bill is to authorize the issuance of state general obligation bonds.

In addition, this bill declares findings that the total amount of principal and interest, estimated for such bonds authorized but unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

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

Your Committee supports the determination that this Act will not cause the debt limits to be exceeded at the time of issuance and believes these findings are based on reasonable assumptions.

Your Committee has amended this bill by correcting a discrepancy between the text of the bill and the printed version of the Hawaii Constitution.

As affirmed by the record of votes of the members 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. 86, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 86, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 1602 (Majority) Ways and Means on H.B. No. 140

The purpose of this measure is to:

- (1) Provide for the efficient and expeditious development and construction of public infrastructure projects by allowing any department of the State or any county to enter into agreements with private entities to develop, construct, and maintain public infrastructure systems and facilities;
- (2) Authorize the use of and establish criteria for project labor agreements that are intended to ensure the efficiency, stability, and quality of federal construction projects and state public works projects over \$10,000,000;
- (3) Create a construction industry brand under the research and economic analysis division of the Department of Business, Economic Development, and Tourism;
- (4) Establish definitions for "state contractor", "state subcontractor", and "state resident" to provide federal and state contracting officers with clear definitions for purposes of the employment and bid preferences provided in federal and state law;
- (5) Provide that the bid preference shall be given to state contractors as defined by this measure, rather than bidders who filed state tax returns for two successive years prior to submitting the bid;
- (6) Increase the bid preference in favor of state contractors from seven to fifteen per cent on state public works projects for \$30,000,000 or less;
- (7) Set out the requirements needed to be satisfied by a state contractor in order to receive the bid preference; and
- (8) Require review of the bid preference law by June 30, 2005.

Your Committee finds that this measure will aid in delivering government services efficiently and at lower costs. In addition, this measure will help revitalize and stabilize Hawaii's construction industry.

Your Committee distributed a proposed Senate Draft of this measure that:

- (1) Deletes from the measure as received the provisions of the public-private infrastructure partnerships that require the terms of an agreement to provide:

- (A) Private ownership of a project during the construction period;
 - (B) Subsequent transfer of ownership of a project after completion from the private entity to a public entity and lease to the private entity; and
 - (C) That a public entity may assist a private entity and facilitate a project by exercising its governmental authority including its power of eminent domain, granting of development rights and opportunities, granting of necessary easements, rights of access, and permits, and other actions within the authority of the public entity; and
- (2) Redefines "state contractor" and "state subcontractor" for purposes of the employment and bid preferences provided in federal and state law by:
- (A) Requiring an individual to have paid all of the amounts owing on a tax return filed in the preceding year;
 - (B) Requiring a business entity to be a domestic corporation, partnership, or business organized or formed under the laws of the State;
 - (C) Deleting the requirement that a business entity maintain a place of business within the State staffed by the bidder or an employee of the bidder for a period of six months immediately preceding the date of the bid;
 - (D) Requiring a business entity to maintain its principal place of business within the State for at least two-hundred consecutive days prior to the submission of a bid;
 - (E) Requiring a business entity to have filed a Hawaii resident income tax and all other applicable tax returns for the preceding tax year and have paid all amounts owing on those tax returns;
 - (F) Requiring a business entity to have complied with all applicable Hawaii employment, insurance, and worker's compensation laws;
 - (G) Deleting the provisions that require a minimum percentage of state residents as owners, principals, partners, and employees depending on the form of the business entity;
 - (H) Requiring an employer with one or more employees to have one-hundred per cent of those employees qualify as "state residents"; and
 - (I) Requiring a business entity that is a joint venture be composed entirely of entities that qualify as "state residents"; and
- (3) Clarifies the intent of the bid preference for state contractors and subcontractors; and
- (4) Increases the bid preference in favor of state contractors from seven to fifteen per cent on state public works projects for \$8,000,000 or less rather than \$30,000,000.

Your Committee has amended this measure by replacing its contents with the proposed Senate Draft.

As affirmed by the record of votes of the members 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. 140, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 140, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, 1 (Chun). Excused, 6 (Buen, Ige, D., Ige, M., Tam, Taniguchi, Anderson).

SCRep. 1603 (Majority) Ways and Means on H.B. No. 985

The purpose of this measure is to clarify and streamline the Hawaii public procurement laws and process, and to consolidate procurement legislation in chapter 103, Hawaii Revised Statutes (HRS), into chapter 103D, HRS.

In addition, this measure deletes unnecessary or incorrect provisions and makes other housekeeping amendments to improve the efficiency of the procurement process. This measure also:

- (1) Provides that pursuant to county charter, the managers or chief engineers of the respective county water supply authorities are the designated chief procurement officers;
- (2) Repeals the language from the public contract retainage section stating, "after fifty per cent of the contract is completed and progress is satisfactory, no additional sum shall be withheld";
- (3) Eliminates the position of the Administrator of the State Procurement Office and transfers duties to the Procurement Policy Board; and

- (4) Changes the contract amount that is subject to wage, hour, and working conditions requirements.

Your Committee finds that the Hawaii procurement code needs improvement and refining and that this measure will make the State procurement process more efficient and cost-effective.

Your Committee further finds that the procurement code currently precludes community rehabilitation programs in construction projects. Your Committee has considerable concerns with this language and finds that further discussion and clarification is needed on this issue in order to ensure that the procurement code complies with federal law.

Your Committee has amended this measure by incorporating the suggestions of the State Procurement Office. More specifically, the amendments:

- (1) Delete the repeal of the language in the public contract retainage section stating, "after fifty per cent of the contract is completed and progress is satisfactory, no additional sum shall be withheld";
- (2) Delete the elimination of the position of the Administrator of the State Procurement Office and transfer of duties to the Procurement Policy Board;
- (3) Delete the provision that changes the contract amount that is subject to wage, hour, and working conditions requirements;
- (4) Delete the language from the qualified community rehabilitation program for goods and services stating, "this section shall not apply to the procurement of construction, as defined in 103D-104", and replaces it with language that limits a qualified community rehabilitation program to "sell only goods or services, including building custodial and grounds maintenance services, to a governmental body"; and
- (5) Make technical, nonsubstantive changes for clarity and style.

Your Committee, at the hearing, expressed concern over the provision in the measure that deletes the section of the procurement code on conflicts of interest. Subsequently, however, your Committee was apprised that section 84-15, Hawaii Revised Statutes, adequately addresses this issue. Therefore, the provision being deleted is an unnecessary, duplicative provision in the procurement code.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 985, 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. 985, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, 1 (Anderson). Excused, none.

SCRep. 1604 Ways and Means on H.B. No. 1276

The purposes of this measure are to:

- (1) Clarify that projects created and established as condominium property regimes are subject to county land use zoning ordinances and development requirements;
- (2) Establish a fair market value standard for negotiating the value of the leased fee interest to be purchased by a lessee;
- (3) Clarify the powers of the boards of directors of associations of apartment owners to enter into purchase agreements with lessors;
- (4) Add two additional seats to the Real Estate Commission who represent the interests of condominium governance organizations and prohibit the use of the education fund for purposes other than the condominium education fund; and
- (5) Grant condominium associations authority to terminate common utilities after establishing policies and informing tenants; establish a six-month priority lien when maintenance fees have not been paid on a condominium; require the mortgage holder to pay maintenance fees of a foreclosed condominium; and permit condominium associations to invest in obligations that have stated maturities of no more than one year.

Fair Market Value Standard

This measure permits leases and subleases entered into before the effective date of the Act to use a fair market value standard, and requires it to be used in leases and subleases entered into on and after the effective date of the Act. Your Committee finds that the standard is based on the fair market value of the property and will ensure fairness in the valuation process.

Voluntary Lease-Fee Conversion

This measure requires that bylaws provide that an association of apartment owners may purchase the lessor's interest in the condominium project, provided that the declaration of condominium property regime either contain or be amended to include a provision authorizing the board of directors to effectuate such a purchase; and that if the association of apartment owners purchases the lessor's interest, certain specified powers shall be conferred upon the association of apartment owners, including the power to purchase or otherwise acquire, own, improve, use, and otherwise deal in and with the leased fee interest to the land or any or all undivided interests therein.

Condominium Maintenance Fees

Your Committee finds that maintenance fees are the primary source of income for condominium associations. These fees are needed to maintain, repair, and operate a condominium.

Your Committee finds that oftentimes a tenant is utilizing services the association provides, such as electric, water, and recreational amenities, yet the mortgage holder or foreclosure receiver or commissioner does not pay the maintenance fees for the unit.

Your Committee finds that association losses can run from \$3,500 to \$7,000 or more per foreclosure. In a long foreclosure, a receiver or commissioner may collect \$5,000 or more from a tenant and none of the money goes to the association.

Your Committee finds that delinquent maintenance fees are a continuing problem for the condominium associations and their respective governing boards are responsible for ensuring the financial solvency of the associations and the provision of services guaranteed to the owners and occupants. Your Committee further finds that existing law requires associations to maintain a certain level of revenue in a reserve fund in anticipation of large expenditures for common-area maintenance and improvements, which expenses should be borne by all owners.

Your Committee finds that this measure will provide some financial relief to condominium owners who are currently subsidizing the common expenses of units in foreclosure when a court-appointed receiver or commissioner is collecting the rent but not paying the current common expenses to the association of apartment owners.

Condominium Association Funds

Your Committee finds that currently, condominium associations are required to deposit their funds in a financial institution in the State. However, there is an inadequate number of financial institutions in the State in which condominium associations may legally deposit their funds. Due to the \$100,000 federal insurance limit on accounts, many associations have uninsured moneys deposited in financial institutions in Hawaii, which may cause a breach of their fiduciary duty to the condominium owners.

Your Committee finds that allowing condominium associations to deposit funds in out-of-state financial institutions and credit unions will expand investment opportunities as well as provide protection to the condominium associations' reserve funds.

Your Committee has amended this measure by deleting the contents in its entirety and replacing it with similar provisions from S.B. No. 876, S.D. 2, S.B. No. 285, S.D. 1, S.B. No. 112, S.D. 1, and S.B. No. 36, S.D. 2.

The measure, as amended, differs from the measure, as received as follows:

- (1) The part subjecting and minimizing to county zoning and prohibiting condominiums on agricultural lands was deleted;
- (2) The part relating to condominium maintenance fees was amended to:
 - (A) Allow a written notice to be sent to the owner, tenant, and mortgagee regarding termination of utilities for non-payment of maintenance fees;
 - (B) Change the provision allowing association liens to be prior to any mortgages, to allowing association liens in an unspecified chronology to mortgages;
 - (C) Change the period of recovery of unpaid assessments from six months preceding any legal collection action to an unspecified period preceding such action;
 - (D) Give judicial foreclosure actions priority over actions by the association to make collections;
 - (E) Require the mortgagee of record or other purchaser upon transfer of title to pay the apartment's share of assessments within an unspecified time after the hearing at which the sale is confirmed; and
 - (F) Delete the provisions which allow the association to collect arrearages from tenants; and
- (3) Technical, non-substantive changes for the purposes of clarity and style were made throughout.

As affirmed by the record of votes of the members 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. 1276, 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. 1276, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 13. Noes, none. Excused, none.

SCRep. 1605 Ways and Means on H.B. No. 1711

The purpose of this bill is to address long-standing problems involving private owners of piers situated on submerged state lands in Kaneohe Bay.

Your Committee finds that there are more than two hundred piers in the Kaneohe and Kahaluu area that are built on submerged state lands. Many of the piers are not recorded by any government agency nor are they being assessed for the use of submerged state lands. For various reasons, the State and private pier owners have experienced difficulties resolving this long-standing problem.

This bill provides the necessary statutory authority for both the State and private pier owners to legitimize such pier use and allows the State to more easily assess as well as protect private owners of piers on submerged state 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 is in accord with the intent and purpose of H.B. No. 1711, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, Chun Oakland, Iwase, Nakata, Anderson).

SCRep. 1606 Ways and Means on H.B. No. 1664

The purpose of this bill is to strengthen the Hawaii Patient Bill of Rights and Responsibilities Act by implementing the recommendations of the patient rights and responsibilities task force.

In particular, this bill:

- (1) Establishes a health insurance revolving fund and authorizes appropriations out of the fund to pay for medical experts and to fund educational activities;
- (2) Requires the accreditation of managed care plans;
- (3) Specifies the type of information that must be included in a managed care plan's notice of final determination;
- (4) Clarifies review hearing rights, procedures, and standards in the case of an appeal to the Commissioner from a managed care plan's adverse decision;
- (5) Strengthens the enrollee information requirements for managed care plans; and
- (6) Establishes detailed requirements for a health plan's provision of emergency services.

Your Committee finds that Act 178, Session Laws of Hawaii 1998, established the Hawaii Patient Bill of Rights and Responsibilities Act that established certain rights and protections for enrollees in managed care plans. Additionally, Act 178 required the Commissioner to convene a task force comprised of members from the public and private sectors to review laws relating to patient rights and responsibilities, determine whether further action was required to protect patients under the Act, and report its findings and recommendations to the 1999 regular session of the Legislature. Your Committee finds that the recommendations proposed by the task force will further strengthen patients' rights in the area of health care.

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

- (1) Deleting the words "to be determined by the commissioner" and inserting in their place the words "not to exceed an aggregate amount of \$150,000" on page 7, lines 2 to 3, to conform to the dollar cap on the one-time deposit to the Commissioner specified in section 10 of the bill;
- (2) Specifying that independent medical evidence is exempt from the requirements of section 91-9(g), Hawaii Revised Statutes, rather than chapter 91, Hawaii Revised Statutes, on page 10, line 20;
- (3) Adding the phrase ", at the commissioner's discretion," immediately following the word "allowed" on page 12, line 1;
- (4) Specifying that the purpose of the appropriation made in section 11 of the bill is to hire medical experts for the three-member review panel;
- (5) Specifying that the purpose of the appropriation made in section 12 of the bill is to develop an educational awareness program regarding managed health care in Hawaii; and
- (6) 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 H.B. No. 1664, H.D. 3, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1664, H.D. 3, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Ige, D., Taniguchi, Anderson).

SCRep. 1607 Ways and Means on H.B. No. 747

The purposes of this measure include the following:

- (1) Continuing the ongoing work to transform the State's accounting system and budgeting system to a performance-based budgeting system, and to develop a managed process that enables state and county governments to implement public-private competition for government services;
- (2) Requiring the procurement policy office to adopt rules for a managed procurement process that evaluates the efficiency, effectiveness, and economy of the purchase using uniform accounting standards;
- (3) Requiring all State departments and agencies to identify their goals, objectives, and policies to be submitted to the Legislature twenty days before the 2000 Regular Session, and annually thereafter;
- (4) Streamlining and improving the delivery of government services by restructuring state government;
- (5) Making mandatory the Comptroller's present discretionary authority to collect assessments from state agencies for the risk management revolving fund;
- (6) Requiring the Auditor to contract with independent auditors to conduct comprehensive annual financial audits of state and county governments;
- (7) Prohibiting state agencies from charging other state agencies for services or goods provided to other state agencies, that are funded by general funds;
- (8) Transferring the responsibility for advocacy services for persons with developmental disabilities and mental illness from the Department of Accounting and General Services to the Civil Rights Commission; and
- (9) Prohibiting the Department of Health from issuing a permit for a medical waste sterilizer without a public hearing and an environmental impact statement.

Your Committee has amended the measure by:

- (1) Deleting the part of the measure on the prohibition of state agencies charging other state agencies for services or goods;
- (2) Deleting the part of the measure that designates the Civil Rights Commission as the agency responsible to provide advocacy services to persons with developmental disabilities and mental illness;
- (3) Deleting the part of the measure that deals with medical waste sterilizers; and
- (4) Making the following amendments to the section on government restructuring:
 - (a) Changing the advisory committee to a joint legislative task force;
 - (b) Requiring the task force to solicit input on the roles of the departments and making recommendations to the Governor, rather than the Legislature, to implement ideas on streamlining; and
 - (c) Leaving the amount of the appropriation blank, and creating two separate appropriation provisions, each subject to the control of one of the presiding officers of each house of the Legislature;
- (5) Removing the part on government audits and in its place inserting the similar contents of S.B. No. 4, S.D. 2, without reference to the counties and an annual audit. This amendment additionally:
 - (a) Authorizes the auditor to hire independent auditors to conduct audits of state government to ultimately reduce government waste and enhance government spending, and requires the auditor to report to the 2000 legislative session with its findings and recommendations; and
 - (b) Creates a joint legislative task force to conduct interim hearings related to state government efficiency. The task force is to receive public input and may submit suggestions to the auditor on possible subjects for audits.

Your Committee acknowledges that concerns exist among residents adjacent to medical waste facilities, and that it is important to both receive their input and communicate information to them, regarding the siting or permitting of such facilities. Although current law does not mandate the convening of public hearings prior to the issuance of permits for these facilities, your Committee understands that as a matter of policy the Department of Health has indicated that it will in fact conduct public hearings prior to the issuance of medical waste permits. In light of the foregoing, your Committee feels that it is not necessary at this time to mandate the conduct of such hearings. Appropriate legislative committees may continue to monitor the variety of issues pertaining to medical waste facilities and may revisit this particular issue if the Department's policies do not provide adequate protection for the safety of nearby 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. 747, 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. 747, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Nakata, Taniguchi).

SCRep. 1608 Ways and Means on H.B. No. 100

The purpose of this bill is to appropriate operating and capital improvements program funds to the executive branch for the 1999-2001 biennium.

OVERVIEW

Hawaii's voting community, just five months ago, sent their elected officials a compelling message demanding change -- that government must be more effective in addressing the State's declining economy, and that government must change to more efficiently serve the community. The public's message is that government must change to meet the current demands, expectations, and opportunities in our community and economy.

State of the Economy

After nine years of economic decline, current economic indicators can no longer be ignored: Hawaii has had two per cent fewer visitors last year than in 1991; bankruptcy filings have soared in 1998 by 30.6 per cent over the previous year; and Hawaii is ranked forty-ninth out of fifty states in personal income growth from 1996 to 1997.

The Council on Revenues, which projects the State's expected revenues, confirmed your Committee's assessment of the state economy by lowering the growth rate for fiscal year 1999 from one per cent to one-half of one per cent. This has forced your Committee to reduce its financial plan projections by \$42 million to accommodate this lowering of the revenue estimates.

In light of these factors, your Committee believes that state government's role in economic recovery and improving the efficiency of government services must change now. Government must change its basic focus and functions by:

- (1) Becoming accountable for delivering services to the general public in a more cost-effective manner;
- (2) Becoming entrepreneurial in how we deliver services to the general public; and
- (3) Facilitating Hawaii's economic recovery by supporting businesses to compete in the local and global economic marketplace -- mainly through the reduction of taxes.

First, government must be accountable for cost-effective expenditure of taxpayer dollars based on quantifiable results. Where possible, government should eliminate duplicative services, vacant positions, and statutory mandates that restrict managerial creativity and flexibility; consolidate agencies; and provide tools and incentives to reduce the size of government. Through such bills as S.B. No. 450, which deals with the State's accounting, procurement, and budgeting systems, and S.B. No. 4, which establishes a joint legislative task force to tackle government restructuring, the Senate believes that all departments can develop cost accounting tools to better predict and manage budget costs, and create management systems focused on departmental outcomes.

In this Senate draft, other examples of actions to increase departmental accountability include:

- (1) Consolidating all Felix-Cayetano consent decree-related services under a single program I.D. to provide direct tracking of all expenditures and insure full compliance with the Felix consent decree;
- (2) Reducing the costs of state office leases when other state-owned space is available; and
- (3) Deferring second year funding for agencies identified for consolidation (i.e., DBEDT's marketing and promotion branches, or high technology agencies now scattered throughout state government).

Second, government must be entrepreneurial in pursuing creative and more cost-efficient ways of providing services. Government must unleash the creative energies of its state employees to become entrepreneurial and more customer-oriented in

providing services to the public through increased administrative responsibility coupled with fiscal autonomy and user fee-based funding where appropriate.

This means directly tying the users of particular services with the costs of the service, thereby increasing program self-sufficiency, and aligning the program service with customer desires and satisfaction. Examples of this approach are reflected in the Senate's actions to raise fees associated with traffic violations (H.B. No. 1454, H.D. 2, S.D. 2), or the Department of Commerce and Consumer Affairs' alignment of program changes with adequate fee-based revenues to support the service. Your Committee notes that, with respect to Department of Commerce and Consumer Affairs, or other state agencies like the State Health Planning Development Agency (which is pursuing fee-based support for part of its operations), the Senate is willing to provide greater flexibility to such agencies to help them attain greater self-sufficiency.

The same entrepreneurial spirit should apply to federal reimbursements to the State. States that stay abreast of federal grants or competitive opportunities have been able to capitalize on billions of dollars worth of education, health and human services, environmental and Department of Justice funding sources.

During the past three years, the State of Hawaii has obtained federal reimbursement of selected medicaid expenditures through its Federal Maximization Project, which generated over \$15 million in additional federal funds. Recently, Hawaii successfully increased its Federal Medicaid Assistance Percentage reimbursement by one per cent per year (equaling \$6-7 million dollars annually), and its Education Impact Aid reimbursement by an additional \$8 million dollars per year (with retroactive reimbursements of \$15 million credited to the state in early March).

In order to increase Hawaii's capacity to pursue more federal revenue opportunities, your Committee is moving the Office of Community Services from its present Department of Labor and Industrial Relations location to the Department of Human Services; and has provided funding in the amount of \$200,000 for grant-writing and related support. Placement of the office in the Department of Human Services is intended to promote a transition towards a "Fed-Max and Community Services" operation that serves as the hub of a consortium of state agencies seeking to pursue additional federal grant opportunities.

Third, government must reduce taxes to spur an economic rebound. Your Committee believes that the business community, not government, is the key player in turning our economy around. But government can support the private sector by lowering business expenses through tax reductions; providing tax exemptions and incentives for targeted industries and enabling increased access to needed capital; and empowering the visitor industry to conduct Hawaii's tourism marketing program.

The rejuvenation of economies after a tax reduction is well-documented and has been experienced by a number of states. A study by a respected research organization found that generally, the states that cut taxes, as compared with states that have increased taxes, saw job growth (10.8 per cent), lower unemployment rates, income growth (32.6 per cent), higher budget reserves, and higher demand ratings. For decades, the general excise tax (GET) has generated billions of dollars in revenue for the State. The distinguishing feature of the GET that makes it so successful is its "pyramiding" effect, which taxes goods and services at both the consumer and wholesale levels. This all-inclusive system of taxation has provided well for the State, but this has come at a high price for businesses and individual citizens.

Your Committee strongly believes that the best solution to restoring a vibrant economy is to provide significant tax relief for taxpayers and to all businesses, both large and small, across all industries. Your Committee supported the income tax reductions during the regular session of 1998, and proposes new relief and incentives this session.

Most importantly, your Committee supports the exemption of exported services and the taxation of imported services in S.B. No. 44, S.D. 1. This will level the playing field for Hawaii service providers. Your Committee also supports the depyramiding of the GET on services in S.B. No. 638, S.D. 1. This will encourage the economy by reducing the tax burden on business and freeing dollars for reinvestment in Hawaii.

Your Committee has also proposed tax incentives intended to stimulate the economy in the areas of investment capital, call centers, the health industry, and technology. In addition, your Committee has provided for revenue assistance to the counties and incentives for hotel construction and remodeling.

Your Committee believes that this tax relief package, in conjunction with the budget proposed by your Committee, will establish a strong foundation for Hawaii's economic recovery.

EXECUTIVE BUDGET

At the outset, the FY 2000-2001 Executive Request's proposed expenditure levels of \$3.170 and \$3.221 billion for each year of the biennium reflected total new spending of approximately \$133.9 million on top of collective bargaining raises of \$194.99 million approved in 1997. This meant that, in light of lower revenue levels anticipated in mid-March, new spending designed to address Felix consent decree compliance issues would require cutting the Executive Branch request, as well as existing expenditures.

Setting the Direction

An in-depth review of programs at the lowest level was undertaken to develop well-informed, appropriate adjustments while maintaining the integrity of the programs.

Departments and Senate subject matter committees were also encouraged to redirect funds toward training and technology applications which could produce cost savings, and to recommend statutory or rule changes in order to free themselves from perceived unnecessary and costly requirements.

Your Committee has evaluated all recommendations with great care and identified the reductions to the Executive Request for FY 2000-2001 which least disrupt the core mission of government responsibilities, and which provide for a balanced state budget.

Budget Policies

The following budgetary policies guided the development of the Senate's budget. Your Committee:

- (1) Denied all new trade-offs and transfers between programs, as well as requests to convert temporary positions to permanent status unless they were necessary to comply with court-ordered consent decrees involving the state hospital, the prison system, or in education;
- (2) Eliminated vacant positions that did not provide direct services to the public unless they were necessary to comply with other court-ordered consent decrees or provide services to students in the Department of Education or the University of Hawaii;
- (3) Preserved current funding levels for service providers, particularly in health and human services, who serve the public directly and provide direct essential public services;
- (4) Selectively increased user fees for public services and facilities that were already partially funded through varying proportions of user fees and public moneys; and
- (5) Required agency programs and public facilities that have the potential of becoming totally or partially self-sufficient in the future to be partially funded through user fees for the present.

With respect to specific subject matter programs, your Committee makes the following proposals:

Economic Development

Your Committee recognizes the importance of strategic investments for support Hawaii's economic development and has provided funds to support areas such as: tourism, currently our State's largest industry; research and new commercial development for energy, aquaculture, marine biotechnology; high technology development; and diversified agriculture.

Your Committee reaffirms its commitment to have the visitor industry direct tourism marketing moneys under the auspices of the Hawaii Tourism Authority. Recognizing that the HTA is just starting up, your Committee believes that it is premature to transfer the operations of the Hawaii Convention Center Authority, and its attendant debt service to the HTA.

In the area of tourism, your Committee has provided expenditures of up to \$60 million in each fiscal year for the Hawaii Tourism Authority to plan and coordinate tourism development. To support Hawaii's entry in the America's Cup, \$1,000,000 has been provided, to be matched by other sources, to enhance our State's boat-building industry, promote Hawaii-made products, and assist in tourism marketing. And, to assist visitors who become victims of crime or other adversities, \$113,000 was provided to the Visitor Aloha Society in Hawaii.

In keeping with its streamlining philosophy, BED 102 was provided first-year funding only in the biennial and was directed to report back on how it would streamline its operations, including the possibility of having services it currently provides being provided by the private sector.

Your Committee recognized the development of new research and commercial development in energy, aquaculture, and marine biotechnology at the Natural Energy Laboratory of Hawaii facility by providing additional expenditures to expand its capacity. Your Committee has also consolidated the State's high technology agencies under the Special Advisor for Technology Development, who will be responsible to advise the private sector in developing the high industry, pursue public-private sector business partnerships and promote and market Hawaii's high technology industry, Hawaii Internet Exchange (S.B. No. 1583, S.D. 2). This bill would also establish a Hawaii Internet Exchange, exempt taxation for Internet commerce, and provide a tax credit for technology training job creation and investments in technology businesses.

Your Committee also funded two capital improvement projects for film studio production to support film series such as Bay Watch.

To support development of diversified agriculture in Hawaii, your Committee has provided funding of \$600,000 for the lower Hamakua Ditch Irrigation System, almost \$1.3 million for the operation and maintenance of the Waiahole Water System, \$75,000 to

expand and develop existing and new markets for Hawaiian papayas, \$400,000 for tropical flower and organic farming research, \$180,000 to address declining yield and quality due to diseases and pests that afflict the taro plant, \$100,000 to the Hawaii Organic Farmers Association to develop local and overseas markets for Hawaii-grown organic products.

Transportation

Your Committee views repair and maintenance as an essential component of public infrastructure. Therefore, \$57.8 million in FY 1999-2000 and \$55 million in FY 2000-2001 in special funds were provided to the Department of Transportation exclusively for the purpose of special repair and maintenance projects.

Your Committee is aware of the traffic congestion problems during peak hours on our State highways. Therefore, your Committee has provided \$200,000 in highway special funds and \$800,000 in federal funds to continue the vanpool pilot project. This ridesharing strategy will reduce the use of fuel, save wear and tear on the highways, reduce air pollution, and the need for parking facilities.

Business Development

In this biennium, the Department of Commerce and Consumer Affairs continues in its movement toward fiscal self-sufficiency and insurance regulation reform. To support these efforts, your Committee has included the following initiatives in the budget:

- (1) Consolidation of special funds to allow the department greater flexibility in the management of its funds. The budget assumes that the Cable Television Fund, the Division of Consumer Advocacy Fund, the Financial Institution Examiners' Revolving Fund, the Special Handling Fund Special Fund and revenues collected by the Business Registration and Professional and Vocational Licensing Divisions will be combined into the Compliance Resolution Fund;
- (2) Realignment of positions within the various operating programs to facilitate better fiscal management and oversight; and
- (3) Development of new sources of revenue to enable regulatory programs to be self-supporting. Of particular note is the Insurance Division's effort to strengthen insurance regulation with the implementation of the continuing education for insurance agents program, the health insurance revolving fund, the long term care insurance revolving fund, and the motor vehicles revolving fund.

Labor and Employment

In employment, your Committee has focused its attention on jobs that will serve our State in the next millenium in small business and other new employment endeavors.

Your Committee has provided:

- (1) Resources for the Commission on Employment and Human Services (LBR 135) to ensure statewide implementation of the Workforce Investment Act (WIA) of 1998; and
- (2) For full funding of the Consumer Report Card System as required by the Hawaii one-stop implementation grant.

Health

In the Senate's draft of the budget, the Department of Health is positioned to utilize a significant portion of the State of Hawaii's tobacco settlement for such purposes as the Healthy Start early intervention fund, for which funding up to \$3.5 million in FY 1999-2000 and up to \$8.35 million is authorized from proceeds of the tobacco settlement.

To provide broader access to rural health care services, your Committee has also funded such programs as Molokai General Hospital, Kahuku Hospital, Hana Medical Center, Waianae Coast Comprehensive Health Clinic, and other neighbor island health providers. An \$8 million subsidy to the Hawaii Health Systems Corporation has been appropriated in the first year of the biennium to assist HHSC in continuing to provide essential services to neighbor island residents. Moreover, additional funding of \$500,000 for each year of the biennium for the medically underserved has been maintained.

Given the number of medically uninsured in the State, your Committee provided increased funding of \$750,000 for fiscal biennium 1999-2001 to meet the growing population of uninsured in the State. Current levels of funding provide for the care of approximately 5,000 medically uninsured.

Funding for emergency medical services for the County of Hawaii twenty-four hour aeromedical services in the amount of \$273,342 for fiscal biennium 1999-2001 was also provided.

Environment

Your Committee also recognizes the importance of natural and cultural resources for residents and visitors by providing for additional park interpretation expenditures of \$1.2 million over the biennium. In order to preserve Hawaii's forest watersheds your Committee provided \$425,000 for Miconia eradication on Maui and the Big Island. Your Committee provided funding of \$225,000 for the establishment and operation of a natural heritage data and training center to assist in land use planning and to identify natural areas deserving of protection.

Social Services

In the human services area, many of the Senate's priorities are currently reflected in separate bills covering early childhood, protecting children from abuse, homeless assistance, and developmentally disabled.

In the Department of Human Services budget, however, your Committee has included funding of \$506,050 in FY 1999-2000 and \$1,076,035 in FY 2000-2001 to implement the Children's Health Insurance Program (CHIP). This program, which will provide access to health care for uninsured children, requires state matching funds to draw upon \$574,329 in FY 1999-2000 and \$3,169,396 in FY 2000-2001 (almost a full 1:3 match).

As the State seeks new federal funding sources, one area of particular promise has been in the Department of Human Services' receipt of a higher Federal Medical Adjustment Percentage, against which Hawaii's level of federal/state match has risen one per cent to fifty-one percent (federal) against Hawaii's forty-nine per cent share. This federal reimbursement will yield approximately \$6 million in additional federal funds per year.

To help other health and social services agencies pursue federal funding, your Committee has moved the Office of Community Services (LBR 903), to the Department of Human Services with \$200,000 for additional technical staff. It will serve as the "Fed-MAX" clearinghouse for all state programs seeking to pursue new federal funding sources, and provide the technical, grant-writing, and logistical support to programs willing to initiate new requests for federal funding.

Your Committee has also created new program I.D., Child Care Payments (HMS 305) to consolidate the childcare payment portion for greater efficiencies of operation and responsiveness. To increase the number of children in subsidized childcare, the program is using Temporary Assistance to Needy Families funds that are available for childcare. Funding of \$11,406,466 in general funds and \$16,809,954 in federal funds was provided for FY-1999 and \$16,824,607 in general funds and \$22,409,954 in federal funds for FY-2000.

Your Committee has provided an additional \$1,073,998 in general funds in FY 1999-2000 and \$1,453,879 in FY 2000-20001 for Payments to Assist the Aged, Blind and Disabled (HMS 202). These funds will allow the program to address the projected increase in the elderly population as well as the increased cost of the Supplemental Security Income processing fee.

Felix v. Cayetano Consent Decree

Compliance with the Felix v. Cayetano consent decree has taken center stage. Although the consent decree was approved on October 25, 1994, the State has been slow and ineffectual in meeting its requirements. The State, on several occasions, has admitted to the Court that it was not in compliance. With the implementation deadline of June 30, 2000 just fourteen months away, your Committee finds that the legislature must take immediate and decisive action.

The Auditor found in her December 1998 report, that lack of effective leadership continues to hamper State efforts to comply with the Felix consent decree. Additionally, the State does not clearly and accurately identify funding related to the consent decree and the DOE's identification of Felix-related expenditures is unreliable. Your Committee believes that changes are required in the way that compliance with the consent decree is managed.

Your Committee is committed to full compliance with the law, and providing students with special needs, especially those in the Felix class, with quality health and educational services. All executive requests associated with compliance with the Felix consent decree have been included in the Senate's draft of the budget.

In order to improve fiscal accountability and encourage a leadership mechanism to create a single direction and a clear chain of operational command, your Committee has consolidated all funding for services for children with disabilities to the Governor's office. Thus, \$239.6 million in fiscal year 1999-2000 and \$252.8 million in fiscal year 2000-20001 have been appropriated to GOV 200. This amount includes all Felix-related expenditures and all of the DOE's special education programs since they are not identified separately.

Additionally, your Committee believes that those closest to the students, teachers, and administrators in the schools and the district offices, are in the best position to design and implement a program to comply with the consent decree. Your Committee has provided a mechanism to empower schools and accelerate implementation within the DOE by allocating funds directly to school districts on a per-pupil basis. Finally, your Committee has provided funds to develop an integrated management information system as required by the implementation plan.

Lower Education

The public schools provide the foundation of our democracy. Raising student achievement is always the top priority. Your Committee has provided funding for new facilities, for increased utilities costs, and the seven additional instructional days, among other things.

Due to budgetary constraints, however, funding of all DOE programs was scrutinized. Your Committee notes that the BOE/DOE had recommended elimination of 970 school-based positions or positions providing direct services to schools, while protecting all positions in its administrative bureaucracy. The BOE/DOE recommendations did not include elimination of a single position in the State office. Your Committee has rejected these recommendations, and instead eliminated vacant positions in the State office.

Your Committee also finds that a problem exists in the State's schools, whereby students who receive free or reduced-price meals are overtly identified through the current meal purchase process used by most schools. In order to provide greater socio-economic anonymity to students, eliminate many problems associated with students' handling of money, and increase the number of students eating, with the belief that "hungry students cannot learn", your Committee has provided \$511,500 in FY 1999-2000 to accelerate the installation of electronic point-of-sale meal purchase systems in all of the Department's schools. This investment is estimated not only to provide more students with nutritional lunches, but also yield \$2 million per year in increased federal school lunch funding.

Higher Education

Recent advances in telecommunications, information technology and the explosive growth of the Internet present significant new opportunities for the State to develop and diversify its economy, opening the global market to Hawaii businesses. As the University of Hawaii begins its first full year of autonomy, it too must change as business and workers alike demand new skills and rapid-response delivery of these skills.

Since a number of the Senate's University initiatives are in separate bills, your Committee's focus has been primarily on capital improvements and enhancements to new technology areas. For example, your Committee has:

- (1) Added funding of \$4.9 million for construction of the University of Hawaii Institute of Reproductive Biology to provide new laboratory research space and over \$2.3 million in repair and maintenance funds for the University's systemwide infrastructure;
- (2) Supported other campuses and outreach centers, with major expansion for the four-year campus in Hilo, and the University Center in West Hawaii, to enhance the University's status as a truly statewide institution; and
- (3) Funded Honolulu Community College's commercial aviation training program for \$254,079 in FY 1999-2000 and \$252,976 in FY 2000-2001 recognizing that the University has a strong role to play in our economy in addition to its obvious contribution in academia; and
- (4) Funded the Small Business Development Program by \$1.4 million in FY 1999-2000 to provide increased support to small businesses statewide in obtaining technical assistance for growth.

Public Safety

Your Committee recognizes that the prison overcrowding situation is serious, and has fully funded staffing and operations for the 20-bed expansion at Maui Community Correctional and the 168-bed expansion at Oahu Community Correctional Center. However, while prison overcrowding and inmate needs are at the forefront, the Department of Public Safety must also address other personnel and management issues that prevent the prison system from achieving all of its intended results. Your Committee appreciates the candor with which the department has reported a significant number of vacancies in the department. However, your Committee is concerned that the existence of the high vacancy count reflects an unworkable system, and has deleted both the vacancies and funding for the positions to insure that the legislature and the department pursue corrective remedies without delay.

Government-wide Support

An entrepreneurial spirit is only as good as the ability to communicate and gather relevant information easily and quickly. A successful government entrepreneur must be technologically sophisticated to conduct business efficiently and effectively thereby reducing costs and maximizing taxpayer dollars. Hawaii is headed in the right direction with the Tax Department's soon to be installed Integrated Tax Information System and Department of Human Resources Development's electronic database.

The Department of Taxation's focus in FY 1999-2000 is the implementation of the Integrated Tax Information Management System (ITIMS), which is a complete overhaul of the department's computer systems. When the \$53 million project is fully phased, the Department expects to collect over \$25 million in new tax revenues, starting as early as FY 1999-2000 and FY 2000-2001. Funding in this biennium's budget includes \$6.39 million in FY 1999-2000 and \$1.58 million in FY 2000-2001 for staff resources, computer hardware, software infrastructure, and vendor contract payments to support the implementation of the system.

Funding the federal Office of Personnel Management database system (OMP) with \$235,019 in FY 1999-2000 will give the Department of Human Resources Development, and all users, access to an electronic nationwide database of occupations and skill levels. This database represents the first step toward building electronic career training and retraining programs, online skills assessments and online job banks tailored to the needs of Hawaii employees and job seekers.

CAPITAL IMPROVEMENTS

Your Committee took an extremely conservative approach to the Senate's Capital Improvements Budget. With the proposed issuance of bonds by the Executive Branch, the amount of the State's debt service would constitute fifteen and one-half per cent of total general fund expenditures by the year 2003. This course of action is unacceptable if the State is to maintain a strong credit rating. Consequently, your Committee has reduced the Executive Budget Request for Capital Improvement Projects expenditures by approximately \$200 million for the biennium.

Although your Committee has proposed lower expenditures for Capital Improvement Projects, your Committee notes that important projects in higher and lower education, health, human services, and the statewide parks system have been funded.

In light of increasing demands for school improvements, repairs, and related needs identified by the Senate, your Committee has adopted a more regionally-based approach for authorizing educational construction projects than has been utilized in recent years.

Under the Department of Education's present priority matrix system, construction of approximately \$180-200 million per biennium for new classrooms and related buildings has been the DOE's most immediate priority. Another \$25 million per biennium of lump sum funding has been allocated for handicapped access, portable classrooms, air conditioning, electrical upgrades, telecommunications wiring, and other miscellaneous expenditures.

However, as recent news reports pointed out, urgently needed school repairs often cannot be met within existing repair and maintenance (R&M) budgets, and the present allocation between new classroom construction (CIP) and improvements to existing schools does not adequately meet the needs of these schools.

Accordingly, your Committee has initiated an approach in S.D. 1 of the budget which funds \$133 million of new schools construction priorities identified on the DOE priority matrix system, and then allocates the next \$36.7 million toward projects identified and priority needs from all regions -- including windward, central, and Honolulu districts -- whose projects merit equal consideration. Finally, \$23.6 million has been allocated over FB 1999-2001 for lump sum funding for priority handicapped access and related needs.

Since taxpayers from all communities contribute their tax dollars to pay for educational facilities, the Senate believes that it is critical to strike a balance between the need for new classrooms versus existing schools so that older schools are not shortchanged. While new schools are generally fully-wired for computers in the classroom, accompanied by air conditioning and all of the amenities designed for students' technology needs of the future, many other schools must struggle to purchase technology equipment, air conditioning, and make facility renovations from the schools' own funds. This shows us that the current system cannot keep up with meeting the needs of all schools. A broader dialogue is necessary to determine how best to achieve a more equitable distribution of resources.

Your Committee has further authorized \$50 million in revenue bonds for the Department of Hawaiian Home Lands to allow them to explore the most innovative ways of utilizing this means of financing. Thirty million dollars in revenue bonds has also been provided to help the Hawaii Health Systems Corporation meet the demand for badly needed repairs, and aid in expanding revenue-producing facilities.

CONCLUSION

Your Committee firmly believes that now is the time for action. The Senate's position is one of change. The accompanying budget and bills will provide the means to rejuvenate the economy and restructure government to ultimately prepare Hawaii and its citizens to compete with the rest of the world in the twenty-first century.

As affirmed by the record of votes of the members 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. 100, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 100, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Taniguchi, Anderson).

SCRep. 1609

Commerce and Consumer Protection on S.C.R. No. 174

The purpose of this measure, as received, was to have naturopathic physicians recognized as the equals of physicians, surgeons, podiatrists, and osteopathic surgeons.

The Hawaii Society of Naturopathic Physicians presented testimony in support of the measure. Three individuals, while not present, submitted supporting testimony. The Hawaii Medical Association presented testimony in opposition to the measure. An individual who was not present submitted opposing testimony.

Your Committee finds that most consumers do not have access to naturopathic treatment through their prepaid health plans since naturopaths are not included within a health plan's definition of "physician". This measure seeks to compel the inclusion of naturopathic treatment under health plans by requesting the recognition of naturopaths as primary care providers with education and training equivalent to that of medical doctors (MDs) and osteopaths (DOs).

Your Committee further finds, however, that members of the medical profession dispute naturopaths' claims that their education and training are comparable to those of MDs and DOs, and that this measure raises issues related to the effectiveness and safety of naturopathy and other forms of alternative medicine.

Accordingly, your Committee has amended this measure by deleting most of its contents and replacing it with contents that reflect the intent and purpose of S.B. No. 1235, S.D. 1, a measure that establishes a temporary Governor's task force on alternative medicine. Your Committee has also amended the title to reflect the measure's amended purpose.

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. 174, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 174, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1610 Commerce and Consumer Protection on S.R. No. 80

The purpose of this measure, as received, was to have naturopathic physicians recognized as the equals of physicians, surgeons, podiatrists, and osteopathic surgeons.

The Hawaii Society of Naturopathic Physicians presented testimony in support of the measure. Three individuals, while not present, submitted supporting testimony. The Hawaii Medical Association presented testimony in opposition to the measure. An individual who was not present submitted opposing testimony.

Your Committee finds that most consumers do not have access to naturopathic treatment through their prepaid health plans since naturopaths are not included within a health plan's definition of "physician". This measure seeks to compel the inclusion of naturopathic treatment under health plans by requesting the recognition of naturopaths as primary care providers with education and training equivalent to that of medical doctors (MDs) and osteopaths (DOs).

Your Committee further finds, however, that members of the medical profession dispute naturopaths' claims that their education and training are comparable to those of MDs and DOs, and that this measure raises issues related to the effectiveness and safety of naturopathy and other forms of alternative medicine.

Accordingly, your Committee has amended this measure by deleting most of its contents and replacing it with contents that reflect the intent and purpose of S.B. No. 1235, S.D. 1, a measure that establishes a temporary Governor's task force on alternative medicine. Your Committee has also amended the title to reflect the measure's amended purpose.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 80, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 80, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 1611 Labor and Environment on S.C.R. No. 132

The purpose of this measure is to request the United States Environmental Protection Agency (EPA) to implement the 1996 Food Quality Protection Act using sound science and real-world data from the data call-in process for realistic risk assessments.

Testimony in support of this measure was received from the Department of Health, the Department of Agriculture, Hawaii Agriculture Research Center, RESCUE Hawaii, Brewer Environmental Industries, Murrayair Limited, Maui Pineapple Company, Gay and Robinson, Inc., Sugarland Farms, Inc., UAP, and Hawaiian Commercial and Sugar Co., and ten growers' associations.

Your Committee finds that implementation of the Food Quality Protection Act of 1996 is of critical concern to Hawaii's agricultural industry. At issue is implementation in a manner that does not jeopardize the safety, availability, or affordability of the farm products that are essential for maintaining a healthy diet. In particular, the industry is concerned that the risk determinations used by the EPA for pest control products are not based on good science and real-world data.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 132, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Ige, M.).

SCRep. 1612 Labor and Environment on S.C.R. No. 104

The purpose of this measure is to request the President of the United States to establish the State of Hawaii as a global laboratory for research on threatened, endangered, and extinct species issues.

Testimony in support of this measure was received from the Board of Land and Natural Resources.

Your Committee finds that the Department of Land and Natural Resources, which is charged with the protection and recovery of Hawaii's unique plants and animals, is currently working with a consortium of Federal, State, and private agencies to develop a multi-agency Federal initiative. This measure articulates the Legislature's support of the Department's efforts to elevate to a national level these issues of threatened, endangered, and extinct species in Hawaii.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 104, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Ige, M.).

SCRep. 1613 Labor and Environment on S.R. No. 44

The purpose of this measure is to request the President of the United States to establish the State of Hawaii as a global laboratory for research on threatened, endangered, and extinct species issues.

Testimony in support of this measure was received from the Board of Land and Natural Resources.

Your Committee finds that the Department of Land and Natural Resources, which is charged with the protection and recovery of Hawaii's unique plants and animals, is currently working with a consortium of Federal, State, and private agencies to develop a multi-agency Federal initiative. This measure articulates the Legislature's support of the Department's efforts to elevate to a national level these issues of threatened, endangered, and extinct species in Hawaii.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 44, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Ige, M.).

SCRep. 1614 Transportation and Intergovernmental Affairs on S.C.R. No. 130

The purpose of this measure is to request the United States Postal Service to issue a commemorative stamp and stationery to honor Spark M. Matsunaga.

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women, Office of Veterans Services, and Japanese American Citizens League.

Your Committee finds that Spark M. Matsunaga was a World War II hero who served with distinction in the 100th Infantry Battalion and received the Combat Infantryman's Badge, Bronze Star, and two Purple Hearts. He began his political career as a member of the Territorial Legislature and was an instrumental leader in Hawaii's bid for statehood. In 1962, Mr. Matsunaga was elected to the U.S. House of Representatives where he focused on the rights of immigrants, the welfare of veterans, and civil rights for Japanese Americans and other minorities. In 1976, he was elected to the U.S. Senate, where he was a major proponent of the use of renewable energy sources and Soviet-American cooperation in space exploration. One of Mr. Matsunaga's more notable achievements was obtaining redress for Japanese Americans who were unjustly interned and relocated during World War II.

As a war hero, political leader, staunch defender of civil rights, and peacemaker, your Committee believes it is fitting that Spark M. Matsunaga be nationally recognized by the issuance of a commemorative stamp and stationery in his honor.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 130 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Buen, Ige, D., Taniguchi).

SCRep. 1615 Transportation and Intergovernmental Affairs on S.R. No. 57

The purpose of this measure is to request the United States Postal Service to issue a commemorative stamp and stationery to honor Spark M. Matsunaga.

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women, Office of Veterans Services, and Japanese American Citizens League.

Your Committee finds that Spark M. Matsunaga was a World War II hero who served with distinction in the 100th Infantry Battalion and received the Combat Infantryman's Badge, Bronze Star, and two Purple Hearts. He began his political career as a member of the Territorial Legislature and was an instrumental leader in Hawaii's bid for statehood. In 1962, Mr. Matsunaga was elected to the U.S. House of Representatives where he focused on the rights of immigrants, the welfare of veterans, and civil rights for Japanese Americans and other minorities. In 1976, he was elected to the U.S. Senate, where he was a major proponent of the use of renewable energy sources and Soviet-American cooperation in space exploration. One of Mr. Matsunaga's more notable achievements was obtaining redress for Japanese Americans who were unjustly interned and relocated during World War II.

As a war hero, political leader, staunch defender of civil rights, and peacemaker, your Committee believes it is fitting that Spark M. Matsunaga be nationally recognized by the issuance of a commemorative stamp and stationery in his honor.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 57 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Buen, Ige, D., Taniguchi).

SCRep. 1616 Health and Human Services on Gov. Msg. No. 184

Recommending that the Senate advise and consent to the nomination of the following:

DRUG PRODUCT SELECTION BOARD

G.M. No. 184 MARCELLA SETO CHOCK, Pharm.D., for a term to expire June 30, 2002,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that the nominee has a unique range of skills, abilities, and experiences that are assets to the position to which the nominee is being appointed.

Testimony in support of the nominee was submitted by the Department of Health.

Your Committee notes the following specific qualifications of the nominee: Dr. Marcella Seto Chock holds a Doctor of Pharmacy degree from the University of the Pacific and a Bachelor of Science degree in chemistry from the University of Hawaii at Manoa, where she also completed pre-pharmacy. She is currently employed as the Director of Clinical Pharmacy Services for Physicians HealthHawaii, Inc. Her past employment includes serving as Clinical Pharmacy Specialist for the Department of Veterans Affairs, Ambulatory Care Clinical Pharmacist and Satellite Pharmacist for Kaiser Permanente, Pharmacist Consultant for Krames Communications, and Staff Pharmacist for Longs Drugs Stores, Inc. Dr. Seto Chock is licensed in Hawaii as a Registered Pharmacist and is a Board Member of the Hawaii Society of Healthcare Education and Training. She has had faculty appointments at the Schools of Pharmacy of the University of California, Oregon State University, and Creighton University. Dr. Seto Chock is a drug consultant and publication reviewer for patient education materials and has presented several lectures locally and nationally. She is affiliated with the American Society of Health-System Pharmacists and American College of Clinical Pharmacy.

Your Committee diligently questioned the nominee who appeared before your Committee about her qualifications for the position to which she is being nominated. Your Committee also questioned the nominee about her vision and priorities relating to the position to which she is being appointed, and about her commitment to public service. Based on this discussion, your Committee believes the nominee adequately responded to the Committee's inquiries and sufficiently satisfied the Committee's concerns.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Fukunaga, Anderson).

SCRep. 1617 Labor and Environment on Gov. Msg. No. 246

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 246 ROGER BABCOCK, JR., PhD., SOLOMON K. NAONE, JR., JOSE M. PADRON and BERT UYENO for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Certification of Operating Personnel in Wastewater Treatment Plants.

Your Committee specifically notes the following:

Roger Babcock, Jr., is a professor in the Civil Engineering Department of the University of Hawaii at Manoa. He holds a Doctoral degree in Civil Engineering from the University of California at Los Angeles. Mr. Babcock is a registered professional engineer and a member of the American Society of Civil Engineers. He also serves on the Navy Restoration Advisory Board for the Pearl Harbor Area.

Solomon K. Naone, Jr., is a wastewater treatment plant supervisor with seventeen years experience in the field of wastewater treatment. He is a member of the Hawaii Water Pollution Control Association. Mr. Naone is a high school graduate with two years of college.

Jose M. Padron is an Administrator for the Department of Health with over fifteen years of management experience. He holds Bachelors' degrees in History, Political Science, and Behavioral Science as well as a Master's degree in Public Administration. Mr. Padron retired from the Air Force with the rank of Lieutenant Colonel. Mr. Padron is a member of the Hawaii Water Environmental Association

Bert Uyeno is a wastewater treatment plant operator from the island of Kauai. He attended Kauai Community College and is a certified grade 4 wastewater treatment operator. He is a member of the Kauai Operators Association and the Jaycees.

Testimony in support of the four nominees was received from the Department of Health.

Your Committee notes that the four nominees have already served one term on this board with distinction.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Chun Oakland, Fukunaga, Ige, M.).

SCRep. 1618 Education and Technology on S.C.R. No. 164

The purpose of this measure is to urge Hawaii's Departments of Health, Agriculture, and Education to encourage the consumption of five or more fruits and vegetables daily.

Testimony in support of this measure was submitted by the Departments of Agriculture, Health, and Education, the Vegetarian Society of Hawaii, the Hawaii Dietetic Association, and three concerned individuals.

Your Committee notes research indicating the critical roles played by the nutrients in fruits and vegetables in preventing a number of health conditions which become detrimental to our well-being. While each Department promotes awareness of the nutritional qualities of fruits and vegetables, collaboration between the Departments of Health, Agriculture, and Education is imperative to enhance the communication of this message to the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 164, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1619 Education and Technology on S.R. No. 72

The purpose of this measure is to urge Hawaii's Departments of Health, Agriculture, and Education to encourage the consumption of five or more fruits and vegetables daily.

Testimony in support of this measure was submitted by the Departments of Agriculture, Health, and Education, the Vegetarian Society of Hawaii, the Hawaii Dietetic Association, and three concerned individuals.

Your Committee notes research indicating the critical roles played by the nutrients in fruits and vegetables in preventing a number of health conditions which become detrimental to our well-being. While each Department promotes awareness of the nutritional qualities of fruits and vegetables, collaboration between the Departments of Health, Agriculture, and Education is imperative to enhance the communication of this message to the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 72, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1620 Education and Technology on S.C.R. No. 91

The purpose of this measure is to request the Department of Health and University of Hawaii School of Public Health to develop an action plan to enhance their collaborative relationship.

Testimony in support of the intent of this measure was submitted by the Department of Health and the University of Hawaii.

Your Committee finds that both the Department of Health and the University of Hawaii School of Public Health share the common mission of fostering the health of the population of the State. Because of this, the University of Hawaii School of Public Health is a useful resource for the Department of Health, providing an educated workforce, and in-depth studies and research to aid in policy development. The Department of Health and the University of Hawaii School of Public Health have already begun to establish a collaborative relationship, and this measure will ensure this relationship's future success.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 91, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 1621 (Joint) Health and Human Services and Education and Technology on S.R. No. 50

The purpose of this measure is to request the Department of Health (DOH), Hawaii Health Systems Corporation (HHSC), Hawaii Nurses' Association (HNA), and the University of Hawaii School of Nursing (UH) to develop a plan that will eliminate or greatly reduce needlestick injuries incurred by nurses and other health care workers.

Your Committees received testimony in support of this measure from the HHSC, UH, Hawaii Government Employees Association, and Hawaii Nurses' Association. Testimony in opposition was received from the DOH.

Needlestick injuries pose a serious health and safety concern for nurses because of the possibility of transmitting diseases, such as hepatitis B and C, HIV, and AIDS. These diseases are often fatal to nurses who incur needlestick injuries. Nurses comprise twenty-four per cent of the cases of HIV infection among health care workers known or thought to have been infected by a needlestick. This measure is intended to facilitate the elimination or minimization of needlestick injuries for Hawaii's nurses through the use of safer medical devices and safer workplace practices.

Your Committees have amended this measure by:

- (1) Deleting the title and inserting a title to urge the development and use of workplace safety protocols addressing needlestick injuries;
- (2) Clarifying that all health care systems have in place by January 1, 2000, workplace safety protocols addressing needlestick injuries and safer medical devices, including retractable syringes, to assure workplace safety;
- (3) Deleting Resolved language referring to development of a plan of action and prevention plan, and to a report to the Legislature; and
- (4) Adding organizations to the transmittal clause.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 50, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 50, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chumbley, Iwase, Matsunaga, Tam, Anderson).

SCRep. 1622 Ways and Means on S.C.R. No. 18

The purpose of this Concurrent Resolution is to request the Governor and the Department of Business, Economic Development, and Tourism to support the use of assistive technology.

Specifically, the Governor is requested to incorporate assistive technology considerations and language in all administrative measures relating to persons with disabilities, and the Department of Business, Economic Development, and Tourism is requested to develop incentives to encourage out-of-state vendors to increase supplies to Hawaii.

Your Committee finds that assistive technology devices allow individuals with disabilities to pursue careers, live independently, and be fully included in mainstream society. There are approximately 193,000 individuals with disabilities in the State, and it is in the State's best interest to help them reduce unnecessary reliance on government aid. Hawaii needs policies that make these devices more widely available, and an adequate supply of these devices to insure meaningful implementation of any state policy relating to assistive technology devices.

As 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 Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1623 Ways and Means on S.C.R. No. 26

The purpose of this Concurrent Resolution is to request the Auditor to assess the social and financial effects of mandating the inclusion of marriage and family therapy within mental health and alcohol and drug abuse treatment insurance benefits.

S.B. No. 860, H.D. 1, 1999, proposes to amend chapter 431M, Hawaii Revised Statutes, by broadening the scope of benefits available under health plans for mental health and alcohol and drug abuse treatment to include marriage and family therapy. Because this bill mandates the inclusion of a specific service or health care provider as part of a health insurance plan, section 23-51, Hawaii Revised Statutes, requires the adoption of a Concurrent Resolution requesting the Auditor to assess the mandate's social and financial effects before the bill can be considered. This Concurrent Resolution makes that request.

As 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. 26, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1624 (Majority) Ways and Means on S.C.R. No. 27

The purpose of this Concurrent Resolution is to request the Department of Transportation to convene a task force to review the fiscal needs of the state highway fund.

The Concurrent Resolution also requests the task force to develop a revenue plan that will maintain the solvency of the fund.

Your Committee finds that the highway fund is in critical need of review and proper planning for the following reasons:

1. The state highway fund has experienced transfers to the general fund in the amount of \$99,000,000 over the last four years;
2. The Highways Division of the Department of Transportation has lengthened its maintenance program from ten to thirteen years which means less attention to the State's highways;
3. Hawaii ranks second nationally in bridges needing repair; and
4. The State is experiencing more competition for federal highway moneys.

These statistics lead your Committee to conclude that the principle objective behind the state highway fund -- of maintaining state highways, is being seriously compromised and jeopardized.

The task force requested by this Concurrent Resolution will provide critical information to the Legislature and the Department of Transportation that will allow them to take appropriate steps to ensure the viability and strength of 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 concurs with the intent and purpose of S.C.R. No. 27, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, 2 (Ige, M., Anderson). Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1625 Ways and Means on S.C.R. No. 28

The purpose of this measure is to encourage public and private schools to include music as a regular and integral part of their core curriculum, and to encourage public schools to more uniformly implement music education programs through the development and utilization of content and performance standards.

In addition, this measure requests the Department of Education to:

- (1) Collaborate with the Task Force on Music Education in Hawaii to ensure that the Hawaii Content and Performance Standards and each school will include for all students the essential musical experiences as described in "Music Education in Hawaii"; and
- (2) Report to the Legislature on the compliance and progress of public schools and programs with respect to this measure no later than twenty days prior to the convening of the Regular Session of 2000, and every three years thereafter.

Your Committee finds that a people's ability to appreciate music and the other fine arts is a reflection of that society's capacity to peaceably tolerate, accept, and embrace humankind's ethnic, religious, and political differences.

As 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. 28, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1626 Ways and Means on S.R. No. 9

The purpose of this measure is to encourage public and private schools to include music as a regular and integral part of their core curriculum, and to encourage public schools to more uniformly implement music education programs through the development and utilization of content and performance standards.

In addition, this measure requests the Department of Education to:

- (1) Collaborate with the Task Force on Music Education in Hawaii to ensure that the Hawaii Content and Performance Standards and each school will include for all students the essential musical experiences as described in "Music Education in Hawaii"; and
- (2) Report to the Legislature on the compliance and progress of public schools and programs with respect to this measure no later than twenty days prior to the convening of the Regular Session of 2000, and every three years thereafter.

Your Committee finds that a people's ability to appreciate music and the other fine arts is a reflection of that society's capacity to peaceably tolerate, accept, and embrace humankind's ethnic, religious, and political differences.

As 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. 9, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1627 (Majority) Ways and Means on S.C.R. No. 30

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to conduct a study concerning the undergrounding of overhead utility facilities.

In particular, the Concurrent Resolution requests that the Bureau conduct a policy and issue study on the following areas:

- (1) The identification and compilation of a preliminary list of the statewide issues involved, including alternative policy choices, legal issues, and resource allocation;
- (2) The compilation of a survey of federal, state, and major metropolitan area policies and statutes or ordinances concerning the placement of utility facilities; and
- (3) The identification of alternative processes for collecting information, and addressing the fundamental issues involved in evaluating whether undergrounding of existing and proposed overhead utility facilities should be required and if so under what conditions.

Your Committee finds that there is increasing community interest in the placement of existing and proposed overhead utility facilities underground for a number of reasons, including public health concerns related to electric and magnetic field exposure; public safety concerns related to windstorms, debris, and traffic collision damage risks; expectations of greater systems reliability and reduced maintenance needs; and the desire to preserve, protect, and enhance viewplanes and scenic resources. Your Committee finds that this study will assist policymakers by providing the background information necessary to make policy decisions on these and related 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 concurs with the intent and purpose of S.C.R. No. 30, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, 1 (Anderson). Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1628 **Ways and Means on S.C.R. No. 37**

The purpose of this Concurrent Resolution is to request the Department of Transportation to study the feasibility of noise mitigation at Hilo airport.

Your Committee finds that while the delivery of supplies to a community via aircraft means faster delivery of fresher foods and goods, aircraft noise especially, can be distressful and disturbing to the local community that lives nearby. The health and psychological effects of noise on human beings have been documented for decades. Sleep patterns can be disturbed and noise can affect blood pressure. The flight patterns over Hilo have increased more than twofold in the past thirty years and as a result have seriously impacted the life of the community. As a city near the ocean, moving flight patterns seaward might mitigate aircraft noise to give the residents of Hilo noise relief. A study to examine methods of noise mitigation is important and needed.

As 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. 37, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1629 **Ways and Means on S.C.R. No. 38**

The purpose of this Concurrent Resolution is to request Hawaii's congressional delegation to do what is necessary to require federal contracting officers to adhere to federal laws designed to alleviate unemployment in Hawaii when Hawaii's unemployment rates are higher than the national average.

Your Committee finds that in 1986, the United States Congress instituted a policy requiring that when the unemployment rate in Hawaii exceeds the national rate of unemployment, contractors of federal defense construction projects in Hawaii must employ Hawaii residents capable of performing the contract.

Your Committee nonetheless finds that defense contractors prefer to hire nonresident individuals who are willing to work for less than resident individuals. This tendency impairs the ability of resident contractors to compete on an equal footing with nonresident contractors while maintaining the high quality employee benefits required under Hawaii 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. 38, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1630 **Ways and Means on S.R. No. 16**

The purpose of this Resolution is to request Hawaii's congressional delegation to do what is necessary to require federal contracting officers to adhere to federal laws designed to alleviate unemployment in Hawaii when Hawaii's unemployment rates are higher than the national average.

Your Committee finds that in 1986, the United States Congress instituted a policy requiring that when the unemployment rate in Hawaii exceeds the national rate of unemployment, contractors of federal defense construction projects in Hawaii must employ Hawaii residents capable of performing the contract.

Your Committee nonetheless finds that defense contractors prefer to hire nonresident individuals who are willing to work for less than resident individuals. This tendency impairs the ability of resident contractors to compete on an equal footing with nonresident contractors while maintaining the high quality employee benefits required under Hawaii 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.R. No. 16, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1631 **Ways and Means on S.C.R. No. 50**

The purpose of this measure is to request the Department of Agriculture to perform a feasibility study on the potential of establishing a medicinal herb industry in Hawaii.

In addition, this measure requests the Department of Agriculture to:

- (1) Identify and contact potential consumers of medicinal herb products such as pharmaceutical companies to ascertain market interest;
- (2) Identify potential medicinal herb crops that would be the most viable to establish a medicinal herb industry;
- (3) Identify possible funding mechanisms for the establishment of a medicinal herb industry; and
- (4) Work with the Department of Health, the Department of Business, Economic Development and Tourism, the University of Hawaii, and the Hawaii Agricultural Research Center to perform the abovementioned tasks.

Your Committee finds that Hawaii's mild year-round climate, deep fertile soils, and abundant fresh water could provide the start for a highly profitable medicinal herb industry that would grow and process endemic, indigenous, and exotic herbs locally for use by practitioners of western, eastern, Pacific Island, and other healing arts.

As 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. 50, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1632 Ways and Means on S.C.R. No. 57

The purpose of this Concurrent Resolution is to request the Auditor to audit specified state departments to examine their methodologies in verifying ceded land revenues.

Specifically, the Auditor is requested to review the methodologies of the Department of Accounting and General Services, Department of Business, Economic Development, and Tourism, Department of Health, Department of Land and Natural Resources, Department of Transportation (airports and harbor divisions), and the University of Hawaii.

Your Committee finds that the amount of revenues the ceded land brings in is not standardized and that this lack of conformable data contributes to the general lack of clarity that surrounds the ceded lands issue. A review by the Auditor will enable the State to ascertain where inconsistencies in ceded revenue calculations occur, the reasons therefor, and will assist the State in establishing a uniform system.

As 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, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1633 Ways and Means on S.C.R. No. 77

The purpose of this Concurrent Resolution is to request the Child Protective Services Roundtable to form a task force to examine and discuss selected issues relating to child abuse.

Specifically, the Concurrent Resolution asks the Roundtable to convene a task force of its members or convene itself as a task force to examine such issues as expanding the criteria for reporting child abuse cases; amending the procedures relating to out-of-family abuse; evaluating the manner in which guardian ad litem services are provided; changing the licensing and training requirements for specially licensed relative foster boarding homes; examining incidents of child exploitation and their relationship to child abuse and neglect; and evaluating other circumstances that endanger the welfare of a child in cases of criminal child abuse.

Your Committee finds that the Child Protective Services Roundtable, which is an ad hoc group of service providers and medical specialists in child protection, has been instrumental in improving the child protective services system, including the enactment of its recommendations in Act 134, Session Laws of Hawaii 1998. The Roundtable is continuing to meet and discuss issues relating to child protection, which benefits all participants in their work among themselves on a daily basis in detecting, preventing, and treating child abuse. Your Committee further finds that although improvements in the child protective services system are continually being made, legislation may be required to address a number of unresolved 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 concurs with the intent and purpose of S.C.R. No. 77, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1634 Ways and Means on S.C.R. No. 86

The purpose of this Concurrent Resolution is to request the Auditor to conduct a follow-up management audit of the Child Support Enforcement Agency.

Your Committee finds that in 1992 and 1995, the Auditor conducted a management audit and a follow-up audit, respectively, of the Child Support Enforcement Agency. Problems identified in the 1992 audit were being addressed and improvements were being made when the 1995 audit was conducted. Despite these improvements, the Child Support Enforcement Agency, the Auditor, and the Legislature still continue to receive complaints from parents that overcharging and errors in recordkeeping still occur. This Concurrent Resolution will provide both the public and government officials a report by which to evaluate what further changes, if any, need to be made to the Child Support Enforcement Agency to ensure fairness and equity.

As 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. 86, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1635 Ways and Means on S.C.R. No. 93

The purpose of this Concurrent Resolution is to request the Office of Information Practices to study the issue of personal privacy and the commercial use of personal information, and recommend legislation to protect privacy without unduly burdening business and free speech rights.

Your Committee finds that the business of collecting and using personal information is one of the fastest-growing industries in the world, and that the individual whose information is being collected rarely has full knowledge and control over how that information is collected and used. While legislation has been introduced to give the individual some control over the individual's own information, it has been sidetracked by competing concerns of free speech rights and an undue burden on business. The study requested of the Office of Information Practices will give the Legislature the necessary information to draft implementing legislation that is fair and as minimally burdensome as possible, while providing the significant level of protection to the public.

As 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. 93, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1636 Ways and Means on S.C.R. No. 115

The purpose of this Concurrent Resolution is to request the Department of Transportation to conduct a feasibility study to provide an alternate route for entering and exiting Wahiawa.

Your Committee finds that Wahiawa is experiencing serious traffic congestion on its two access routes. If one of the access routes is shut down due to flooding or other reasons, severe traffic congestion for Wahiawa residents and commuters would result. Your Committee believes that providing an alternate route for entering and exiting Wahiawa to relieve the traffic congestion and ensure adequate access to the area during emergency situations must be fully explored.

As 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. 115, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1637 Ways and Means on S.C.R. No. 116

The purpose of this Concurrent Resolution is to request the Department of Transportation to conduct a feasibility study to plan, design, acquire land, and construct a second entrance into and exit out of Whitmore Village.

Your Committee finds that the lack of an alternate route in and out of Whitmore Village, in addition to the inconvenience for Whitmore residents, leaves village residents isolated in the event of an emergency that cuts off access to that road. Your Committee agrees with the intent of this Concurrent Resolution, and finds that the construction of a second entrance into and exit out of Whitmore Village will provide greater accessibility to that village and address security and safety concerns.

As 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, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1638 **Ways and Means on S.R. No. 54**

The purpose of this Resolution is to request the Department of Transportation to conduct a feasibility study to plan, design, acquire land, and construct a second entrance into and exit out of Whitmore Village.

Your Committee finds that the lack of an alternate route in and out of Whitmore Village, in addition to the inconvenience for Whitmore residents, leaves village residents isolated in the event of an emergency that cuts off access to that road. Your Committee agrees with the intent of this Resolution, and finds that the construction of a second entrance into and exit out of Whitmore Village will provide greater accessibility to that village and address security and safety concerns.

As 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. 54, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1639 **Ways and Means on S.C.R. No. 119**

The purpose of this measure is to request the Department of Education, the Department of Health, the Department of Human Services, the Office of the Governor, the University of Hawaii's Center on the Family, and the Good Beginnings Alliance to collaborate on increasing the number of children who have an opportunity to eat a nutritious breakfast.

Your Committee finds that the relationship between providing children with a nutritious breakfast and observing substantial gains in student achievement is one of the few social service (e.g., education, health, and human services) reforms that most mainstream childhood development experts are willing to embrace without hesitation or sniping. Child nutrition programs pay for themselves by reducing the future load on the State's social services system, and are not always appreciated by people looking only for immediate short-term gains in student achievement. Child nutrition programs are an investment in Hawaii's future.

As 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. 119, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1640 **Ways and Means on S.C.R. No. 127**

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to conduct a study to determine if Hawaii's Administrative Procedure Act and public agency meetings and records laws ensure that discussions, deliberations, decisions, and actions of the government are conducted as openly as possible.

In addition, this Concurrent Resolution requests that the Bureau recommend amendments to the State's administrative procedures and public proceedings and records laws to ensure that the concerns addressed in the Concurrent Resolution are resolved, and that the Bureau, after consulting with the Office of Information Practices, report findings and recommendations to the Legislature twenty days before the convening of the Regular Session of 2000.

Your Committee finds that section 92F-2, Hawaii Revised Statutes, declares that it is the policy of the State "that the formation and conduct of public policy--the discussions, deliberations, decisions, and action of government agencies-- shall be conducted as openly as possible." That policy, however, "must be tempered by a recognition of the right of the people to privacy, as embodied in section 6 and section 7 of Article I of the Constitution of the State of Hawaii."

Your Committee finds that this tension between the need for openness in the formation and conduct of public policy and the right to privacy is reflected not only in chapter 92F, Hawaii Revised Statutes (Uniform Information Practices Act (Modified)), but also in chapter 91 (the Hawaii Administrative Procedure Act) and chapter 92 (the Public Agency Meetings and Records, or "sunshine" law). The intent of these laws is to open up governmental processes to public scrutiny and participation, alert constituents regarding government decisions which affect them, and ensure that inclusive and differing points of views are considered by the government. Your Committee finds that the study requested by this Concurrent Resolution will help to ensure public confidence in the integrity of governmental processes by ensuring that these processes are conducted in as open a manner as possible that maximizes public participation and scrutiny.

As 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. 127, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1641 **Ways and Means on S.C.R. No. 141**

The purpose of this Resolution is to request the Department of Transportation to study the feasibility of noise mitigation at Hilo airport.

Your Committee finds that while the delivery of supplies to a community via aircraft means faster delivery of fresher foods and goods, aircraft noise especially, can be distressful and disturbing to the local community that lives nearby. The health and psychological effects of noise on human beings have been documented for decades. Sleep patterns can be disturbed and noise can affect blood pressure. The flight patterns over Hilo have increased more than twofold in the past thirty years and as a result have seriously impacted the life of the community. As a city near the ocean, moving flight patterns seaward might mitigate aircraft noise to give the residents of Hilo noise relief. A study to examine methods of noise mitigation is important and needed.

As 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. 15, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1645 Ways and Means on S.C.R. No. 105

The purpose of this Concurrent Resolution is to request the University of Hawaii to establish and operate the Pacific Center for Advanced Technology Training and Education to serve as a resource for new businesses in need of a technologically competent workforce.

Your Committee finds that the University of Hawaii Community Colleges have the demonstrated resources and capability to provide technology training programs that meet the needs of national and international high technology businesses and industry.

Furthermore, your Committee finds that the training programs are necessary to attract high technology businesses to the new technology parks being developed across the State. Your Committee believes that the development of a high technology industry in the State will diversify and strengthen the State's 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. 105, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1646 Ways and Means on S.R. No. 45

The purpose of this Resolution is to request the University of Hawaii to establish and operate the Pacific Center for Advanced Technology Training and Education to serve as a resource for new businesses in need of a technologically competent workforce.

Your Committee finds that the University of Hawaii Community Colleges have the demonstrated resources and capability to provide technology training programs that meet the needs of national and international high technology businesses and industry.

Furthermore, your Committee finds that the training programs are necessary to attract high technology businesses to the new technology parks being developed across the State. Your Committee believes that the development of a high technology industry in the State will diversify and strengthen the State's 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.R. No. 45, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1647 Ways and Means on S.C.R. No. 109

The purpose of this Concurrent Resolution is to request that steps be taken to plan for the relocation of the Queen Lili'uokalani statue.

Your Committee finds that Hawaii's unique status as the only state in the Union to have royal rulers in its past requires re-examination of the placement of the statue of one of its most illustrious rulers, Queen Lili'uokalani. As Hawaii's last ruling queen before the takeover of Hawaii by the United States, she stands as a symbol of Hawaii's history.

Your Committee finds that after more than fifteen years in its present location, it is time to relocate the statue as the commission might see fit, based on criteria it raises and examines. Relocation could give the statue a more regal place in its physical environment in relation to the governmental buildings in Honolulu.

As 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. 109, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1648 Ways and Means on S.C.R. No. 121

The purpose of this Concurrent Resolution is to establish a Joint Legislative Committee on Child and Adolescent Mental Health.

This Concurrent Resolution is primarily intended to address the problems of implementing the requirements of the Felix consent decree. The State has until June 30, 2002, to comply by implementing a system of care to provide services for the Felix class. This measure is intended to help the Legislature keep abreast of Felix compliance measures with a view towards ensuring that the State meets the deadline.

This Concurrent Resolution directs the Joint Legislative Committee to:

- (1) Address the concerns and recommendations raised by the Auditor's Report No. 98-20, "Assessment of the State's Efforts Related to the Felix Consent Decree";
- (2) Determine the extent of coordination between the Department of Education and Department of Health in the delivery of needed services for Felix class members; and
- (3) Examine fiscal issues and implications needed for compliance.

The Concurrent Resolution sets the membership of the Joint Legislative Committee as follows:

- (1) The Chair or Vice-Chair of the House Committees on:
 - (A) Health;
 - (B) Education;
 - (C) Human Services; and
 - (D) Finance;

and
- (2) The Chair or Vice-Chair of the Senate Committees on:
 - (A) Health and Human Services;
 - (B) Education and Technology; and
 - (C) Ways and Means.

The Concurrent Resolution also directs the Joint Legislative Committee to establish an expert panel consisting of representatives from the Department of Health, the Department of Human Services, and nationally-recognized professionals in relevant fields, to:

- (1) Advise the Joint Legislative Committee;
- (2) Evaluate the cost-effectiveness of current plans to meet the terms of the consent decree; and
- (3) Provide alternative models for compliance.

The Concurrent Resolution further directs the Joint Legislative Committee to form a resource committee of persons in the private sector representing parent organizations, consumer groups, and provider groups. Finally, the Legislative Reference Bureau is requested to assist the Joint Legislative Committee in research and submitting findings and recommendations. The Joint Legislative Committee is directed to submit these findings and recommendations no later than twenty days prior to the convening of the Regular Session of 2000.

Your Committee wishes to strongly emphasize that it fully expects both the Senate and the House of Representatives to take active roles in providing the necessary staff support from the two houses, respectively, to staff the Joint Legislative Committee.

As 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. 121, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1649 **Ways and Means on S.C.R. No. 129**

The purpose of this Concurrent Resolution is to request the Insurance Commissioner to investigate and determine the fairness of the eligible charge reimbursement rates of Hawaii's mutual benefit societies and health maintenance organizations.

Specifically, this Concurrent Resolution requests the Insurance Commissioner to compare and contrast the reimbursement rates, coverages, and administrative fees of mutual benefit societies against those of for-profit insurance companies.

Your Committee finds that the eligible charge reimbursement rates of mutual benefit societies and health maintenance organizations may be unfairly low in contrast to the rates of traditional accident and sickness for-profit insurance companies. Your Committee is concerned that the reimbursement rates of mutual benefit societies and health maintenance organizations do not reflect free market equilibrium levels but are the result of anti-competitive market practices and stratagems that have consolidated their dominance within the health insurance 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. 129, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1650 **Ways and Means on S.C.R. No. 145**

The purpose of this Concurrent Resolution is to request the Board and the Department of Education to identify the full cost of educating federally-connected children with disabilities.

Your Committee finds that the rising cost of providing special education for Hawaii students is a heavy burden on the state economy. Title VIII of the Elementary and Secondary Education Act authorizes additional payments to local school districts based on the number of federally-connected children in the system that have disabilities. Identification of the full cost of educating these children will maximize the federal impact aid paid to the State.

The Concurrent Resolution also requests the Board and the Department to assess whether the students are making progress toward predetermined goals, and to report on how funds are used for the special education program, teacher salaries, and equipment for the children, including assistive devices. This knowledge will enable the Legislature, Board, and Department to accurately assess the state of special education in 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. 145, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1651 **Ways and Means on S.R. No. 90**

The purpose of this Resolution is to request the Board and the Department of Education to identify the full cost of educating federally-connected children with disabilities.

Your Committee finds that the rising cost of providing special education for Hawaii students is a heavy burden on the state economy. Title VIII of the Elementary and Secondary Education Act authorizes additional payments to local school districts based on the number of federally-connected children in the system that have disabilities. Identification of the full cost of educating these children will maximize the federal impact aid paid to the State.

The Resolution also requests the Board and the Department to assess whether the students are making progress toward predetermined goals, and to report on how funds are used for the special education program, teacher salaries, and equipment for the children, including assistive devices. This knowledge will enable the Legislature, Board, and Department to accurately assess the state of special education in 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.R. No. 90, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1652 **Ways and Means on S.C.R. No. 151**

The purpose of this Concurrent Resolution is to request the Department of Health to develop and implement a five-year statewide, comprehensive strategic plan for services and supports for individuals with developmental disabilities.

Section 333F-2(a), Hawaii Revised Statutes, requires the Department of Health to ". . . develop, lead, administer, coordinate, monitor, evaluate, and set direction for a comprehensive system of supports and services for persons with developmental disabilities or mental retardation. . ." The Developmental Disabilities Division last developed a plan for 1990-1994, entitled "A Plan for Services for Persons with Developmental Disabilities or Mental Retardation, 1990-1994." This Concurrent Resolution requests the Department of Health to produce another five-year plan, considering the development of significant changes in the developmental disabilities service system.

The Concurrent Resolution requests the Department of Human Services to participate in the development and implementation of the plan and requests the Department of Health to include the collective bargaining exclusive representatives of the Department of Health employees in the development and implementation of the plan. The Department of Health is to report to the Legislature on the plan and its implementation before the Regular Sessions of 2002, 2003, 2004, 2005, and 2006.

As 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. 151, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1653 Ways and Means on S.C.R. No. 172

The purpose of this Concurrent Resolution is to request all state agencies to submit their studies and reports to the Legislature in electronic form in addition to a paper copy.

The Legislature often requests state agencies to submit reports, studies, and other documents to it for consideration during the legislative session. The public often has a difficult time obtaining copies of these documents. First, it is hard to determine when the document has been produced and where to go to get a copy. Second, even if the source of the document is known, copying costs are currently set at fifty cents per page, which can be unduly burdensome on the public. Requiring these documents to be made available electronically will increase public access to these documents, as each public library offers free internet access.

As 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. 172, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1654 Ways and Means on S.C.R. No. 188

The purpose of this Concurrent Resolution is to request the Department of Human Resources Development to create a job classification for advanced practice registered nurses.

Your Committee finds that recent legislation authorized the certification of advanced practice registered nurses. Your Committee further finds that the State must now take appropriate personnel actions to create a job classification for them within the state system. The current lack of such positions prevents the State from recruiting, retaining, and appropriately utilizing such specially trained and certified nurses.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 188, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1655 Judiciary on S.C.R. No. 81

The purpose of this concurrent resolution is to request the Judicial Selection Commission to conduct public hearings and use a peer review process when considering justices and judges for retention.

Your Committee finds that there is presently little or no opportunity for public input in the process of considering whether a justice or judge should be retained in office. Your Committee further finds that other states routinely hold public hearings in the course of evaluating judges for retention in office. Your Committee believes that allowing for public hearings as part of the retention process, and including a peer review component, will provide more thorough background for retention decisions and will result in increased public confidence in the retention process.

Testimony in support of this concurrent resolution was submitted by the Hawaii State Commission on the Status of Women, the Hawaii State Bar Association, and two individuals.

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

- (1) Adding a provision requesting that the Judicial Selection Commission allow members of the public to continue to provide confidential testimony; and
- (2) Adding a provision requesting that the Judicial Selection Commission not consider the popularity of decisions made by a judge in making recommendations on retention.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 81, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 81, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 1656 Judiciary on S.C.R. No. 94

The purpose of this resolution is to request that the Judiciary examine possible changes to rules of civil procedure. Specifically, this resolution requests that the Judiciary consider changes to Rule 68, Hawaii Rules of Civil Procedure, dealing with offers of judgment, and consider adopting a new rule allowing discovery and trial testimony by videotape.

Your Committee finds that these potential changes, which are in part being examined by the Judiciary already, will potentially improve the quality and efficiency of Hawaii's court system. Your Committee believes it is worthwhile to encourage the Judiciary in its consideration of changes to its rules.

Testimony in support of this resolution was submitted by the Consumer Lawyers of Hawaii. Testimony commenting on this resolution was submitted by the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 94, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 1657 (Joint) Judiciary and Ways and Means on S.C.R. No. 134

The purpose of this concurrent resolution is to establish an oversight committee on prison operations and safety.

Your Committees find that the Department of Public Safety has been continuously plagued by severe management problems that have resulted in numerous allegations of abuse and neglect of inmates within our state correctional system. Your Committees note that the Acting Director of the Department has submitted to the Judiciary Committee an action plan with specific timetables to address your Committee's concerns. Your Committees believe that this course of action is an aggressive and responsible means of correcting the problems within the state correctional system, and that the Department of Public Safety should be held accountable for the goals that have been set. Therefore, your Committees find that in order to ensure that the Department is working diligently to fulfill these objections, an oversight committee should be established to provide the needed oversight and support.

Testimony in support of this concurrent resolution was submitted by the Department of Public Safety.

As affirmed by the record of votes of the members of your Committees on Judiciary and Ways and Means that is attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 134, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 12. Noes, none. Excused, 6 (Buen, Chun, Ihara, Iwase, Nakata, Tam).

SCRep. 1658 (Joint) Judiciary and Ways and Means on S.C.R. No. 135

The purpose of this concurrent resolution is to request a management audit of the Department of Public Safety.

Your Committees find that the state correctional system has continued to be plagued by criticism for the overcrowding of inmates in correctional facilities, insufficient staffing, staff morale problems, staff recruitment and retention problems, and a lack of suitable and meaningful programs for inmates. In addition, the state correctional system has recently been condemned by prison inmates and their attorneys for the lack of prompt medical attention for inmates and the use of unreasonable and excessive force against inmates. Your Committees further find that these problems and deficiencies within the state correctional system can be attributed, in part, to the failure of the Department of Public Safety to clearly articulate its long-term goals and policies.

Your Committees recognize that during these critical times, it is essential that outmoded administrative practices and attitudes be replaced with new and innovative techniques and attitudes in correctional management if the state correctional facilities are to improve. With the lifting of the Spear Consent Decree and the conclusion of federal oversight of our correctional facilities, it is even more imperative that assurances are secured so that the progress which has been made by the Department will not be undone, and that the problems which have come to light in recent years will be proactively addressed and remedied.

Therefore, your Committees find that a management audit is crucial in assisting with the identification of past policies and procedures that may hamper current management, including all personnel policies or practices, including collective bargaining agreements and grievances, which have or will affect the Department's ability to institute management changes.

Testimony in support of the intent of this concurrent resolution was submitted by the Department of Public Safety and the American Civil Liberties Union of Hawaii.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 135, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 12. Noes, none. Excused, 6 (Buen, Chun, Ihara, Iwase, Nakata, Tam).

SCRep. 1659 Transportation and Intergovernmental Affairs on S.C.R. No. 53

The purpose of this measure is to request the United States Army to prepare an environmental impact statement for military training and related activities at the Makua military reservation on Oahu.

Your Committee distributed and conducted a hearing on a proposed Senate Draft of this measure that requests the Department of Taxation to repeal the exemption from withholding taxes for nonresident employees and require all employees' wages to be subject to withholding regardless of residency.

Testimony commenting on the proposed Senate Draft of this measure was received from the Department of Taxation.

Your Committee finds that this measure will close the loophole being exploited by unscrupulous members of the construction industry to avoid the withholding tax requirements. Your Committee has amended this measure by narrowing its scope by requiring all wages of the employees of contractors in the construction industry be subject to withholding taxes regardless of residency.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 53, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Iwase).

SCRep. 1660 Transportation and Intergovernmental Affairs on S.C.R. No. 118

The purpose of this measure is to request the Department of Land and Natural Resources to work with the County of Hawaii and all concerned parties to develop a master plan for keeping Pohoiki Boat Ramp safe and clean.

Testimony in support of this measure was received from the Board of Land and Natural Resources and the Judiciary.

Your Committee finds that there are problems of congestion, competing uses, and potential safety hazards at Pohoiki Boat Ramp. A long-term solution to these problems is necessary and the development of a master plan for the area surrounding Pohoiki Boat Ramp is a sound approach to identifying the problems and possible solutions.

This measure authorizes the Department of Land and Natural Resources (DLNR) to utilize the mediation services of the Judiciary's Center for Alternative Dispute Resolution (Center) if the need should arise because of difficulties in negotiating compromises that are acceptable to the concerned parties. Your Committee has amended this measure by not limiting DLNR to the Center's services and stating that DLNR make seek facilitation or mediation services such as the those provided by the Center.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 118, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 118, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1661 Transportation and Intergovernmental Affairs on S.R. No. 56

The purpose of this measure is to request the Department of Land and Natural Resources to work with the County of Hawaii and all concerned parties to develop a master plan for keeping Pohoiki Boat Ramp safe and clean.

Testimony in support of this measure was received from the Board of Land and Natural Resources and the Judiciary.

Your Committee finds that there are problems of congestion, competing uses, and potential safety hazards at Pohoiki Boat Ramp. A long-term solution to these problems is necessary and the development of a master plan for the area surrounding Pohoiki Boat Ramp is a sound approach to identifying the problems and possible solutions.

This measure authorizes the Department of Land and Natural Resources (DLNR) to utilize the mediation services of the Judiciary's Center for Alternative Dispute Resolution (Center) if the need should arise because of difficulties in negotiating compromises that are acceptable to the concerned parties. Your Committee has amended this measure by not limiting DLNR to the Center's services and stating that DLNR make seek facilitation or mediation services such as the those provided by the Center.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 56, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1662 (Joint) Transportation and Intergovernmental Affairs and Labor and Environment on S.C.R. No. 187

The purpose of this measure is to urge the United States Congress to ban any further tests of the low frequency active sonar system in Hawaiian Waters.

Your Committees distributed to the public and conducted a hearing on a proposed Senate Draft of this measure that requests the Department of Health to convene a study group to examine:

- (1) The number and severity of unplanned releases of toxic emissions, the appropriateness and effectiveness of penalties, and the extent to which unplanned releases have approached or surpassed emission standards at Campbell Industrial Park (CIP);
- (2) The role of the community in planning for growth at CIP, including community input in the permit and zoning process;
- (3) Current emission standards at CIP, including recommendations regarding enforcing stricter standards than those currently in place; and
- (4) The notification process for CIP area residents, including recommendations for improving the process.

Testimony in support of this measure was received from the Department of Health and one individual.

Your Committees find that there is community concern regarding the unplanned releases of toxic emissions at CIP. With future industrial growth at CIP being explored, your Committee believes that the issues regarding the unplanned releases, community involvement and notification, and air quality at CIP must be studied.

Your Committees have amended this measure by replacing the contents with the proposed Senate Draft and:

- (1) Clarifying that the study group shall examine current ambient air quality standards and prevention of significant deterioration increments rather than emission standards;
- (2) Clarifying that the Department of Health shall convene the study group rather than appoint the members of the study group; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 187, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 187, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 5 (Fukunaga, Ige, D., Ihara, Iwase, Taniguchi).

SCRep. 1663 (Joint) Transportation and Intergovernmental Affairs and Labor and Environment on S.R. No. 84

The purpose of this measure is to urge the United States Congress to ban any further tests of the low frequency active sonar system in Hawaiian Waters.

Your Committees distributed to the public and conducted a hearing on a proposed Senate Draft of this measure that requests the Department of Health to convene a study group to examine:

- (1) The number and severity of unplanned releases of toxic emissions, the appropriateness and effectiveness of penalties, and the extent to which unplanned releases have approached or surpassed emission standards at Campbell Industrial Park (CIP);

- (2) The role of the community in planning for growth at CIP, including community input in the permit and zoning process;
- (3) Current emission standards at CIP, including recommendations regarding enforcing stricter standards than those currently in place; and
- (4) The notification process for CIP area residents, including recommendations for improving the process.

Testimony in support of this measure was received from the Department of Health and one individual.

Your Committees find that there is community concern regarding the unplanned releases of toxic emissions at CIP. With future industrial growth at CIP being explored, your Committee believes that the issues regarding the unplanned releases, community involvement and notification, and air quality at CIP must be studied.

Your Committees have amended this measure by replacing the contents with the proposed Senate Draft and:

- (1) Clarifying that the study group shall examine current ambient air quality standards and prevention of significant deterioration increments rather than emission standards;
- (2) Clarifying that the Department of Health shall convene the study group rather than appoint the members of the study group; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Labor and Environment 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 on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 5 (Fukunaga, Ige, D., Ihara, Iwase, Taniguchi).

SCRep. 1664 Transportation and Intergovernmental Affairs on S.C.R. No. 207

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism and the Hawaii Community Development Association to communicate to the Director of Transportation and the Legislature their intentions regarding Pier 2 at Honolulu Harbor.

Testimony in support of this measure was received from the Department of Transportation (DOT), the Department of Business, Economic Development, and Tourism (DBEDT), and the Hawaii Community Development Authority (HCDA).

Your Committee finds that the cruise ship industry is a new and exciting economic opportunity for the State of Hawaii. To accommodate the future growth of this industry, the Statewide Cruise Facilities Study recommends the development and construction of a cruise terminal at Pier 2 of Honolulu Harbor. Development of this project requires the active participation by the DOT, DBEDT, and HCDA. In addition, direct communication between those agencies is also required, specifically regarding the status of Foreign Trade Zone No. 9.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 207, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Ige, D., Iwase).

SCRep. 1665 (Joint) Transportation and Intergovernmental Affairs, Economic Development, and Education and Technology on S.C.R. No. 211

The purpose of this measure is to request the University of Hawaii and the Department of Business, Economic Development, and Tourism to investigate establishing a partnership with the United States Department of Interior, Fish and Wildlife Service to explore the potential research, educational, and economic opportunities of Johnston Atoll.

Testimony in support of this measure was received from the Pacific Business Center Program, Ocean Resources Branch of the Department of Business, Economic Development, and Tourism, United States Fish and Wildlife Service, and one individual.

Your Committees find that the imminent closure of the Johnston Atoll Chemical Agent Disposal System and the demilitarization of Johnston Island presents an opportunity for Hawaii to explore research, educational, and economic opportunities utilizing existing infrastructure and resources on the atoll. Although it may be premature to establish formal partnerships and commitments regarding the development of Johnston Atoll, the options and opportunities should be investigated and explored at this time.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 211, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 211, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Chumbley, Ige, M., Iwase, Matsunaga).

SCRep. 1666 (Joint) Judiciary and Ways and Means on S.C.R. No. 100

The purpose of this concurrent resolution, as received by your Committees, is to request the Department of Public Safety to explore and fund alternatives to incarceration for nonviolent female offenders.

Your Committees find that the cost of imprisonment for nonviolent women offenders is especially harsh. Most of the women sent to prison are mothers, and unlike their male counterparts who can count on their wives to keep the family together, women and children face a terrible crisis when a woman is imprisoned. Your Committees further find that the number of women incarcerated in Hawaii for nonviolent crimes is dramatically increasing. Nearly half of all admissions for women to the state correctional system are for offenses that are relatively minor.

Testimony in support of this concurrent resolution was submitted by the Department of Public Safety, the Hawaii State Commission on the Status of Women, the Hawaii Women's Political Caucus, the Sex Abuse Treatment Center, the American Civil Liberties Union of Hawaii, and a private citizen.

Upon further consideration your Committee has amended this concurrent resolution by deleting all references to the "Department of Public Safety" and replacing such with the "Corrections Population Management Commission" which is the more appropriate body to study this issue.

As affirmed by the record of votes of the members of your Committees on Judiciary and Ways and Means that is attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 100, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 100, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 6 (Buen, Chun, Ihara, Iwase, Nakata, Tam).

SCRep. 1667 (Joint) Judiciary and Ways and Means on S.R. No. 41

The purpose of this resolution, as received by your Committees, is to request the Department of Public Safety to explore and fund alternatives to incarceration for nonviolent female offenders.

Your Committees find that the cost of imprisonment for nonviolent women offenders is especially harsh. Most of the women sent to prison are mothers, and unlike their male counterparts who can count on their wives to keep the family together, women and children face a terrible crisis when a woman is imprisoned. Your Committees further find that the number of women incarcerated in Hawaii for nonviolent crimes is dramatically increasing. Nearly half of all admissions for women to the state correctional system are for offenses that are relatively minor.

Testimony in support of this resolution was submitted by the Department of Public Safety, the Hawaii State Commission on the Status of Women, the Hawaii Women's Political Caucus, the Sex Abuse Treatment Center, the American Civil Liberties Union of Hawaii, and a private citizen.

Upon further consideration your Committee has amended this resolution by deleting all references to the "Department of Public Safety" and replacing such with the "Corrections Population Management Commission" which is the more appropriate body to study this issue.

As affirmed by the record of votes of the members of your Committee on Judiciary and Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 41, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 41, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 6 (Buen, Chun, Ihara, Iwase, Nakata, Tam).

SCRep. 1668 (Joint/Majority) Judiciary and Ways and Means on S.C.R. No. 133

The purpose of this concurrent resolution, as received by your Committees, is to request that the Legislative Reference Bureau study the feasibility of enacting a medicinal cannabis law in light of the federal government's power to supercede conflicting state laws.

Your Committees find that medicinal cannabis (marijuana) provides relief from chronic symptoms and debilitating pain for patients suffering from illnesses such as AIDS, cancer, glaucoma, Tourette's Syndrome. These patients are currently subject to criminal prosecution for using marijuana to relieve their pain. Your Committees further find that physicians may not prescribe or

recommend the use of medicinal marijuana without fearing the loss of their license to practice medicine and are subject to possible criminal prosecution.

Your Committees are aware that other states including Alaska, Arizona, California, Nevada, Oregon, and Washington, have passed initiatives allowing the medicinal use of marijuana despite prevailing federal law. While recognizing the benefits of medicinal marijuana, your Committees remain concerned that federal law will supercede any attempt that the legislature might make in passing similar initiatives. Therefore, your Committees believe that a thorough review and discussion of problems encountered by those states as a result of possible conflicts or inconsistencies with federal law is necessary.

Testimony in support of this concurrent resolution was submitted by the Department of Health, the Drug Policy Forum of Hawaii, the American Civil Liberties Union of Hawaii, the Life Foundation, the Libertarian Party of Hawaii, Cannabis for Health, a retired law school professor, an attorney, and six private citizens. Testimony in opposition to this concurrent resolution was submitted by the Hawaii Medical Association. The Honolulu Police Department also submitted comments.

Upon further consideration, your Committees have amended this concurrent resolution by merging the contents of S.C.R. 20 into this concurrent resolution, including:

- (1) Changing the title to read "Requesting the Legislative Reference Bureau to Conduct a Study Regarding the Language, Implementation, and Effectiveness of Medicinal Cannabis Laws in Other States;"
- (2) Changing the focus of the study from determining the feasibility of enacting a medicinal cannabis law, and redirecting the focus of the study to include the review and discussion of the problems associated with enacting and implementing such a law;
- (3) Deleting the references to the "American Academy of Family Physicians" and the "California Medical Association;"
- (4) Clarifying that a certified copy of this concurrent resolution should be transmitted to the "Acting Director" of the Legislative Reference Bureau; and
- (5) Making technical, non-substantive changes for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committees on Judiciary and Ways and Means that is attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 133, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 133, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, 2 (Ige, M., Kawamoto). Excused, 6 (Buen, Chun, Ihara, Iwase, Nakata, Tam).

SCRep. 1669 (Joint/Majority) Judiciary and Ways and Means on S.C.R. No. 183

The purpose of this resolution, as received by your Committees, is to request that the United States Congress pass legislation allowing individual states to determine their own policies regarding medical marijuana.

Your Committees find that many patients and many medical entities, in Hawaii and elsewhere, have found that marijuana is an effective treatment for the debilitating pain caused by certain illnesses. Your Committee further finds, however, that doctors are presently unable to prescribe marijuana for chronically ill patients because marijuana is a Schedule I federally controlled substance.

Testimony in support of this measure was submitted by the Drug Policy Forum of Hawaii, the American Civil Liberties Union of Hawaii, the Life Foundation, the Libertarian Party, Cannabis for Health, and eight individuals. Testimony in opposition to this measure was submitted by the Hawaii Medical Association and the Honolulu Police Department.

Upon further consideration, your Committees have amended this measure by:

- (1) Requesting that the United States Congress and the federal Drug Enforcement Agency consider rescheduling cannabis, instead of requesting legislation allowing each state to set its own laws; and
- (2) Deleting references to two organizations.

As affirmed by the record of votes of the members of your Committees on Judiciary and Ways and Means that is attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 183, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 183, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 3 (Ige, M., Kawamoto, Sakamoto). Excused, 6 (Buen, Chun, Ihara, Iwase, Nakata, Tam).

SCRep. 1670 (Joint) Judiciary and Ways and Means on S.C.R. No. 184

The purpose of this concurrent resolution is to propose that the Legislative Reference Bureau conduct a study of Hawaii's relevant statutory provisions relating to domestic violence and abuse in order to foster a better understanding of the issues or possible solutions and to provide recommendations for a recodification of the domestic violence and abuse laws.

Your Committees find that over the past ten years, the legislature has made great strides in its efforts to prevent domestic violence. However, piecemeal changes in the law that are made every legislative session have resulted in contradictory policy and inconsistent court procedures that must be corrected. Therefore, your Committees believe that a thorough review is needed of Hawaii's domestic violence and abuse laws to identify loopholes and inconsistencies and that a recodification of these laws is an important step toward stemming the tide of this unacceptable violence in our communities.

Testimony in support of this concurrent resolution was submitted by the Judiciary, the Department of the Attorney General, the Office of Hawaiian Affairs, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii State Coalition against Domestic Violence, the Hawaii State Commission on the Status of Women, Child and Family Services, and the Domestic Violence Clearinghouse and Legal Hotline.

Upon further consideration, your Committees have amended this concurrent resolution by:

- (1) Deleting the word "prevention" from the title;
- (2) Adding that bail restrictions for domestic violence offenders be examined in the discussion of recodification; and
- (3) Deleting all references of "chairperson," "director," or "executive director" and replacing it with "a representative of" in the provision that directs where certified copies of the resolution should be transmitted to.

As affirmed by the record of votes of the members of your Committees on Judiciary and Ways and Means that is attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 184, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 184, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 6 (Buen, Chun, Ihara, Iwase, Nakata, Tam).

SCRep. 1671 (Joint) Judiciary and Ways and Means on S.C.R. No. 208

The purpose of this concurrent resolution is to request a study comparing Hawaii's election system with that of other states.

Your Committees find that Hawaii's election system has been the subject of a great deal of controversy and scrutiny due to changes in the 1998 election vote tally system and closely contested races in many precincts. Your Committees further find that aspects of Hawaii's election laws and system need to be improved, in order to facilitate voter confidence and participation in our election system.

Testimony in support of this concurrent resolution was submitted by the Office of Elections.

Upon further consideration, your Committees have amended this concurrent resolution by:

- (1) Inserting a clause delineating the outcome of the machine recount held in March 1999;
- (2) Inserting additional election-related issues to be studied including voter registration information, ballot access, election contests and challenges, election tallying systems, and administration of special elections;
- (3) Requesting the President of the Senate and the Speaker of the House of Representatives to appoint an Elections Review Task Force to review and make recommendations regarding changes to Hawaii's election laws and system;
- (4) Requesting the Legislative Reference Bureau to submit a report of findings and recommendations to the Task Force by November 15, 1999; and
- (5) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 208, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 208, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 6 (Buen, Chun, Ihara, Iwase, Nakata, Tam).

SCRep. 1672 Commerce and Consumer Protection on S.C.R. No. 88

The purpose of this measure is to request that:

- (1) The Real Estate Commission (REC) convene a task force to study the problems associated with the condominium property regime (CPR) law, with the assistance of the Community Associations Institute and the Hawaii Council of Associations of Apartment Owners; and
- (2) The Governor and Mayors of each county hold public hearings on subjecting CPR's to county zoning ordinances and development requirements.

Your Committee finds that many consumers may be confused and may often have difficulty understanding CPR statutes and regulations and their relationship with county ordinances. This measure requests that the REC examine ways to simplify and clarify laws, regulations and ordinances governing CPR's.

Your Committee has amended this measure to:

- (1) Request that the REC establish an informal task force and amend the title of the measure accordingly;
- (2) Request that the REC prepare a report on its preliminary findings to submit to the Legislature by January 1, 2000;
- (3) Request that the REC hold public hearings to receive feedback on the report rather than have the governor and the mayors of each county hold the public hearings;
- (4) Request that the REC prepare a final report on its findings, recommendations and proposed legislation, which considers testimony presented at the public hearings, to be submitted to the Legislature twenty days prior to the Regular Session of 2001; and
- (5) Make technical, nonsubstantive amendments.

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. 88, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 88, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 1673 (Joint) Commerce and Consumer Protection and Judiciary on S.C.R. No. 95

The purpose of this measure is to request that the Hawai'i State Bar Association (HSBA), with assistance from the students and faculty of the William S. Richardson School of Law, provide the Legislature with recommendations on a comprehensive policy on immunity from tort liability.

The Office of Corporation Counsel of the County of Hawaii, the Maui County Council and the Consumer Lawyers of Hawaii submitted testimony in support of the resolution. The William S. Richardson School of Law submitted comments on the measure.

Your Committee finds that there is a great interest in issues of immunity such as tort liability and other forms of tort reform. However it is necessary to have sufficient information and data before any changes in tort law is made, especially where the rights and safety of consumers may be adversely affected.

Your Committee recognizes that the Tort Law Study Committee (TLSC) already did a brief analysis of immunity issues. Your Committee believes that the most effective way to obtain needed information is for the HSBA and TLSC study these issues with the assistance and enthusiasm of the students of the William S. Richardson Law School.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 95, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 4 (Bunda, Inouye, Tanaka, Anderson).

SCRep. 1674 Commerce and Consumer Protection on S.C.R. No. 152

The purpose of this measure is to request the Hawaii Patient Bill of Rights and Responsibilities Task Force to make a thorough study of the issues relating to the use of the term "medical necessity" to determine the most appropriate definition of the term, or to develop new terms to better resolve the issues examined.

Your Committee finds that competing definitions of the term "medical necessity" have evolved, so that there is no single uniform definition. However, many critical medical decisions on treatment are based on this standard. Ambiguities can lead to unnecessary, even life-threatening delays in treatment. Your Committee believes that open discussion regarding the use of the term "medical necessity" will benefit patients, medical care providers and insurers alike.

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. 152, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1675 Commerce and Consumer Protection on S.C.R. No. 201

The purpose of this measure is to request that the Department of Commerce and Consumer Affairs (DCCA) and the Department of Labor and Industrial Relations (DLIR):

- (1) Coordinate efforts to enforce workers' compensation coverage requirements;
- (2) Publish a list of the contractors that do not carry workers' compensation insurance and cross-check the list against unemployment insurance reports, temporary disability insurance reports and pre-paid health care reports; and
- (3) Confer with private industry about the seriousness of the matter and report to the Legislature on possible enforcement procedures.

Your Committee finds that there are contractors who claim to have no employees in order to avoid the workers' compensation insurance requirements for licensure. These contractors will then hire employees after the license is obtained. Unfortunately, there is no documentation of the scope of this abuse. This fraudulent practice gives dishonest contractors an unfair advantage in bidding and puts workers at risk. More study is necessary to understand its scope and impact.

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. 201, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1676 Ways and Means on S.C.R. No. 34

The purpose of this Concurrent Resolution is to urge the University of Hawaii College of Tropical Agriculture and Human Resources and its extension service, with assistance from the Departments of Agriculture and Business, Economic Development, and Tourism, to develop a coordinated plan to provide assistance and support to citizen gardeners who may be interested in forming community-based home organic produce cooperatives.

Your Committee finds that at the current time, the organic farming industry is concentrated on large-scale activities, and promotion of backyard and other citizen organic farming activities would benefit the State by increasing the self-sufficiency of its residents. Many interested individuals would find the assistance provided under this Concurrent Resolution vital for inducing wider participation in organic gardening.

As 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 Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1677 Ways and Means on S.C.R. No. 64

The purpose of this measure is to request the Commission on Persons with Disabilities, the Department of Human Services' Vocational Rehabilitation and Services for the Blind Division, and the Department of Human Resources Development to meet and conduct a comprehensive review of Hawaii state law on the public employment of severely handicapped persons.

This measure also requests that a severely handicapped person and a family member of a severely handicapped person be included in the meetings to consider their perspectives. The measure requests that a report of findings and recommendations be submitted to the Legislature before the next regular legislative session. The review is requested to include consideration of whether Hawaii law is still relevant in light of recent federal laws and whether the State should mirror the federal law and allow disabled employees to achieve civil service status after six months of employment rather than retain the exempt status under current law.

Your Committee finds that the passage of the Americans with Disabilities Act may have established regulations and guidelines for hiring or employing disabled individuals that may be inconsistent with current Hawaii law. Your Committee finds that this comprehensive review is an appropriate management policy in the interest of equity for severely handicapped individuals seeking public employment.

As 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. 64, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1678 Ways and Means on S.C.R. No. 103

The purpose of this Concurrent Resolution is to request the Department of Transportation to study alternatives to the Keeau-Pahoa Road on the Big Island.

Your Committee finds that the Keeau-Pahoa Road is the only thoroughfare in Puna. This small, two-lane road is not meeting the increasing demands of a fast growing Puna community. Your Committee also finds that the increased traffic on the road has caused numerous accidents due to impatient overtaking motorists.

Your Committee is very concerned about this problem but needs more information before any formal action is taken. Your Committee is therefore requesting this study to seek alternatives to the Keaau-Pahoa Road.

As 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. 103 and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1679 Ways and Means on S.R. No. 43

The purpose of this Resolution is to request the Department of Transportation to study alternatives to the Keeau-Pahoa Road on the Big Island.

Your Committee finds that the Keeau-Pahoa Road is the only thoroughfare in Puna. This small, two-lane road is not meeting the increasing demands of a fast growing Puna community. Your Committee also finds that the increased traffic on the road has caused numerous accidents due to impatient overtaking motorists.

Your Committee is very concerned about this problem but needs more information before any formal action is taken. Your Committee is therefore requesting this study to seek alternatives to the Keaau-Pahoa Road.

As 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. 43 and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1680 Ways and Means on S.C.R. No. 131

The purpose of this measure is to request the Legislative Reference Bureau to review the adequacy of the Department of Education's language arts program for Hawaii Creole English speaking students with limited English proficiency.

Specifically, this measure requests the Bureau to:

- (1) Determine the number of students whose first language is Hawaii Creole English and who have limited proficiency in English;
- (2) Compare and interpret the standardized test scores of these students and English speaking students, including patterns of test results in reading comprehension, vocabulary, math computation, and word-problem solving;
- (3) Compare the proportion of students in the total student population who are in remedial reading classes, special education classes, and alternative programs, and those students who have dropped out of school;
- (4) Determine the extent to which positive or negative attitudes toward these students and Hawaii Creole English are reflected by the school in rules, policies, and practices, whether explicit or implicit;
- (5) Determine the extent to which these students are helped to make the transition from Hawaii Creole English to standard English;
- (6) Determine the extent to which schools are using the Keaukaha Project and the Hawaii English Program materials and the Language-Experience-Thinking based strategies, and materials developed by Projects Holopono and Akamai;
- (7) Survey teachers and students regarding the need for a program for Hawaii Creole English speaking students with limited English proficiency;

- (8) Inquiry whether the Department of Education, having received federal funds for Projects Holopono and Akamai, is now obligated to implement a program statewide for these students; and
- (9) Gather information from the Department of Education, the University of Hawaii College of Education, the Hawaii State Teachers Association, the Hawaii Parent, Teacher, and Student Association, and all of the public schools to perform all of the abovementioned activities.

Your Committee finds that policy decisions concerning curriculum, teaching, and learning in the public school system are more appropriately made by the Board of Education, the Superintendent of Education, the Department of Education, and their "customers". The decision to continue programs for Hawaii Creole English speaking students should be weighed against the costs of these programs, and the cost to other programs, and any statistically significant improvements in student achievement. Objective criteria and quantitative data, as well as subjective criteria and qualitative data, should be used to justify this policy decision to parents, teachers, and students.

Your Committee has amended this measure by:

- (1) Requesting the Department of Education to:
 - (A) Submit the information described in paragraphs (1) to (9) to the Legislative Reference Bureau before August 31, 1999; and
 - (B) Describe the criteria and data that were used to decide whether the abovementioned programs would be continued or discontinued;
- (2) Requesting the Legislative Reference Bureau to summarize the Department of Education's research concerning the adequacy of the language arts program; 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 concurs with the intent and purpose of S.C.R. No. 131, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 131, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1681 Ways and Means on S.R. No. 29

The purpose of this measure is to request the Department of Health to study the feasibility of recycling roofing materials into economically viable products.

Your Committee finds that business and government should work in partnership to develop and expand commercial markets for recyclable materials and recycled content products, and to facilitate recycling and environmental business and technology development. Landfilling roofing materials that can be recycled into economically viable products does little to improve the environment or the State's economy because contractors must pay a hefty tipping fee to bury these materials in landfills that could become the site of pollution problems in the future. Your Committee also finds that asphalt-bearing roofing materials are not accepted for burning at the H-POWER plant and, consequently, does not contribute to meeting the energy needs of the State.

Your Committee has amended this measure by:

- (1) Requesting the Department of Health to consult specifically with the Department of Business, Economic Development, and Tourism and the Clean Hawaii Center in conducting this study; 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 concurs with the intent and purpose of S.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 29, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1682 Ways and Means on S.C.R. No. 139

The purpose of this Concurrent Resolution is to request the Board of Land and Natural Resources and the Board of Water Supply of the City and County of Honolulu, working in concert with the appropriate federal agency, to conduct a study of alternate sources of clean and safe drinking water, including desalination plants, to ascertain their economic feasibility to supplement Hawaii's ground water sources.

The Board of Land and Natural Resources is requested to report findings and recommendations to the Legislature twenty days prior to the Regular Session of 2000.

Your Committee finds that in recent years, concerns about the safety of the State's ground water sources in the City and County of Honolulu have been raised, both in the civilian and military communities, by Mililani and Village Park/Waipahu residents, and officials at Tripler Army Hospital. Your Committee understands that it is critical that Hawaii residents, military personnel stationed in Hawaii, and all military personnel on vessels using Hawaii as a refueling point have a constant and continuous source of clean and safe drinking water.

Upon further consideration, your Committee has amended this Concurrent Resolution by placing the Board of Water Supply of the City and County of Honolulu as the lead agency in conducting the study, with the assistance of the Board of Land and Natural Resources. Accordingly, the Board of Water Supply of the City and County of Honolulu, rather than the Board of Land and Natural Resources, is requested to report findings and recommendations.

As 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. 139, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 139, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1683 Ways and Means on S.R. No. 59

The purpose of this Resolution is to request the Board of Land and Natural Resources and the Board of Water Supply of the City and County of Honolulu, working in concert with the appropriate federal agency, to conduct a study of alternate sources of clean and safe drinking water, including desalination plants, to ascertain their economic feasibility to supplement Hawaii's ground water sources.

The Board of Land and Natural Resources is requested to report findings and recommendations to the Legislature twenty days prior to the Regular Session of 2000.

Your Committee finds that in recent years, concerns about the safety of the State's ground water sources in the City and County of Honolulu have been raised, both in the civilian and military communities, by Mililani and Village Park/Waipahu residents, and officials at Tripler Army Hospital. Your Committee understands that it is critical that Hawaii residents, military personnel stationed in Hawaii, and all military personnel on vessels using Hawaii as a refueling point have a constant and continuous source of clean and safe drinking water.

Upon further consideration, your Committee has amended this Resolution by placing the Board of Water Supply of the City and County of Honolulu as the lead agency in conducting the study, with the assistance of the Board of Land and Natural Resources. Accordingly, the Board of Water Supply of the City and County of Honolulu, rather than the Board of Land and Natural Resources, is requested to report findings and recommendations.

As 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, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 59, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1684 Ways and Means on S.R. No. 73

The purpose of this Resolution is to request the Department of Land and Natural Resources, with the assistance of the private sector, military, and other concerned organizations, to form a task force to facilitate and create artificial near-shore habitats where appropriate and desired by the local community, and to create an adopt-a-reef program.

Your Committee finds that Hawaii's nearshore fisheries are in critical need of effective conservation, habitat enhancement, and management measures, both to prevent failure of the fisheries and to maintain the wise use of resources for future generations. Scientific evidence based on commercial landings data from the State, evaluated by federal agencies, have shown a decline in the landings, catch rate, and revenues of some nearshore species. The health of these populations are critical for sustenance and recreational and commercial fishing as well as tourism.

Despite the State's responsibility for the protection, restoration, and allocation of Hawaii's marine resources within three miles of Hawaii's shoreline, however, your Committee finds that the Department of Land and Natural Resources has been reluctant and unable to take management action to prevent further decline of these fisheries, citing the lack of adequate scientific data to demonstrate a need for more funds and management. Your Committee therefore finds that there is a need for a coordinated public and private sector effort to reverse these declines and restore Hawaii's fish populations.

As 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. 73, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1685 Ways and Means on S.R. No. 81

The purpose of this Resolution is to request the Department of Business, Economic Development and Tourism to develop a State Ocean and Coastal Resources Plan including a State Waters Recreation Master Plan.

Your Committee finds that our State is heavily dependent upon the ocean as a source of recreation and employment. Because the ocean is a limited, if not, dwindling resource, these interests sometimes find themselves competing for the same limited resources. Additionally, a stagnant economy does little to assist in the resolution of such competing interests.

A State Ocean and Coastal Resources Plan would resolve some of these problems by applying natural resource accounting methods to prudently manage our ocean resources to benefit all interested parties. A State Waters Recreation Master Plan would also help in defining and regulating the growing recreational use of the ocean.

As 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. 81 and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1686 Ways and Means on S.R. No. 85

The purpose of this Resolution is to request the Department of Human Resources Development to create a job classification for advanced practice registered nurses.

Your Committee finds that recent legislation authorized the certification of advanced practice registered nurses. Your Committee further finds that the State must now take appropriate personnel actions to create a job classification for them within the state system. The current lack of such positions prevents the State from recruiting, retaining, and appropriately utilizing such specially trained and certified nurses.

As 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. 85, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1687 Ways and Means on S.C.R. No. 144

The purpose of this concurrent resolution is to support the State's HOPE VI grant application to assist public housing projects.

The concurrent resolution also urges the Department of Housing and Urban Development to act favorably on the State's grant application.

Your Committee finds that the objective of the federally funded HOPE VI grant program is to revitalize severely distressed public housing projects by providing grants for planning, demolition, refurbishment, and if necessary, replacement of existing housing structures. Since 1993, the Department of Housing and Urban Development has annually awarded over \$500 million in HOPE VI grants on a competitive basis to eligible public housing authorities.

Your Committee also finds that considering the many aging housing projects in Hawaii and the State's stagnant economy, it is imperative that the State make every effort to secure its fair share of HOPE VI funds. Your Committee whole-heartedly concurs with the intent of this concurrent resolution that the State should apply for such grants on an annual basis.

As 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. 144, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1688 Ways and Means on S.C.R. No. 147

The purpose of this measure is to request the Insurance Commissioner to make a comprehensive analysis of all health and dental plans.

Additionally, this measure requests the Auditor to assess the inequities or unevenness of the tax laws and any other laws in relation to mutual benefit societies and all of insurance.

Your Committee finds that maintaining the high standard of excellence in health care in Hawaii is important to the well being of our citizens. The quest for excellence is an on-going process that requires regular review and evaluation to ensure equal treatment and protection of consumer rights. Your Committee finds that a comprehensive analysis of health and dental plans and an assessment of tax and other laws in relation to mutual benefit societies and all of insurance are essential elements to evaluate and extend Hawaii's reputation for excellence.

As 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. 147, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1689 Ways and Means on S.R. No. 94

The purpose of this measure is to request the Insurance Commissioner to make a comprehensive analysis of all health and dental plans.

Additionally, this measure requests the Auditor to assess the inequities or unevenness of the tax laws and any other laws in relation to mutual benefit societies and all of insurance.

Your Committee finds that maintaining the high standard of excellence in health care in Hawaii is important to the well being of our citizens. The quest for excellence is an ongoing process that requires regular review and evaluation to ensure equal treatment and protection of consumer rights. Your Committee finds that a comprehensive analysis of health and dental plans and an assessment of tax and other laws in relation to mutual benefit societies and all of insurance are essential elements to evaluate and extend Hawaii's reputation for excellence.

As 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. 94, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1690 Ways and Means on S.C.R. No. 149

The purpose of this Concurrent Resolution is to request a study for a comprehensive review to assess services for deaf, hard of hearing, and deaf-blind populations.

Services for an estimated 72,000 persons with hearing loss in Hawaii are fragmented and uncoordinated, making it difficult for them to receive all available services in the most efficient and cost effective manner. Deaf, hard of hearing, and deaf-blind persons receive inadequate or unacceptable levels of public and private services. This adversely affects lives, their work, families, and social activities, resulting in an overall reduction in their quality of life. This Concurrent Resolution requests the Commission on Persons with Disabilities to conduct a comprehensive review to assess services for deaf, hard of hearing, and deaf-blind persons.

This Concurrent Resolution requests the Commission on Persons with Disabilities, with the assistance of the Legislative Reference Bureau, to conduct a two-year comprehensive review to assess services for deaf, hard of hearing, and deaf-blind persons.

The Commission on Persons with Disabilities is requested to:

- (1) Review the range of services to the target population currently available in the public and private sectors in Hawaii;
- (2) Identify those federal and state laws that mandate services to the target population, and assess the level of compliance with those laws;
- (3) Determine the current adequacy and gaps in the provision of mandated services to the target population; and
- (4) Make recommendations on the establishment of an administrative structure to provide and monitor appropriate and effective services to the target population.

The study is further requested to review:

- (1) Communication access;
- (2) Education;
- (3) Early intervention programs;

- (4) Post-secondary education;
- (5) Social services;
- (6) Employment;
- (7) Independent living;
- (8) Telecommunications;
- (9) Mental health;
- (10) Recreation including tourism;
- (11) Emergency notification including civil defense; and
- (12) Professional development and standards for those persons who serve the target population.

The Commission on Persons with Disabilities is also requested to convene a task force to provide input for the study, including representatives from the following organizations and groups:

- (1) Aloha Association for the Deaf;
- (2) Hawaii Services on Deafness;
- (3) Hawaii State Coordinating Council on Deafness;
- (4) Coordinating Council on Persons Who Are Deaf-Blind in Hawaii;
- (5) Ohana Kuli Ano Kokua chapter of the national Self-Help for the Hard of Hearing People;
- (6) Deaf and Hard of Hearing Advisory Committee to Vocational Rehabilitation Services;
- (7) Advisory Council for Hawaii Center for the Deaf and the Blind;
- (8) Gallaudet University Regional Center;
- (9) Pacific Basin Rehabilitation Research and Training Center;
- (10) One consumer representative from each county;
- (11) One representative who is a member of the target population;
- (12) One representative who is a family member of a person who is member of the target population;
- (13) One representative who has an interest in the target population community;
- (14) Hawaii Registry of Interpreters for the Deaf;
- (15) Kapiolani Community College Interpreter Education Program; and
- (16) Department of Human Services, Vocational Rehabilitation and Services for the Blind Division.

This Concurrent Resolution further requests the Commission on Persons with Disabilities to submit, with the assistance of the Legislative Reference Bureau, an interim report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000, and a final report no later than twenty days prior to the convening of the Regular Session of 2001.

Upon further consideration, your Committee has amended this Concurrent Resolution to clarify that the role of the Legislative Reference Bureau is to assist the Commission on Persons with Disabilities in drafting any proposed legislation that may be recommended by the Commission as a result of its study.

As 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. 149, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 149, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1691 Ways and Means on S.C.R. No. 157

The purpose of this Concurrent Resolution is to request the Auditor to review and identify fiscally-related powers conferred upon or assumed by the executive branch since 1987 that may be reclaimed or reasserted by the Legislature.

Your Committee finds that article VII, section 5 of the Hawaii Constitution provides that "No public money shall be expended except pursuant to appropriations made by law." Nevertheless, while the Legislature holds the "power of the purse" under the constitutional separation of powers doctrine, the dominant role in fiscal affairs has apparently shifted over time to the executive branch.

In particular, under the rationale of the need for flexibility, the executive branch has assumed increasingly more discretionary authority on spending matters and has exercised substantial discretionary authority as to how much can be spent on the various programs of state government and how those programs and projects are to be financed. An example of increased discretionary authority is the Governor's authority to transfer appropriations from one program to another, one of the most enduring of the flexibility provisions in the General Appropriations Act. Your Committee finds that the Legislature must play a more dominant role in fiscal affairs for representative government and the system of checks-and-balances to work properly, and that the trend in favor of executive flexibility and discretionary authority must be reviewed.

As 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. 157, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1692 Ways and Means on S.C.R. No. 165

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources, with the assistance of the private sector, military, and other concerned organizations, to form a task force to facilitate and create artificial near-shore habitats where appropriate and desired by the local community, and to create an adopt-a-reef program.

Your Committee finds that Hawaii's nearshore fisheries are in critical need of effective conservation, habitat enhancement, and management measures, both to prevent failure of the fisheries and to maintain the wise use of resources for future generations. Scientific evidence based on commercial landings data from the State, evaluated by federal agencies, have shown a decline in the landings, catch rate, and revenues of some nearshore species. The health of these populations are critical for sustenance and recreational and commercial fishing as well as tourism.

Despite the State's responsibility for the protection, restoration, and allocation of Hawaii's marine resources within three miles of Hawaii's shoreline, however, your Committee finds that the Department of Land and Natural Resources has been reluctant and unable to take management action to prevent further decline of these fisheries, citing the lack of adequate scientific data to demonstrate a need for more funds and management. Your Committee therefore finds that there is a need for a coordinated public and private sector effort to reverse these declines and restore Hawaii's fish populations.

As 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. 165, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1693 Ways and Means on S.C.R. No. 178

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development and Tourism to develop a State Ocean and Coastal Resources Plan including a State Waters Recreation Master Plan.

Your Committee finds that our State is heavily dependent upon the ocean as a source of recreation and employment. Because the ocean is a limited, if not, dwindling resource, these interests sometimes find themselves competing for the same limited resources. Additionally, a stagnant economy does little to assist in the resolution of such competing interests.

A State Ocean and Coastal Resources Plan would resolve some of these problems by applying natural resource accounting methods to prudently manage our ocean resources to benefit all interested parties. A State Waters Recreation Master Plan would also help in defining and regulating the growing recreational use of the ocean.

As 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. 178 and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1694 Ways and Means on S.C.R. No. 195

The purpose of this Concurrent Resolution is to allow the Board of Land and Natural Resources to grant easements to specified lands, subject to prior approval by the Governor and authorization by the Legislature, for maintenance purposes.

In 1988, a seawall in Keauhou, North Kona, was severely damaged by high storm surf. The Blue Chip Corporation (BCC) gunnited the seaward face of the wall to stabilize the damage. In the process, some gunnite was accidentally slurried on the rock outcrops below the seawall. BCC later received a notice of a special management area violation from the County of Hawaii and a notice of violation from the Department of Land and Natural Resources for application of gunnite without a permit.

The Office of Environmental Quality Control determined that staining the gunnited areas black would be the best mitigative solution. BCC and DLNR are working out the final requirements of the settlement, which will require BCC to periodically stain the gunnited area. Your Committee finds that BCC will need to obtain an easement to allow it to come onto state land as necessary to stain the gunnited area, and that the provisions of this Concurrent Resolution will assist in resolving this situation.

As 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. 195, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1695 Ways and Means on S.C.R. No. 199

The purpose of this Concurrent Resolution is to urge the United States Congress, the President of the United States, and the Secretary of Health and Human Services to support the Hawaii congressional delegation's effort to amend the Social Security Act to increase Hawaii's federal medical assistance percentage.

Your Committee finds that Hawaii needs to assert itself when federal dollars are made available for programs such as Medicaid. Hawaii's Medicaid beneficiaries should continue to receive necessary medical care, and Hawaii's share of the costs of providing Medicaid services should not be diminished because of its high cost of living.

Your Committee further finds that the federal government's payment to the State for Medicaid is based on a formula which fails to take into account Hawaii's high cost of living. If the federal medical assistance percentage is changed, Hawaii could recover about \$7,000,000 for each percentage point increase in the federal medical assistance percentage rate. This would help Hawaii when its economy is particularly weak and its government is less able to provide general funds to maintain adequate levels of services for the Medicaid 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. 199, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1696 Ways and Means on S.C.R. No. 219

The purpose of this concurrent resolution is to request the Hawaii Supreme Court to study the issues related to the practice of gift-giving by court reporters.

Specifically, the Supreme Court is requested to review court rules and consider whether guidelines should be established for the giving of gifts or awards by court reporters to attorneys or the attorneys' clients.

Your Committee finds that some concern has been raised over whether the giving and receiving of gifts affects the neutrality of the court reporter and the veracity of any transcript produced by the court reporter, and may call into question the very neutrality of the judicial process itself.

Your Committee also notes that some question has been raised as to what entity is best suited to conduct this study. Your Committee is confident that the Hawaii Supreme Court, as the ultimate arbiter of legal issues in the State and ethical issues among attorneys, will be able to maintain its neutrality and impartiality in this matter, as it does in all other matters that come before its esteemed justices. Accordingly, your Committee is completely satisfied that the Hawaii Supreme Court is not only an appropriate body, but clearly the most appropriate body, to explore 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 concurs with the intent and purpose of S.C.R. No. 219, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1697 Ways and Means on S.C.R. No. 179

The purpose of this Concurrent Resolution is to urge more public education on the merits of volunteer service and on effective methods for recruiting and retaining volunteers.

Your Committee finds that volunteers have been the backbone of many service organizations over the years and during the State's current economic crisis, volunteers are even more valuable because there is less money to pay for programs. Volunteers themselves often claim that they too, benefit from their charitable work, learning about how government programs work, which agencies serve which groups, and becoming more familiar with the problems of the recipients of these services. Retirees, school children, and others who still work often contribute millions of person hours to food banks, teaching children how to read, mentoring teenagers, coaching sports teams, and so on. If these volunteers disappeared, society would suffer unimaginable dislocations. In order to maintain a high level of volunteerism, your Committee believes there is a need to educate volunteers and agencies that use volunteers on which recruitment techniques and administrative rewards should be encouraged and other matters which affect the rise and fall of volunteerism. This Concurrent Resolution is designed to accomplish this goal by gathering a bibliography of publications and training materials to be used by those interested in this topic.

Your Committee has amended this Concurrent Resolution to request that the Office of State Volunteer Services be the lead agency to gather a list of publications on volunteerism and submit its report to the Legislature. This office is directly involved with volunteer services and, as the State's lead agency in this area, has primary and responsibility for recruiting and placing volunteers. Therefore, your Committee finds that the Office of State Volunteer Services should direct this report on recommended readings on volunteer management.

As 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. 179, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 179, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1698 (Majority) Ways and Means on S.C.R. No. 39

The purpose of this measure is encourage the federal government to use project labor agreements in federal construction contracts.

Project labor agreements have been used informally in federal construction contracts and operate to provide a continuous flow of work throughout the construction project. Project labor agreements help fill the gaps and smooth over the bumps when different trades are working together on the same project. Project labor agreements have proven to be successful for several large federal projects.

Federal contracts are awarded according to the federal acquisition regulations, a part of the Code of Federal Regulations, which do not provide for project labor agreements. This means project labor agreements are entered into irregularly, on an ad hoc basis, as part of construction contracts.

Your Committee finds that it would be beneficial to mandate the use of project labor agreements in certain federal contracts. Your Committee agrees that encouraging Hawaii's congressional delegation to pursue the permanent use of projection labor agreements in all federal contracts issued for the State of Hawaii will provide efficient service and be an effective management tool.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 39, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, 1 (Anderson). Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1699 (Majority) Ways and Means on S.R. No. 17

The purpose of this measure is to encourage the federal government to use project labor agreements in federal construction contracts.

Project labor agreements have been used informally in federal construction contracts and operate to provide a continuous flow of work throughout the construction project. Project labor agreements help fill the gaps and smooth over the bumps when different trades are working together on the same project. Project labor agreements have proven to be successful for several large federal projects.

Federal contracts are awarded according to the federal acquisition regulations, a part of the Code of Federal Regulations, which do not provide for project labor agreements. This means project labor agreements are entered into irregularly, on an ad hoc basis, as part of construction contracts.

Your Committee finds that it would be beneficial to mandate the use of project labor agreements in certain federal contracts. Your Committee agrees that encouraging Hawaii's congressional delegation to pursue the permanent use of projection labor agreements in all federal contracts issued for the State of Hawaii will provide efficient service and be an effective management tool.

As 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. 17, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, 1 (Anderson). Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1700 Ways and Means on S.C.R. No. 43

The purpose of this measure is to support the proposed artificial reef and derelict wreck placement at the Oahu dive site of the Voyager submarines, and the issuance of a nonexclusive easement for the use of the state-owned submerged lands.

Voyager Submarines Hawaii has already obtained a provisional permit from the Department of the Army and the Army Corps of Engineers is prepared to issue a valid permit authorizing the installation of the reef. The project has also received approvals from the Department of Health and the Office of Planning. The artificial reef will also provide six mooring balls for dive boats to minimize damage to the growing reef and provide additional access to the site.

Your Committee finds that establishing an artificial reef that promotes coral and fish growth where there is little live coral growth on the seabed and the fishery is depleted is consistent with the main aspects of the State's environmental policy. At the same time this artificial reef adds value to the economy by providing additional interesting dive sites for residents and visitors alike.

As 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. 43, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1701 Ways and Means on S.R. No. 23

The purpose of this measure is to support the proposed artificial reef and derelict wreck placement at the Oahu dive site of the Voyager submarines, and the issuance of a nonexclusive easement for the use of the state-owned submerged lands.

Voyager Submarines Hawaii has already obtained a provisional permit from the Department of the Army and the Army Corps of Engineers is prepared to issue a valid permit authorizing the installation of the reef. The project has also received approvals from the Department of Health and the Office of Planning. The artificial reef will also provide six mooring balls for dive boats to minimize damage to the growing reef and provide additional access to the site.

Your Committee finds that establishing an artificial reef that promotes coral and fish growth where there is little live coral growth on the seabed and the fishery is depleted is consistent with the main aspects of the State's environmental policy. At the same time this artificial reef adds value to the economy by providing additional interesting dive sites for residents and visitors alike.

As 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. 23, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1702 Ways and Means on S.C.R. No. 55

The purpose of this Concurrent Resolution is to request the Auditor to conduct a management audit of the Department of Land and Natural Resources.

Your Committee finds that the Legislature must exercise its responsibilities regarding oversight of executive agencies in pursuit of efficient public administration. The Auditor is the Legislature's important "right arm" in conducting an effective review and appraisal of the performance of public agencies.

Your Committee also finds that the Department of Land and Natural Resources, which has a broad scope of responsibility over public lands and coastal waters, touches the life of nearly every resident who boats, camps, hunts, swims, hikes, bikes, fishes, picnics, and otherwise interacts with the natural environment of Hawaii. Whether the citizen engages in activity in the mountains or the sea, there is likely to be some connection with the responsibilities and functions of the Department of Land and Natural Resources.

Your Committee finds that in light of the need to accurately determine the State's public land inventory, both for purposes of determining the extent of ceded lands and also to determine appropriate state revenues, a new follow-up on the Auditor's prior review of the Department of Land and Natural Resources' land management programs should be undertaken. Your Committee notes that the original management audit was too broad.

As 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. 55, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1703 Ways and Means on S.C.R. No. 65

The purpose of this measure is to request the Department of Health to study the feasibility of recycling roofing materials into economically viable products.

Your Committee finds that business and government should work in partnership to develop and expand commercial markets for recyclable materials and recycled content products, and to facilitate recycling and environmental business and technology development. Landfilling roofing materials that can be recycled into economically viable products does little to improve the environment or the State's economy because contractors must pay a hefty tipping fee to bury these materials in landfills that could become the site of pollution problems in the future. Your Committee also finds that asphalt-bearing roofing materials are not accepted for burning at the H-POWER plant and, consequently, does not contribute to meeting the energy needs of the State.

Your Committee has amended this measure by:

- (1) Requesting the Department of Health to consult specifically with the Department of Business, Economic Development, and Tourism and the Clean Hawaii Center in conducting this study; 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 concurs with the intent and purpose of S.C.R. No. 65, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 65, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1704 (Majority) Ways and Means on S.C.R. No. 97

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau do a comprehensive study of the impacts of raising the state minimum wage.

Specifically, this Concurrent Resolution asks the Bureau to study and evaluate the interplay between Hawaii's economy and the minimum wage.

Your Committee finds that advocates of a minimum wage increase believe that the wage hike will raise employees out of poverty and off the welfare rolls, thus reducing general fund welfare payments and increasing income tax revenues. On the other hand, business community opponents believe that a wage hike will adversely affect the business climate in Hawaii, increasing entry level worker costs, reducing available entry level positions, and increasing wages and benefits across the board.

Your Committee finds, however, that this study requires data and technical expertise that are not generally possessed by legislative staff and service agencies, and therefore should be carried out by an executive agency. Accordingly, your Committee has amended this Concurrent Resolution by replacing the Legislative Reference Bureau with the University of Hawaii Center for Labor Education and 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 concurs with the intent and purpose of S.C.R. No. 97, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 97, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, 1 (Anderson). Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1705 Ways and Means on S.R. No. 40

The purpose of this Resolution is to request the Legislative Reference Bureau do a comprehensive study of the impacts of raising the state minimum wage.

Specifically, this Resolution asks the Bureau to study and evaluate the interplay between Hawaii's economy and the minimum wage.

Your Committee finds that advocates of a minimum wage increase believe that the wage hike will raise employees out of poverty and off the welfare rolls, thus reducing general fund welfare payments and increasing income tax revenues. On the other hand, business community opponents believe that a wage hike will adversely affect the business climate in Hawaii, increasing entry level worker costs, reducing available entry level positions, and increasing wages and benefits across the board.

Your Committee finds, however, that this study requires data and technical expertise that are not generally possessed by legislative staff and service agencies, and therefore should be carried out by an executive agency. Accordingly, your Committee has amended this Resolution by replacing the Legislative Reference Bureau with the University of Hawaii Center for Labor Education and 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 concurs with the intent and purpose of S.R. No. 40, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 40, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1706 Ways and Means on S.C.R. No. 110

The purpose of this Concurrent Resolution is to request the Hawaii Council of Heritage and Culture to consider a month-long celebration in honor of Hawaii's diverse cultures.

Your Committee finds that honoring the different cultures in Hawaii will showcase the contributions of many ethnic groups and, in particular, will benefit the children of our State by encouraging and teaching a better understanding of and an increased tolerance for diversity. In addition, your Committee notes that a month-long celebration in honor of Hawaii's diverse cultures would assist in the promotion of the State's visitor industry and may help to stimulate further economic development.

As 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. 110, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1707 Ways and Means on S.R. No. 48

The purpose of this Resolution is to request the Hawaii Council of Heritage and Culture to consider a month-long celebration in honor of Hawaii's diverse cultures.

Your Committee finds that honoring the different cultures in Hawaii will showcase the contributions of many ethnic groups and, in particular, will benefit the children of our State by encouraging and teaching a better understanding of and an increased tolerance for diversity. In addition, your Committee notes that a month-long celebration in honor of Hawaii's diverse cultures would assist in the promotion of the State's visitor industry and may help to stimulate further economic development.

As 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. 48, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1708 Ways and Means on S.C.R. No. 117

The purpose of this measure is to find solutions to alleviate the user conflicts at the Pohoiki boat ramp on the Big Island.

Specifically, this measure requests the Department of Land and Natural Resources to study the feasibility of constructing a boat ramp for use by recreational users at Cape Kumukahi, or, in the alternative, to consider the construction of a regional recreational facility at Cape Kumukahi that includes camping, shoreline recreational use, and a boat ramp for recreational users.

Your Committee finds that both commercial fishermen and recreational boat users are entitled to safe and proper access to the ocean from the state shoreline. As steward of the state shoreline, the Department of Land and Natural Resources has already identified the Pohoiki facility as a "hot spot". Your Committee believes that this study is an important step in alleviating the present conflict.

As 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. 117, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1709 Ways and Means on S.R. No. 55

The purpose of this measure is to find solutions to alleviate the user conflicts at the Pohoiki boat ramp on the Big Island.

Specifically, this measure requests the Department of Land and Natural Resources to study the feasibility of constructing a boat ramp for use by recreational users at Cape Kumukahi, or, in the alternative, to consider the construction of a regional recreational facility at Cape Kumukahi that includes camping, shoreline recreational use, and a boat ramp for recreational users.

Your Committee finds that both commercial fishermen and recreational boat users are entitled to safe and proper access to the ocean from the state shoreline. As steward of the state shoreline, the Department of Land and Natural Resources has already identified the Pohoiki facility as a "hot spot". Your Committee believes that this study is an important step in alleviating the present conflict.

As 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. 55, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1710 Ways and Means on S.C.R. No. 158

The purpose of this Concurrent Resolution is to study potential legislation on computer crimes.

Your Committee finds that the increased use of and reliance on personal computers has opened the possibility of computer harassment, cyber-stalking, computer trespass, invasion of privacy, spamming, and identity theft, activities that the residents of this State should be protected from, to the greatest extent possible. The law regarding state jurisdiction in regard to these and other areas is unclear and unsettled, however. Before the State can enact laws to protect its residents, the State needs to know the extent of its jurisdiction and ability to do so. Your Committee finds that a study is necessary to determine these issues, and, once determined, recommend potential legislation to provide the appropriate legal safeguards.

Your Committee has amended the Concurrent Resolution by deleting references to the working group and instead requesting the Bureau to consult with the agencies that formerly comprised the working group.

As 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. 158, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 158, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1711 Ways and Means on S.C.R. No. 194

The purpose of this measure is to encourage asset building through individual development accounts by requesting the Department of Human Services, the Housing and Community Development Corporation of Hawaii, and the Department of Business, Economic Development, and Tourism to collaborate with individual development account practitioners and support organizations to assist in the proliferation of individual development accounts in Hawaii.

Individual development accounts are interest-bearing, subsidized, tax-benefitted accounts designed to provide individuals and families with limited financial means an opportunity to accumulate assets. Individual development accounts are effective vehicles to save for the purchase of a first home, post-secondary education and business ownership.

Your Committee finds that individual development accounts have emerged in Hawaii as a successful anti-poverty initiative that has already helped families formerly living in public housing to purchase their own homes. Your Committee finds that encouraging the use of individual development accounts will help people realize a broader spectrum of opportunities.

As 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. 194, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1712 Ways and Means on S.C.R. No. 202

The purpose of this Concurrent Resolution is to request the Hawaii Forestry and Communities Executive Council and the Department of Health to convene a meeting to discuss means to attract carbon investments to the State to contribute to the mitigation of global warming.

Your Committee finds that carbon offset forestry projects are comprised of newly planted forests and conservation forests that serve to reduce the overall net emissions of greenhouse gases into the atmosphere by absorbing carbon dioxide from the atmosphere and storing the carbon dioxide as wood.

Your Committee further finds that the market for these projects are in the formative stage and accordingly presents an attractive investment opportunity to the State given the State's forest sector. Capitalizing upon this opportunity requires as a threshold matter a coordinated discussion among interested parties to secure a foundation and lay the infrastructure for the incipient 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. 202, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1713 Ways and Means on S.R. No. 88

The purpose of this Resolution is to request the Hawaii Forestry and Communities Executive Council and the Department of Health to convene a meeting to discuss means to attract carbon investments to the State to contribute to the mitigation of global warming.

Your Committee finds that carbon offset forestry projects are comprised of newly planted forests and conservation forests that serve to reduce the overall net emissions of greenhouse gases into the atmosphere by absorbing carbon dioxide from the atmosphere and storing the carbon dioxide as wood.

Your Committee further finds that the market for these projects are in the formative stage and accordingly presents an attractive investment opportunity to the State given the State's forest sector. Capitalizing upon this opportunity requires as a threshold matter a coordinated discussion among interested parties to secure a foundation and lay the infrastructure for the incipient 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.R. No. 88, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1714 Ways and Means on S.C.R. No. 203

The purpose of this Concurrent Resolution is to request the Office of Hawaiian Affairs to make an appropriation to fund historical signage for the King Kamehameha I statue.

Your Committee finds that the area around the King Kamehameha statue lacks adequate signage to inform visitors and residents alike about the significance of Hawaii's first king's contributions. This is a shame, as the statue itself is well made and admired by many. It stands in an area frequented by tourists, conventioners, joggers, and others who pass by and wonder at its significance. Honolulu is a world-renowned place where the addition of the King Kamehameha statue should be more than another curiosity.

Your Committee has amended this Concurrent Resolution:

- (1) To ask the Legislature to establish a historical district committee to study the design and cost of the statue and make recommendations for changes to the Historical District, with a report to the Senate Committee on Water, Land and Hawaiian Affairs before the regular legislative session of 2000;
- (2) Added that a copy of the Concurrent Resolution be send to the arts program specialist of the King Kamehameha celebration commission; and
- (3) Changed some whereas clauses to reflect the new emphasis of this Concurrent Resolution.

As 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. 203, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 203, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1715 Ways and Means on S.C.R. No. 210

The purpose of this measure is to request the Legislative Reference Bureau, with the assistance of the Department of Education, to conduct a study on the Department of Education's plan to move sixth grade students from the elementary schools to intermediate schools to implement the middle school program.

Specifically, this measure requests the Legislative Reference Bureau to:

- (1) Investigate and consider the concerns of affected parents and communities;

- (2) Investigate and consider the concerns of sixth grade students, as well as other elementary and intermediate school-aged students;
- (3) Determine the anticipated funding needs and resource adjustments of the Department of Education and affected schools;
- (4) Evaluate whether the "means" described in the middle school plan are appropriate given the desired "ends" of the middle school program; and
- (5) Evaluate alternatives to the middle school plan, such as combining seventh and eighth grades with elementary schools.

Your Committee finds that policy decisions concerning curriculum, teaching, and learning in the public school system are more appropriately made by the Board of Education, the Superintendent of Education, the Department of Education, and their "customers". The decision to move sixth grade students from the elementary schools to intermediate schools to implement the middle school program should be weighed against the costs of this program, and the cost to other programs, and any statistically significant improvements in student achievement. Objective criteria and quantitative data, as well as subjective criteria and qualitative data, should be used to justify this policy decision to parents, teachers, and students.

Your Committee has amended this measure by:

- (1) Requesting the Department of Education to:
 - (A) Conduct this study and submit findings and recommendations to the Legislature;
 - (B) Submit a status report to the Legislature before June 30, 1999; and
 - (C) Submit a final report to the Legislature before the convening of the Regular Session of 2000, rather than the Regular Session of 2001; 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 concurs with the intent and purpose of S.C.R. No. 210, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 210, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1716 Judiciary on Gov. Msg. No. 247

Recommending that the Senate advise and consent to the nomination of the following:

CIRCUIT COURT OF THE FIRST CIRCUIT

GARY W.B. CHANG, gubernatorial nominee to the Circuit Court of the First Circuit, for a term of Ten Years,

Upon review of the background information submitted by the nominee, your Committee finds that Gary W.B. Chang holds a Bachelor's degree from the University of Hawaii at Manoa and a J.D. degree from the University of Gonzaga Law School. Mr. Chang has 20 years of law experience and has served as a State Deputy Attorney General. He is a member of the Hawaii State Bar Association, the American Bar Association and Na Hoaloha O McKinley.

Testimony in support of the nominee was submitted to your Committee by: the Prosecuting Attorney of the City and County of Honolulu; the Hawaii State Bar Association; HGEA AFSCME Local 152; 34 members of the legal community; and four private citizens. All testimony unanimously supported the nomination of Mr. Chang by indicating that he is fair-minded, humble, compassionate, diligent, hard working, and possesses the highest level of integrity. Further, testifiers acknowledged that Mr. Chang possesses the legal knowledge and ability, professional experience, judicial temperament, and impartiality needed to be qualified as a judge in the First Circuit Court.

Your Committee members diligently questioned the nominee regarding his legal experience, his views on tort reform, his belief in community service, and his beliefs on the balance of powers between the judicial branch and the legislative branch of government. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

SCRep. 1717

Judiciary on Gov. Msg. No. 248

Recommending that the Senate advise and consent to the nomination of the following:

CIRCUIT COURT OF THE SECOND CIRCUIT

JOSEPH E. CARDOZA, gubernatorial nominee to the Circuit Court of the Second Circuit, for a term of Ten Years,

Upon review of the background information submitted by the nominee, your Committee finds that Joseph E. Cardoza holds a Bachelor's degree from Washington State University and a J.D. degree from the University of Puget Sound School of Law, now known as the Seattle University School of Law. Mr. Cardoza has 24 years of law experience and has served as President of the Hawaii Prosecuting Attorneys Association, President of the Maui County Bar Association, and as a member of the National District Attorneys Association. His community activities include Advisory Board Member of the Alzheimer's Association, Member of the Rotary Club of Kahului, Director of the Maui Portuguese Chamber of Commerce, and Director of the Maui Catholic Youth Organization.

Testimony in support of the nominee was submitted to your Committee by: the Prosecuting Attorney of the County of Hawaii; the Prosecuting Attorney of the County of Maui; the County of Maui Police Department; the Hawaii State Bar Association; the National Federation of Interscholastic Officials Association; the Hawaii Nurses Association; the Hawaii State Teachers Association; the Honorable Boyd P. Mossman; nine members of the legal community; and 23 private citizens. All testimony unanimously supported the nomination of Mr. Cardoza by indicating that he is fair, dedicated, trustworthy, compassionate, competent, hard working, and possesses the highest level of integrity and passion for his work. Further, testifiers acknowledged that Mr. Cardoza possesses the professional experience, legal knowledge and ability, judicial temperament, and diligence necessary to be highly qualified as a judge in the Second Circuit Court.

Your Committee members diligently questioned the nominee regarding his legal experience, his views on alternative dispute resolution, and his beliefs on the protection of privacy rights. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

SCRep. 1718

Judiciary on Jud. Com. No. 1

Recommending that the Senate advise and consent to the nomination of the following:

DISTRICT COURT OF THE FIFTH CIRCUIT

CALVIN K. MURASHIGE, judicial nominee to the District Court of the Fifth Circuit, for a term of Six Years,

Upon review of the background information submitted by the nominee, your Committee finds that Calvin K. Murashige holds an A.B. degree from Hamilton College and a J.D. degree from George Washington University. Mr. Murashige has 26 years of law experience and has served as a member of the Defender Council, the Standard Civil Injury Committee, and the Committee on Integration of the Bar. He has also served as a delegate to the Hawaii State Judicial Conference. His community activities include Scoutmaster for Troop 148, Aloha Council BSA, member of the Board of Directors of Ae Kamali'i Preschool, and moderator for Lihue Christian Church.

Testimony in support of the nominee was submitted to your Committee by: the Hawaii State Bar Association; the Honorable George Masuoka; eight members of the legal community; and three private citizens. All testimony unanimously supported the nomination of Mr. Murashige by indicating that he is extremely competent, of high moral character, caring, fair, impartial, compassionate, and possesses the highest level of integrity. Further, testifiers acknowledged that Mr. Murashige possesses the legal knowledge and ability, professional experience, judicial temperament, and diligence needed to be highly qualified as a judge in the Fifth Circuit District Court.

Your Committee members diligently questioned the nominee regarding his legal experience, his views on how to improve the family court system on Kauai, and his beliefs about juvenile offenders. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII TOURISM AUTHORITY

G.M. No. 202 SHARI W. CHANG, MARK ROLFING, KEITH VIEIRA and RON WRIGHT, for terms to expire June 30, 2000; and

GARY J. BALDWIN, W. DAVID P. CAREY III, GILBERT M. KIMURA, DIANE S. QUITIQUIT, JOHN LINN REED and ROY TOKUJO, for terms to expire June 30, 2002,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the board of directors of the Hawaii Tourism Authority to which they have been nominated.

Your Committee received testimony in support of the aforementioned nominees from the Department of Business, Economic Development, and Tourism, the Hawaii Tourism Authority, the Visitor Industry Coalition, and one individual.

Your Committee notes the following specific qualifications of the nominees:

Shari W. Chang is Senior Vice President of Sales and Marketing, Castle Resorts & Hotels, and she has served in various executive capacities with Island Holidays Tour and Aston Hotels and Resorts. Ms. Chang was selected to be the first person from Hawaii recognized nationally as one of the Top 100 Most Powerful Women in Travel in 1996, and has been honored as one of the Top 200 Women in Travel for 1997 and 1998. Ms. Chang's nomination was supported by six individuals.

Mark Rolfing is President of Rolfing Sports, Inc., is a network golf analyst, and has provided commentary for over a dozen golf championships each year on NBC. A Maui resident since 1976, he also serves as campaign director for the Maui Community Arts & Cultural Center. Mr. Rolfing's nomination was supported by the Maui Visitors Bureau and one individual.

Keith Vieira is Vice President, Director of Operations-Hawaii, Starwood Hotels & Resorts Worldwide, Inc., and oversees the operations and marketing for the nine Sheraton properties in Hawaii, as well as the Sheraton Palace Hotel in San Francisco. Mr. Vieira has over twenty-five years of experience in Hawaii and has served on numerous travel industry organizations. Mr. Vieira's nomination was supported by the Hawaii Activities and Tours Association and one individual.

Ron Wright is Managing Director, Sales and Marketing-Hawaii, Continental Airlines, a company he has been associated with for thirty years. Mr. Wright was instrumental in negotiating a partnership with the State of Hawaii and Continental, which resulted in a new maintenance facility at the Honolulu International Airport. He is active in a number of organizations, including the Boys and Girls Club and Pacific Asian and Affairs Council, and was past president of the Hawaii Chapter of the Pacific Asia Travel Association.

Gary J. Baldwin is President of the Kauai Economic Development Board and has an extensive entrepreneurial business background in Hawaii. He is a member and past chair of the County of Kauai Planning Commission and vice chair of the Kauai Business Council, and was awarded the Kauai Chamber of Commerce Aloha Spirit Award in 1993. Mr. Baldwin's nomination was supported by the Kauai Business Council, Kauai Electric and Citizens Utilities Company, and three individuals.

W. David P. Carey III is President and CEO, Outrigger Enterprises, Inc., where he oversees operations of more than 10,000 rooms and suites throughout Hawaii, the Pacific, and the U.S. mainland. He is a member of numerous business organizations, including the Hawaii Business Roundtable, the Chamber of Commerce of Hawaii, the American Bar Association, and the Young President's Organization. Mr. Carey's nomination was supported by the Hawaii Activities and Tours Association.

Gilbert M. Kimura is Regional Sales Manager, Japan Air Lines, where he began his career in 1964. He is also a member of the Chamber of Commerce of Hawaii and the Japanese Chamber of Commerce, serving on its board of directors from 1995-1998. Mr. Kimura's nomination was supported by the Japan-Hawaii Economic Council, Japan Airlines, JTB Hawaii, Inc., and three individuals.

Diane S. Quitquit is Director, Research and Development for the County of Hawaii. She began her career twenty-one years ago with AMFAC Hotels and Resorts, has served on the University of Hawaii Strategic Planning Committee, and the Five Mountain Medical Community Committee, among others. Ms. Quitquit received the Woman of the Year Award from the Hawaii Federation of Business and Professional Women in 1996. Ms. Quitquit's nomination was supported by the Big Island Visitors Bureau, Hawaii Island Economic Development Board, and two individuals.

John Linn Reed is President of Pacific Retail Development, DFS USA Region, and has been with DFS since 1978. He has been involved with an extensive number of community and business organizations, and is currently Chairman of the Board of Directors of Variety School of Hawaii, President of the Board of Trustees of the Public Schools Foundation of Hawaii, and 1998 Campaign Chairman for Aloha United Way, among many others. Mr. Reed's nomination was supported by the Hawaii Activities and Tours Association.

Roy Tokujo is President and CEO of Cove Marketing, Inc., and a thirty-four year veteran of the restaurant and entertainment business in Hawaii. In addition to his work in the tourism industry, he has served as chair of the board of the Hawaii Visitors and Convention Bureau and was a member of the Governor's Economic Revitalization Task Force. Mr. Tokujo's nomination was supported by the Hawaii Activities and Tours Association.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1720 Labor and Environment on Gov. Msg. No. 237

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII SCHOOL-TO-WORK OPPORTUNITIES EXECUTIVE COUNCIL

G.M. No. 237 JOAN WHITE, W. ROY JOHNSON, GERALD OKAMOTO, WILLIAM T. HONJIYO, DIANA ROSE MACHA, NORMAN JANICKI, JR., and KAIULANI DE SILVA, for terms to expire June 30, 2002,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Hawaii School-to-Work Opportunities Executive Council.

Your Committee specifically notes the following:

Joan White currently serves as the Vice President of Healthcare Association of Hawaii and as state executive of the American Health Care Association's Hawaii affiliate. She holds a Master's degree in Business Administration from Chaminade University and is a registered nurse in Hawaii. Ms. White has worked in the health care field in Hawaii since 1965. As Chairperson of the Farrington Health Academy Steering Committee for four years, she has worked directly with preparing students for employment in health care.

W. Roy Johnson is a glazier with thirteen years experience as Apprenticeship and Training Industry Training Coordinator with Architectural Metal and Glassworkers. He is a Journeyman Graduate from the Glaziers Apprenticeship Program at Honolulu Community College. Mr. Johnson is a member and past President of the Western Apprenticeship Coordinators Association and the Apprenticeship and Training Coordinators Association of Hawaii.

Gerald Okamoto is currently Human Resources Director at GTE Hawaiian Tel, a position he has held since March 1996. Mr. Okamoto holds a Bachelor of Arts degree in psychology from the University of California at Santa Barbara and a Master's degree in Business Administration from the University of New Haven. He is a board member of the Hawaii Business Health Council and a past member of the 1998 Economic Revitalization Task Force on Education and the 1997 Business Services Skill Standards Team Project. Mr. Okamoto also serves on the Honolulu District School-to-Work Council.

Testimony in support of the nominee was received from the Director of Human Resources at Punahou School and the Honolulu School District Superintendent of the Department of Education.

William T. Honjiyo is an independent consultant for matters pertaining to commercial leasing and sales. He also served as a shopping center and properties manager for twelve years as Vice President of Grove Farm Land Corporation on the island of Kauai. He is President of the Kauai Vietnam Veterans Association and was honored with the Veterans Small Business Advocate, State of Hawaii.

Diane Rose Macha is currently a senior at Wallace Rider Farrington High School. She is a member of the Farrington Health Academy, and Honor Roll student since 1995 with a grade point average of 3.824. Ms. Macha's career goal is to become a family nurse practitioner in a hospital setting.

Norman Janicki, Jr., currently serves as Director and Lobbyist for Hawaii-LECET. He graduated from Leeward Community College in 1978 and has extensive experience as a union agent and chief Contract Negotiator with the Laborers' Union Local 368. He also serves as Vice President of the Hawaii State Federation of Labor AFL-CIO. He is a member of Chamber of Commerce, serving on the Land Use/Transportation and Armed Services Committees. He is also a member of the Building Industry Association, serving on the Legislative Committee.

Kaiulani de Silva is currently Director of Education and Consumer Affairs with Hawaiian Electric Company. She holds a Masters of Public Health from the University of Hawaii at Manoa. In her capacity at Hawaiian Electric, she serves on the Leeward Partnership School-to-Work Council and the Honolulu District School-to-Work Council. Ms. de Silva serves on the Community Scholarship Committee of the Hawaii Community Foundation and is the Vice President of the Board of Directors of the Kalihi-Palama Culture and Arts Society, Inc. She is a former member of the School-to-Work Transition Center Advisory Council.

Testimony in support of the nominee was received from the Honolulu and Leeward District Superintendents of the Department of Education, and the Hawaii Business Roundtable.

Your Committee diligently questioned the nominees who appeared before the Committee about their role on the Hawaii School-to-Work Opportunities Executive Council, the relevance of their previous experience, and the goals they wish to accomplish during their term on the board. Your Committee believes that the nominees adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Chun Oakland, Fukunaga, Ige, M.).

SCRep. 1721 (Majority) Economic Development on Gov. Msg. No. 144

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRPERSON, BOARD OF AGRICULTURE

JAMES J. NAKATANI, gubernatorial nominee as Chairperson, Board of Agriculture, for a term to expire December 31, 2002,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that James J. Nakatani holds a bachelor's degree in Business Administration/Management from the University of Hawaii, is the former owner and manager of Nakatani Farms, Inc., and has served as the Chairperson of the Board of Agriculture, Department of Agriculture since January 1995. In addition, Mr. Nakatani has served as an officer or member of numerous agricultural organizations, including the Hawaii Farm Bureau Federation, the Hawaii State Farm Fair, the Watercress Grower's Association, the Agribusiness Development Corporation, and the Western United States Agricultural Trade Association, among others. He is also a member of several public and private sector advisory groups working on a broad range of issues critical to the agricultural industry.

Testimony in support of James J. Nakatani's nomination was received from the Hawaii Farm Bureau Federation, the Hawaii Aquaculture Association, the Hawaii Florist and Shippers Association, the Kamilo Nui Farmers Cooperative, the Pineapple Growers Association of Hawaii, The Nature Conservancy of Hawai'i, Alluvion, Inc., Del Monte Fresh Produce (Hawaii) Inc., Green Point Nurseries, Inc., Jefts Farms, Kahili Farm, Kea'au Banana Plantation, Inc., Mikilua Poultry Farm, Inc., Mountain Meadows, Palama Meat Co., Inc., and one individual.

Supporting testimony indicates that Mr. Nakatani is both an experienced farmer and a seasoned administrator. During his tenure as Chairperson, he has streamlined permitting processes and promoted economic development in the State, while remaining mindful of Hawaii's unique environmental qualities. Your Committee has heard that Mr. Nakatani has actively sought solutions to problems affecting Hawaii's agricultural and aquacultural industries during a period of transition and extensive change for Hawaii's farmers.

Your Committee further finds that early in his first term, Mr. Nakatani worked with the farming community to establish specific goals for the year 2000, as a benchmark for assessing the value of Hawaii's agricultural products. Mr. Nakatani has stated that the goals for many commodities have been surpassed, thanks to the hard work and diligence of the farmers and support groups throughout the State, and new goals for the year 2005 are now being established to continue this growth.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, 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, 1 (Ige, M.). Excused, 1 (Taniguchi).

SCRep. 1722 Economic Development on Gov. Msg. No. 147

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

SEIJI F. NAYA, Ph.D., gubernatorial nominee as the Director of Business, Economic Development, and Tourism, for a term to expire December 02, 2002,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that Seiji F. Naya, Ph.D., holds a doctorate from the University of Wisconsin, where his dissertation was recognized by the American Economic Association, the most prestigious association for professional economists. After graduation, Dr. Naya remained at the University of Wisconsin to continue his research and teaching, then joined the National Bureau of Economic Research, where he was one of the first to receive a faculty fellowship. As his interests expanded beyond research, Dr. Naya served as the head of the Regional Development

Group of Asia Foundation's South East Asian Development Advisory Group, and he joined the University of Hawaii in the late 1960s. Dr. Naya has also served as Chief Economist at the Asian Development Bank in Manila, has been a visiting professor in Japan and Thailand, and worked extensively with the Association of Southeast Asian Nations (ASEAN). He is the author or editor of more than ninety articles and twenty books. In 1996, Dr. Naya was recognized as the Hawaii State Administration of the Year by the American Society for Public Administration, and recognized by the Western Economic Association International in 1998 for his contributions to the field of economics.

Testimony in support of Dr. Naya submitted to the Committee indicates that he has brought a global perspective to the department and that his longstanding experience and extensive networks with the Asian Development Bank have allowed Hawaii companies to access markets throughout Asia, in part due to the high degree of respect many of American's trading partners hold for Dr. Naya. Dr. Naya has also been an active participant in reducing the State's regulatory burden for business, and has worked with a broad selection of public and private sector agencies to support and promote Hawaii's business community.

Supportive testimony was received from the Housing and Community Development Corporation of Hawaii, the Hawaii Strategic Development Corporation, the Small Business Task Force on Regulatory Relief, the Kauai Economic Development Board, the Hawaii Island Economic Development Board, the Hawaii State Teachers Association, the Hawaii Congress of Small Business, the Pacific Resource Partnership, the Honolulu Japanese Chamber of Commerce, the Chinese Chamber of Commerce, the Filipino Chamber of Commerce, the Vietnamese-American Chamber of Commerce, the Japanese Cultural Center of Hawaii, Kauai Electric and Citizens Utilities Company, the Queen's Medical Center, the Waikiki Improvement Association, the Dr. Sun Yat-Sen Hawaii Foundation, the Estate of James Campbell, Hawaii Business Magazine, ten private businesses, and twelve individuals. Supportive comments were also received from the U.S. Department of Commerce.

Your Committee members diligently questioned the nominee on his plans to encourage Hawaii's construction industry, his response to proposed tax incentives for new businesses and the impact of such tax breaks on current businesses, his programs for small business, and his goals for the improvement of Hawaii's business climate. Based upon this discussion, your Committee believes Dr. Naya has shown a commitment to bettering Hawaii's economic condition, and a willingness to work with both the public and private sector to accomplish his goals.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 1723 Transportation and Intergovernmental Affairs on Gov. Msg. No. 149

Recommending that the Senate advise and consent to the nomination of the following:

ADJUTANT GENERAL

EDWARD V. RICHARDSON, gubernatorial nominee as Adjutant General, for a term to expire December 2, 2002,

Upon review of the background information submitted by the nominee, your Committee finds that Edward V. Richardson has served as Adjutant General of the Department of Defense since 1991. After attending the University of Hawaii, General Richardson began his military career when he entered the Hawaii Air National Guard in 1956. He entered the U.S. Air Force Aviation Cadet Pilot Training Program and was commissioned a second lieutenant in 1957. Thereafter, he served as an assistant operations officer for the 199th Fighter Interceptor Squadron, served as a flying safety officer for the 154th fighter Group, and volunteered for active duty in Southeast Asia and was assigned to the 64th Fighter Interceptor Squadron in Thailand and Da Nang Air Base, Vietnam.

General Richardson was selected as commander of the 199th Fighter Interceptor Squadron in 1976, assigned as chief of staff, Headquarters, Hawaii Air National Guard, and promoted to colonel. In 1982, he was appointed commander of the Hawaii Air National Guard and promoted to brigadier general. General Richardson served as commander until 1991 when he was appointed Adjutant General of the Department of Defense.

In addition, General Richardson has numerous civic affiliations including Friends of Iolani Palace, Director; Aloha United Way, Director; American Redcross Hawaii Chapter, Director; Hawaii Chamber of Commerce; and Kamehameha Schools Alumni Association.

Testimony in support of the nominee was received from the U.S. Attorney's Office, U.S. Marshall's Office, Department of Public Safety, Office of Veterans Services, Hawaii National Guard Enlisted Association, Enlisted Association of the National Guard of the United States, Big Island Veterans Association, Kauai Veterans Council, Fleet Reserve Association, Branch 46, Waimanalo Neighborhood Board No. 32, and nineteen individuals.

All testimony unanimously supported the nomination of General Richardson and described him as a true advocate for the people of Hawaii including veterans and their families. Testimony indicated that he is a respected and accomplished leader. During his service as adjutant general, General Richardson earned the respect of his colleagues and subordinates by providing strong and innovative

leadership during times of disaster, war, and peace. He is committed to improving the efficiency and effectiveness of the Department of Defense and is a person of integrity, honor, and compassion.

Your Committee members diligently questioned the nominee regarding his goals for the Department of Defense. Generally, he discussed numerous goals relating to personnel, readiness, training, equipment and facilities, force structure, community relations, civil defense and veterans services. Based upon this discussion, your Committee believes that the nominee adequately responded to the committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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, 2 (Ige, D., Taniguchi).

SCRep. 1724 Transportation and Intergovernmental Affairs on Gov. Msg. No. 158

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF TRANSPORTATION

KAZU HAYASHIDA, gubernatorial nominee, as Director of Transportation for a term to expire December 2, 2002,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that since graduating from the University of Hawaii with a Bachelor of Science degree in engineering, Kazu Hayashida has dedicated his career to public service. He has served as Director of the Department of Transportation since 1995. Mr. Hayashida served as Manager and Chief Engineer with the Board of Water Supply of the City and County of Honolulu from 1978 to 1994, and has been a board member since 1995. He was the Director of the Department of Transportation Services from 1977 to 1998 and Director and Chief Engineer of the Department of Public Works of the City and County of Honolulu from 1974-1976.

Mr. Hayashida is a member of the Oahu Metropolitan Planning Organization, Aloha Tower Development Corporation, Hawaii Community Development Corporation, Hawaii Community Development Authority, and the Hawaii Tourism Authority. In addition, Mr. Hayashida has been a member of various professional organizations and associations relating to civil engineering, public and water works, and state highways and transportation.

Testimony in support of the nominee was received from the U.S. Department of Transportation, Board of Water Supply of the City and County of Honolulu, Aloha Airlines, Estate of James Campbell, Airlines Committee of Hawaii, Matson Navigation Company, Hookipa Aloha Council, and five individuals.

Testimony in support of the nominee submitted to your Committee indicated that Mr. Hayashida is a responsive leader who has created an environment within the Department of Transportation that fosters fairness, cooperation, and communication. As Director of Transportation, he has gained the respect and trust of current and former employees, colleagues, and the public. Your Committee finds that Mr. Hayashida has performed in his current position as Director of Transportation and in his other positions with integrity, superior judgment, and with understanding of people and their needs and concerns.

Your Committee members diligently questioned the nominee regarding his visions and priorities as Director of Transportation. Mr. Hayashida outlined his goals for the Department of Transportation that included working more closely with the communities, counties, and state agencies to improve all modes of transportation, improving customer service, streamlining the department, and developing safety programs for transportation. Mr. Hayashida further expressed his commitment to public service and to empower employees, provide them with clear goals and direction, treat them fairly, and hold them accountable for their actions. Based upon this discussion, your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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, 2 (Ige, D., Taniguchi).

SCRep. 1725 Commerce and Consumer Protection on Gov. Msg. No. 179

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOXING COMMISSION OF HAWAII

G.M. No. 179 EIICHI JUMAWAN, for a term to expire June 30, 2003,

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the State Boxing Commission of Hawaii.

Upon review of the resume and background information submitted by Eiichi Jumawan, your Committee finds that he holds a Bachelor's degree in Health, Physical Education, and Recreation from the University of Hawaii. Eiichi Jumawan has many qualifications which make him an exceptional candidate to serve on the State Boxing Commission. He is the President and Franchise Holder of Hawaii Golden Gloves, and was former President of the Hawaii USA Boxing Association, Inc. Additionally, he is a professional boxing referee. This extensive experience displays Eiichi Jumawan's qualifications for this position.

Testimony in support of the nominee was submitted by the Department of Commerce and Consumer Affairs.

Your Committee diligently questioned the nominee who appeared before the Committee about his previous role on the State Boxing Commission of Hawaii, the relevance of his previous experience, and the goals he wishes to accomplish during his term on the commission. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1726 Commerce and Consumer Protection on Gov. Msg. No. 219

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 219 RANDALL M. HASHIMOTO, JAY I. ISHIBASHI and CAROL S. SAKATA, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

Your Committee specifically notes the following:

Randall M. Hashimoto is a graduate of Waipahu High School. His career in surveying began in the Department of Transportation where he was Assistant Cadastral Engineer. Since August of 1994, he has been the State Land Survey Administrator in the Department of Accounting and General Services. Randall M. Hashimoto is a member in good standing with the Hawaii Association of Land Surveyors, and is also the Vice-Chairman of the American Congress on Surveying and Mapping, Hawaii Chapter. His extensive experience provides him with the skills necessary to serve this board well.

Testimony in support of Randall M. Hashimoto was submitted by the Department of Accounting and General Services.

Jay I. Ishibashi holds a Bachelor's degree in Political Science from the University of Hawaii. Mr. Ishibashi was first appointed to the board in 1995 and has been a valued member, providing the important public citizen perspective. He has served in various capacities with the board in its efforts to amend the rules, develop a Consumer Guide, and address the plan stamping problem. Currently the Vice-Chair of the board, Mr. Ishibashi has the skills, knowledge, and resources to continue to contribute to the success of the board's endeavors.

Testimony in support of Jay I. Ishibashi was submitted by the Department of Commerce and Consumer Affairs.

Upon review of the resume and background information submitted by Carol S. Sakata, your Committee finds that she holds a Bachelor's degree in Architecture from the University of Washington. Ms. Sakata is a registered architect in Hawaii, Guam, and the Northern Marianas. She has been serving on the board since 1995. In her previous term, Carol S. Sakata has made both local and national contributions, by representing the board in many programs and associations in this State and throughout the nation. Her dedication to the board, and her hard work and efforts demonstrate her continued ability to contribute to the success of the board's endeavors.

Testimony in support of Carol S. Sakata was submitted by 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, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1727 Commerce and Consumer Protection on Gov. Msg. No. 222

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MASSAGE THERAPY

G.M. No. 222 MICHELLE NAKATA and EMY M. YAMAUCHI, for terms to expire June 30, 2002, and
LEE YETTA STEIN, for a term to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Massage Therapy.

Your Committee specifically notes the following:

Upon review of the resume and background information submitted by Michelle Nakata, your Committee finds that she holds a Bachelor of Arts degree, Carleton College. Her extensive training and experience provide her with both the knowledge and the skills necessary to serve this board well. Michelle Nakata is a licensed massage therapist in Hawaii, and holds a National certification in Therapeutic Massage and Bodywork. She currently works at Kapiolani Women's Center.

Testimony in support of Michelle Nakata was submitted by the Department of Commerce and Consumer Affairs.

Upon review of the resume and background information submitted by Emy M. Yamauchi, your Committee finds that she has attended both Kaimuki High School, and Kapiolani Community College. Emy M. Yamauchi is a licensed massage therapist in Hawaii, and has held various positions which have added to leadership skills.

Testimony in support of Emy M. Yamauchi was submitted by the Department of Commerce and Consumer Affairs.

Upon review of the resume and background information submitted by Lee Yetta Stein, your Committee finds that she has a Master's degree in Social Work from the University of Hawaii, and a Bachelor's degree in University Studies from the University of New Mexico. Along with substantial experience in the field of social work, which had garnered her honors and awards, Lee Yetta Stein has also devoted much time and energy towards the study of massage. Lee Yetta Stein is a licensed massage therapist in both Hawaii and New Mexico, and owns private practices in both states. Lee Yetta Stein has studied many different types of massage, from LomiLomi and ancient Hawaiian bodywork to a variety of Eastern techniques.

Your Committee diligently questioned the nominees who appeared before the Committee about the role of the Board of Massage Therapy, the relevance of their previous experience, and the goals they wish to accomplish during their term on the board. Your Committee believes that the nominees adequately responded to the Committee's inquiries.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1728 Commerce and Consumer Protection on Gov. Msg. No. 240

Recommending that the Senate advise and consent to the nominations of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 240 PATRICK McGUIGAN and ANN A. OHATA, M.D., for terms to expire June 30, 2003, and
W. PHILIP KAU, D.V.M., for a term to expire June 30, 2001,

Upon review of the resume and other background information submitted by the nominees, your Committee finds that the nominees have a unique range of skills, abilities, and experiences that are assets to the positions to which the nominees are being appointed.

Patrick McGuigan is being reappointed. He is a certified nuclear medicine technologist who holds a Bachelor of Science degree in science and a Bachelor of Science degree in nuclear medicine technology from Seattle University. He is currently employed as Manager of MRI/Nuclear Medicine at the Queen's Medical Center. His past employment included serving as a nuclear medicine technologist with the Honolulu Medical Group and with Nuclear Medico Services (Van Nuys, California). He is a member of the Society of Nuclear Medicine, Society of Nuclear Medicine Technologists, and Health Physics Society.

Testimony in support of Patrick McGuigan was submitted by the Department of Health.

Ann A. Ohata, M.D., is being reappointed. She is licensed to practice medicine in Hawaii and California, and holds a Bachelor of Science degree from the University of Hawaii, and a Doctor of Medicine degree from the Medical College of Pennsylvania. She is currently employed with The Radiology Group, Inc. She is a member of the American College of Radiology, Radiological Society of North America, American Medical Women's Association, American Association for Women Radiologists, and Hawaii Radiological Society.

Testimony in support of Ann A. Ohata, M.D., was submitted by the Department of Health.

W. Philip Kau, D.V.M., holds a Bachelor of Science degree from the University of Rochester, a Master of Science degree from the University of Hawaii, and a Doctor of Veterinarian Medicine degree from Colorado State University. He is employed with The Animal Hospital of Hawaii as Director and President. He is a member of the American Veterinary Medical Association, American Animal Hospital Association, Hawaii Veterinary Medical Association (past President), Honolulu Veterinary Society (past President), Association of Feline Practitioners, Veterinary Critical Care Society, and American College of Veterinary Medicine. He also serves as a consultant to the Honolulu Zoo. Dr. Kau has served as a member of the board of the Hawaiian Humane Society, a lecturer/consultant with the Japanese Animal Hospital Association, and a lecturer with the Canine and Feline Clubs.

Testimony in support of W. Philip Kau, D.V.M., was submitted by the Department of Health.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1729 Commerce and Consumer Protection on Gov. Msg. No. 255

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 255 LOWELL T. NAGAUE and LYNN S. H. HIROMOTO, for terms to expire June 30, 2003,

Upon review of the resumes and other background information submitted by the nominees, your Committee finds that the nominees have a unique range of skills, abilities, and experiences that are assets to the board to which the nominees are being appointed.

Your Committee notes the following specific qualifications of the nominees:

Lowell T. Nagaue holds a Bachelor's degree in Business Administration from the University of Hawaii. He is employed as a partner with Nagaue & Nagaue, CPAs, Inc., and is a member of the Hawaii Society of Certified Public Accountants, American Institute of Certified Public Accountants, Hawaii Association of Public Accountants, and National Association of Public Accountants.

Testimony in support of Lowell T. Nagaue was submitted by the Department of Commerce and Consumer Affairs and the ILWU.

Lynne S. H. Hiromoto holds a Bachelor's degree in Business Administration in accounting from the University of Hawaii. She is employed with Lum & Hiromoto, Certified Public Accountants, Inc. Her past employment is with Gilbert J. Matsumoto, CPA, An Accountancy Corporation, Matsumoto & Murakami, CPA, and Jack R. Brownrigg, CPA. She has been a certified public accountant in Hawaii since October, 1977, and she is a member of the American Institute of Certified Public Accountants, Hawaii Association of Public Accountants, and Beta Gamma Sigma.

Testimony in support of Lynne S. H. Hiromoto was submitted by 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, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1730 Commerce and Consumer Protection on Gov. Msg. No. 256

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

G.M. No. 256 BARBARA M. KOKUBUN and MILTON Y. MIGITA, for terms to expire June 30, 2003,

The Department of Commerce and Consumer Affairs presented testimony in support of the nominations.

Upon review of the statements submitted by the nominees, your Committee finds that Ms. Kokubun and Mr. Migita are volunteers, willing to serve without compensation, and will assist in administering various government functions with compassion and commitment.

Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to improve the State through their participation on the board or commission to which they have been nominated.

Your Committee notes the following with respect to the specific qualifications of the nominees:

Barbara M. Kokubun is a licensed barber and beauty operator and a small businessperson with almost twenty years of professional experience. Ms. Kokubun served as a barber member of the former Board of Barbers, and since 1997, has been the chairperson of the Board of Barbering and Cosmetology. Ms. Kokubun has been involved in the development of a barber training curriculum, the merger of the Board of Barbers and the Board of Cosmetology, and cross training of barbers and hairdressers.

Milton Y. Migita has served as a public member of the former Board of Barbers and presently serves in the same capacity on the Board of Barbering and Cosmetology. As a public member, Mr. Migita brings to the Board his views and concerns as a consumer and a person outside the 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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1731 Commerce and Consumer Protection on Gov. Msg. No. 261

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHARMACY

G.M. No. 261 JASON MOON and KENT KOIKE, for terms to expire June 30, 2003,

The Department of Commerce and Consumer Affairs presented testimony in support of the nominees.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the Board of Pharmacy (Board) functions with compassion and commitment.

Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to improve the State through their participation on the Board to which they have been nominated.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Jason Moon is Director of Pharmacy at the Veterans Affairs Center for Aging, whose professional experience includes work in the private sector and at several military facilities. A member of the Board since 1995, Mr. Moon has assisted various State agencies on issues including professional scope of practice, food and drug laws, and assignment of oral codes for physician assistants.

Kent Koike is a pharmaceutical sales representative with thirty years experience in the pharmaceutical field. A public member of the Board since 1995, Mr. Koike currently serves as Vice-Chairman. Mr. Koike has worked on legislative issues and administrative rules, and assisted the Medicine Bank, a non-profit, charitable organization. Mr. Koike brings to the Board the invaluable perspective of a consumer and layperson.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1732 Commerce and Consumer Protection on Gov. Msg. No. 262

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PUBLIC BROADCASTING

G.M. No. 262 JIM BECKER, STEVE HIRANO, RICKY C. MANAYAN and SCOTT SHIRAI, for terms to expire June 30, 2003,

The Department of Commerce and Consumer Affairs presented testimony in support of the four nominees. Seven individuals, while not present, submitted testimony in support of the nomination of Steve Hirano. An individual who was not present submitted testimony in favor of the nominations of Steve Hirano and Scott Shirai.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the public broadcasting function with compassion and commitment.

Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to improve the State through their participation on the board of public broadcasting to which they have been nominated.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Jim Becker has forty years of local, national, and international experience in journalism and broadcasting. Mr. Becker is a member of the Honolulu Community Media Council and a lifetime member of the Society of Professional Journalists. As a current director on the Board, Mr. Becker is familiar with and knowledgeable about public broadcasting issues.

Steve Hirano is Chief Executive Officer of Pacific Management Consultants, Inc., a multi-disciplinary marketing corporation. Mr. Hirano's qualifications include experience in public and commercial broadcasting, advertising, and public relations.

Ricky C. Manayan is President and General Manager of KISS-AM radio station, whose professional experience includes publishing, sales, public relations, and marketing. Mr. Manayan currently serves as a director on the Board.

Scott Shirai is Director of Community Relations for Hawaiian Electric Company. Mr. Shirai has worked in radio and television broadcasting and presently serves as a director on the Board.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1733 Commerce and Consumer Protection on Gov. Msg. No. 148

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS

KATHRYN S. MATAYOSHI, gubernatorial nominee as Director of Commerce and Consumer Affairs, for a term to expire December 2, 2002,

Eight administrators from the Department of Commerce and Consumer Affairs (DCCA), the Hawaii Association of Realtors, the Hawaii Nurses' Association, and Masunaga Farms presented testimony in support of the nomination. Sixteen employees of DCCA, the Hawaii State Teachers Association, the Legislative Committee of the Hawaii Society of Certified Public Accountants, Arthur Andersen LLP, and six individuals, while not present, submitted testimony in support of the nomination.

Upon review of the resume and other background information submitted by the nominee, your Committee finds that Kathryn S. Matayoshi graduated with honors with a Bachelor of Arts degree from Carleton College and received a law degree from the University of California, Hastings College of Law. Ms. Matayoshi has been a licensed attorney in the State since 1982, has practiced general business and corporate law for over ten years, and has served as Director of DCCA for the last four years. Ms. Matayoshi is active in community work with the YWCA of Oahu, the Center for Alternative Dispute Resolution, and the Action Line Advisory Board.

Your Committee received strong and unanimous support for Ms. Matayoshi's nomination as Director of DCCA, both from within and outside of the department. Administrators and employees of DCCA testified that Ms. Matayoshi is an open, responsive, intelligent, and hard working leader who, in difficult fiscal times, has balanced the competing interests of the fourteen divisions and offices under her management in a fair and even-handed manner. Professional organizations whose members are regulated by the department and members of the business community attested to Ms. Matayoshi's accessibility and professionalism, and fairness in balancing the interests of consumers and business.

Your Committee members diligently questioned the nominee regarding her administrative qualifications, accomplishments, visions, and priorities as Director of DCCA. Ms. Matayoshi testified that in her first term as as Director, document processing time within the Business Registration Division has been significantly reduced and licensing backlogs have been eliminated, a licensing and business information center has been established, regulatory laws and rules have been streamlined, and a mediation program has been implemented with the Regulated Industries Complaints Office. Ms. Matayoshi further testified that her priorities for the department include replacing outdated computer systems that may allow for electronic filing in the future, exploring the use of the Internet as a tool for providing information to the public, and continuing to move the department towards fiscal self-sufficiency.

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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1734 Economic Development on Gov. Msg. No. 257

Recommending that the Senate advise and consent to the nominations of the following:

CONVENTION CENTER AUTHORITY

G.M. No. 257 KATSUMI TANAKA, for a term to expire June 30, 2002; and

GLENN K. MURANAKA and JEFF J. COELHO, for terms to expire June 30, 2003; and

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering a government function. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the board of the Convention Center Authority to which they have been nominated.

Your Committee heard testimony in support of the three candidates from the Hawaii Convention Center Authority.

Katsumi Tanaka, President and CEO of E Noa Tours, holds both undergraduate and law degrees from Harvard University. In addition to his current tourism business, Mr. Tanaka has extensive experience in international transactions and has served as a negotiator and advisor on behalf of multinational corporations in the areas of mergers, acquisitions, licenses, joint ventures, and private and public financing. He is an active member of numerous visitor industry associations in Hawaii, including the Visitor Industry Coalition, the Joint State and County Waikiki Task Force, the Waikiki Improvement Association, and the Hawaii Maritime Center. Letters of support for Mr. Tanaka were received from the Waikiki Improvement Association, Pacific Management Consultants, Inc., and the Chairman of the City Council of the City and County of Honolulu.

Jeff J. Coelho, General Manager of KUMU radio and President and Partner in "The Karaoke Box", is a lifelong resident of Hawaii. Mr. Coelho has served as an active and productive member of the Convention Center Authority since 1995, where he brings his private business acumen into monthly discussions and decisions of the board. He began his radio career in 1965, and served as president of the Hawaii Association of Broadcasting for eight years. Mr. Coelho is also active in youth sports and served as a board member of St. John Vianney School. Letters in support of Mr. Coelho were received from the Convention Center Authority, Pacific Management Consultants, Inc., and the Chairman of the City Council of the City and County of Honolulu.

Glenn K. Muranaka, President and General Manager of Meadow Gold Dairies, was born and raised in Hawaii and attended the University of Hawaii. Mr. Muranaka began his career at Meadow Gold in 1972, and is a strong advocate of the company's core values of outstanding quality, integrity and honesty, caring, and continuous improvement. He believes in giving back to the community, and through his advocacy and support, Meadow Gold Dairies is an active sponsor of various health and nutrition activities throughout the State each year.

Your Committee expressed its concerns regarding the financial problems of the convention center, and discussed with the candidates their expectations for the future of the center, as well as their thoughts on Hawaii's tourism industry in general. Your Committee is very supportive of these three candidates and the broad range of expertise they bring to the Authority.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1735 Economic Development on Gov. Msg. No. 260

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 260 JACQUELINE A. PARNELL, MAURICE TAMURA, JOHN JOSEPH MCHUGH, JR., PH.D., SUSAN MILLER and BARRY MICHAEL BRENNAN, PH.D., for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering a government function. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Advisory Committee on Pesticides to which they have been nominated.

The Department of Agriculture submitted testimony in support of all the candidates.

Your Committee notes the following specific qualifications of the nominees:

Barry Michael Brennan, Ph.D., Department of Environmental Biochemistry, University of Hawaii, is the Associate National Program Leader for Pesticide Applicator Training and the Pesticide Coordinator at the University. With degrees from the University of Hawaii and Arizona State University, Dr. Brennan has extensive experience in the pesticide applicator training programs at the federal, state, and agency level, and has published and presented numerous papers on the topic of pesticides. Dr. Brennan is nominated to represent the University of Hawaii. A letter in support of Dr. Brennan was received from the University's College of Tropical Agriculture and Human Resources.

John Joseph McHugh, Jr., Ph.D., an independent consultant, is nominated to represent the Hawaii Farm Bureau Federation. Dr. McHugh has worked for the Hawaii Agriculture Research Center, Sugarland Farms, and managed a watercress farm. He has both a research and a practical understanding of the pest control needs of Hawaii's farmers, as well as a sound understanding of pesticide requirements. Dr. McHugh's appointment is supported by the Hawaii Farm Bureau Federation.

Susan Miller is an independent consultant nominated by the Sierra Club to represent environmental organizations. Ms. Miller has served as Director of the Hawaii Chapter of the National Resources Defense Council, and has been active in representing environmental interests in Hawaii for over twenty years. Two individuals submitted letters in support of Ms. Miller's nomination.

Jacqueline A. Parnell, an Environmental Planner and Policy Analyst, holds undergraduate and graduate degrees from the University of California. Nominated by the League of Women Voters to represent lay interests in a complex technical area, Ms. Parnell has considerable experience in conducting public information and education programs and extensive knowledge concerning environmental programs. Ms. Parnell's nomination is supported by the League of Women Voters of Hawaii.

Maurice Tamura, Program Manager, Food and Drug Branch, is nominated to represent the Department of Health. Through his work, Mr. Tamura is responsible for the safety and labeling of foods, drugs, cosmetics, and medical devices, as well as the monitoring of pesticide residues in foods and any necessary regulatory actions. A graduate of the University of Hawaii, is a member of the Association of Food and Drug Officials, and has held a variety of offices in the organization. The Department of Health submitted a letter of support for Mr. Tamura.

Your Committee has heard discussion regarding the workings of the Pesticides Advisory Committee and current issues before the Committee, including training for non-English speaking farmers in the use of pesticides. Your Committee is pleased to find that Hawaii will be a recipient of federal funds for pesticide use training programs, focusing on Filipino and Laotian farmers, in the near future. Your Committee is supportive of these candidates and believes they bring a breadth and wealth of experience to the workings of the Committee.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Buen, Taniguchi).

SCRep. 1736 Economic Development on Gov. Msg. No. 270

Recommending that the Senate advise and consent to the nomination of the following:

ALOHA TOWER DEVELOPMENT CORPORATION

G.M. No. 270 PETER B. H. KIM, for a term to expire June 30, 2003,

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the board of the Aloha Tower Development Corporation to which he has been nominated.

Your Committee notes the following specific qualifications of the nominee:

Peter B. H. Kim, President of Yummy Management Co., Inc., is a graduate of the University of Alabama and attended the University of Hawaii, as well. Under his leadership, Yummy Management is responsible for twenty-one restaurants in Hawaii, and Mr. Kim was named Entrepreneur of the Year in 1998 by Ernst and Young. His company also received the Minority Service Firm of the Year award in 1996. In addition to his business expertise, Mr. Kim is fluent in both written and spoken Korean.

Testimony in support of Mr. Kim's nomination was received from the Aloha Tower Development Corporation.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Buen, Taniguchi).

SCRep. 1737 Economic Development on Gov. Msg. No. 271

Recommending that the Senate advise and consent to the nomination of the following:

AQUATIC LIFE AND WILDLIFE ADVISORY COMMITTEE, COUNTY OF HAWAII

G.M. No. 271 STEVEN J. ARAUJO, for a term to expire June 30, 2003,

Upon review of the statements submitted by the nominee, your Committee finds that Mr. Araujo is a volunteer, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Aquatic Life and Wildlife Advisory Committee, County of Hawaii, to which he has been nominated.

Your Committee notes the following specific qualifications of the nominee:

Steven J. Araujo is the owner and operator of D&D Rubbish Service, and a graduate of Hawaii Community College. He is an active hunter and fisherman, is a member and officer of a number of sports organizations, and has participated in community planning efforts. Mr. Araujo is currently the Chairman of the Hawaii Hunters Advisory Council, Vice President of the Wildlife Conservation Association of Hawaii, and a member of the Pig Hunters of Hawaii and Big Island Bird Hunters hunt clubs.

Mr. Araujo's nomination as a representative of the hunting and fishing constituencies is supported by the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Buen, Taniguchi).

SCRep. 1738 Economic Development on Gov. Msg. No. 272

Recommending that the Senate advise and consent to the nominations of the following:

AQUATIC LIFE AND WILDLIFE ADVISORY COMMITTEE, COUNTY OF KAUAI

G.M. No. 272 DERYCK ISHIMOTO, JACK N. GUSHIKEN and ANTHONY KAUAHI, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the

nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Aquatic Life and Wildlife Advisory Committee, County of Kauai, to which they have been nominated.

The Department of Land and Natural Resources submitted testimony in support of the three candidates as knowledgeable representatives of the hunting and fishing constituencies on Kauai.

Your Committee notes the following specific qualifications of the nominees:

Deryck Ishimoto, is the Body Shop Manager of Kauai Foreign Cars, and attended Maui Community College. A long-time Kauai resident hunter and fisherman, he brings extensive expertise in bow and arrow hunting to the Committee. Mr. Ishimoto has supported the archery hunters through testimony at public hearings and meetings, and is an advocate of good conservation practices.

Jack N. Gushiken, Vice President for Operations of Kilauea Agronomics, is a lifelong resident of Kauai and an active fisherman. He holds six world records from the International Game Fishing Association, and ten state awards from Sports Afield, as well as a freshwater record for Hawaii. In addition to his sports interests, Mr. Gushiken is also a member of the Hawaii State Guava Association and the Farm Bureau.

Anthony Kauahi, Field Superintendent for AMFAC Sugar Company, is a long time hunter and fisherman. As an active hunter, he has many contacts with hunters on both western and eastern Kauai, and his extensive knowledge of the island will be invaluable for the Committee. Mr. Kauahi is also familiar with government operations and procedures through his work with AMFAC.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Buen, Taniguchi).

SCRep. 1739 Economic Development on Gov. Msg. No. 278

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS, HIGH TECHNOLOGY DEVELOPMENT CORPORATION

G.M. No. 278 THOMAS I. FUJIKAWA, KEN KOIKE and CREIGHTON D. ARITA, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Directors (Board) of the High Technology Development Corporation to which they have been nominated.

Your Committee received testimony in support of the three candidates from the High Technology Development Corporation (HTDC).

Your Committee notes the following specific qualifications of the nominees:

Thomas I. Fujikawa, Business Manager and Financial Secretary of Local Union 1186, IBEW, is a graduate of Farrington High School and attended the University of Hawaii. During his previous term as a Board member, he brought his business experience, a positive attitude, and extensive associations in Hawaii's business community to assist the HTDC. Mr. Fujikawa has served as the Chair of the Finance Standing Committee of the Board and currently serves on the Legislative Standing Committee.

Ken Koike, Manager of National Accounts for the Pacific Region of Xerox Corporation, has been with the company for thirty-two years. A graduate of the University of Hawaii, he is also a former commissioned officer of the U.S. Army and served in the Hawaii Army National Guard for over eighteen years. Mr. Koike has been active in numerous business and community organizations, serving as Trustee and Chairman of the Hawaii Public Employees Health Fund for eight years, Pacific Chairperson for the Xerox Community Involvement Program for seventeen years, and is a member of the YMCA, among other organizations.

Creighton D. Arita, Strategist for DataHouse and President of Praxis, holds both undergraduate and master's degrees from the University of California, Berkeley. His extensive experience in information technology and health applications has been of invaluable assistance to HTDC in the integration of telecommunications technology infrastructure to support Hawaii's medical and health needs. Mr. Arita is deeply committed to providing opportunities for Hawaii's young people to stay and work in the State.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Buen, Taniguchi).

SCRep. 1740 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 238

Recommending that the Senate advise and consent to the nomination of the following:

HAWAIIAN HOME LANDS COMMISSION

G.M. No. 238 KATHLEEN K.S.L. THURSTON, for terms to expire June 30, 1999, and June 30, 2003;

Upon review of the qualifications and other background information submitted by the nominee, your Committee finds that Kathleen K.S.L. Thurston is the President of Thurston-Pacific, Incorporated, a member of numerous trade, cultural, and community organizations, and is the recipient of a number of industry-related awards.

Testimony in favor of the nomination was received from the Interim Chairperson of the Department of Hawaiian Home Lands, a Vice President of Hawaii National Bank, the President of Kamehameha Schools, the Director of the Kamehameha Schools Alumni and Parents Advancement Center, Engineering Solutions, Incorporated, Jas. W. Glover, Limited, the General Contractors Association of Hawaii, a Vice President of First Hawaiian Bank, and Hidano Construction, Incorporated.

Your Committee members diligently questioned the nominee regarding her vision of the purpose of and charge of the Hawaiian Homes Commission. Based on this discussion, your Committee believes that Ms. Thurston's expertise in the construction industry will complement the Hawaiian Homes Commission's current membership and will consequently result in the more efficient execution of the Commission's mandated responsibilities.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Chun, Matsuura, Tanaka).

SCRep. 1741 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 258

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

G.M. No. 258 PATRICK T. KUBOTA, for a term to expire June 30, 2003,

Upon review of the qualifications and other background information submitted by the nominee, your Committee finds that Patrick T. Kubota is the Executive Director and Chief Operating Officer of Unity House, Inc., has served as the past Executive Vice President of the Building Industry Association of Hawaii, is an accomplished real estate broker, and is a Certified Public Accountant.

Testimony in favor of the nomination was received from the Executive Director of the Hawaii Community Development Authority, the Chairperson of the Honolulu City Council, the Board of Directors of Unity House, Inc., Pacific Management Consultants, Inc., and Hidano Construction, Inc. The testimony also indicated that Mr. Kubota is known as an individual who possesses superlative administrative skills and a comprehensive knowledge of all aspects of the building industry.

A current member of the Hawaii Community Development Authority, Mr. Kubota has ably showcased his administrative abilities as the Executive Director and Chief Operating Officer of Unity House, Inc., a labor-related, nonprofit organization with a staff of twenty that oversees approximately \$70 million in assets. Mr. Kubota also has experience in the public sector as well, serving as a past legislative advisor to the Honolulu City Council in zoning, planning, housing, and budget matters. Mr. Kubota has also managed the development and sale of residential and commercial projects on the island of Hawaii and as a CPA, specialized in the real estate and retail sectors.

Your Committee members diligently questioned the nominee regarding his vision of the purpose and charge of the Hawaii Community Development Authority. Based on this discussion, your Committee believes that the nominee will continue to be an asset to the Hawaii Community Development Authority.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun, Tanaka).

SCRep. 1742

Labor and Environment on Gov. Msg. No. 152

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF HUMAN RESOURCES DEVELOPMENT

MICHAEL MCCARTNEY, gubernatorial nominee as Director of Human Resources Development, for a term to expire December 2, 2002,

Upon review of the background information submitted by the nominee, your Committee finds that Michael McCartney holds a Bachelor of Science degree from Pacific University and completed graduate studies in mediation and conflict resolution at the University of Hawaii at Manoa. Mr. McCartney served for ten years as a State Senator where he chaired the Committees on Education, Higher Education, Governmental Operations, and Labor and Human Resources. Mr. McCartney also served as Negotiations Specialist and Field Representative for the Hawaii State Teachers Association.

Mr. McCartney has been honored with several awards including the Freshman Legislator of the Year awarded by the University of Hawaii Professional Assembly, the Nona Beamer Community Service Award for Exceptional Leadership awarded by the Hawaii Association for the Education of Young Children, the Lawmaker of the Year awarded by Small Business Hawaii, Good Guy Award for Open Government awarded by Common Cause Hawaii, and the Provost Award for Outstanding Public Service awarded by Windward Community College.

Testimony in support of the nominee was submitted to your Committee by: the Personnel Director for the Judiciary, the Director of Human Resources for the City and County of Honolulu, the Director of Personnel Services for the County of Kauai, the Director of Personnel for the County of Hawaii, the Hawaii Health Systems Corporation, the Hawaii Nurses' Association, the University of Hawaii Professional Assembly, the United Public Workers, the Hawaii Government Employees Association, seven employees of the Department of Human Resources Development, and six concerned citizens.

Your Committee members diligently questioned the nominee regarding his vision for the Department of Human Resources Development and reforming the civil service system. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

Your Committee notes that the nominee has wide support from the community. Both management and labor expressed support for the nominee and his ability to bring all interested parties together to reform the State's civil service system.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 1 (Ige, M.).

SCRep. 1743

(Majority) Labor and Environment on Gov. Msg. No. 154

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF LABOR AND INDUSTRIAL RELATIONS

LORRAINE H. AKIBA, gubernatorial nominee as Director of Labor and Industrial Relations, for a term to expire December 2, 2002,

Upon review of the background information submitted by the nominee, your Committee finds that Lorraine H. Akiba holds a Bachelor degree in Political Science from the University of California at Berkeley and a J.D. degree from Hastings College of the Law. Ms. Akiba has thirteen years of legal experience in private practice including environmental law, real estate products liability, and lender liability litigation. Ms. Akiba has been the Director of the Department of Labor and Industrial Relations for the past four years. She has been honored with several awards and honors including Phi Beta Kappa membership and Outstanding Lawyer of 1990 awarded by the Hawaii Women Lawyers.

Testimony in support of the nominee was submitted to your Committee by: the administrators, office chiefs and heads of administratively attached agencies of the Department of Labor and Industrial Relations, the USDA Forest Service Institute of Pacific Islands Forestry, Maui County Private Industry Council, Maui Economic Development Board, Inc., the Hawaii School-to-Work Executive Council, the Workforce Development Council, the University of Hawaii at Manoa, Maui Community College, the YWCA of Oahu, Catholic Charities of the Diocese of Honolulu, Child and Family Service, the Immigrant Center, the Chamber of Commerce of Hawaii, the West Hawaii Bar Association, the Hawaii Nurses' Association, the Hawaii Association of Realtors, the Hawaii Hotel Association, the Hawaii Forest Industry Association, Pacific Resource Partnership, two public sector and seven private sector labor unions, thirteen businesses, and six concerned citizens.

The testimony supporting the nomination of Ms. Akiba indicated that she brings a high degree of commitment to her duties as Director of Labor and Industrial Relations. She has provided strong leadership for her department. Furthermore, Ms. Akiba is

articulate, dynamic, energetic, and compassionate. Her leadership focuses on empowering the employees of the Department and fostering an atmosphere of collaboration and teamwork.

Testimony in opposition to the nomination was received from the Mason's Union.

Your Committee members diligently questioned the nominee regarding the relationship between the Department and the private sector as well as the Department's ability, under her leadership, to provide services to the State's employees and employers in the face of limited resources. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 1 (Slom). Excused, 1 (Ige, M.).

SCRep. 1744 Ways and Means on S.R. No. 53

The purpose of this Resolution is to request the Department of Transportation to conduct a feasibility study to plan, design, acquire land, and construct one or more additional bridges into Wahiawa.

In addition, this Resolution requests the Department of Transportation to submit a report to the Legislature containing findings and recommendations, including the cost and any other factors involved in building the new bridge or bridges, prior to the convening of the Regular Session of 2000.

Your Committee finds that there is an urgent need to provide a second entrance into and exit out of Wahiawa, both to relieve traffic congestion and to ensure access to that area in the event of an emergency. Area residents and commuters are routinely subjected to a significant amount of traffic congestion and inconvenience by the closure of the bridge on Kamehameha Highway due to flooding or other reasons. Your Committee finds that the building of one or more additional bridges into Wahiawa would significantly alleviate the problems associated with flooding and provide greater accessibility in the event of the closure of one or both of the existing bridges, especially in times of emergency.

As 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. 53, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Iwase, Nakata, Tam).

SCRep. 1745 Health and Human Services on Gov. Msg. No. 151

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF HEALTH

BRUCE S. ANDERSON, Ph.D., gubernatorial nominee as Director of Health, for a term to expire December 2, 2002,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that the nominee has a unique range of skills, abilities, and experiences that are an asset to the position to which the nominee is being appointed.

Testimony in support of the nominee was submitted by the Community Health Nursing Division of the Department of Health (DOH), Commission on Water Resource Management of the Department of Land and Natural Resources, United States Environmental Protection Agency Region 9 Office, Hawaii Health Systems Corporation, Waikiki Health Center, Puna Geothermal Venture, American Academy of Pediatrics, Chamber of Commerce of Hawaii, Hawaii State Primary Care Association, Hawaii Neuropsychology Community Research Bureau, Kona-Kohala Chamber of Commerce, Hawaii Public Health Association, NAMI Oahu, Hawaii Association of Environmental and Recycling Companies, Hawaii Nurses' Association, Hawaii Agricultural Research Center, Hawaii Dietetic Association, Kauai Paramedics Association, Kaiser Permanente, Hawaii Leeward Planning Conference, Hawaii Island Geothermal Alliance, Hawaii Hotel Association, Dames & Moore, Hawaii Convention Center, Island Business, Hawaii Medical Association, Child & Family Service, Thompson Matheny Corporation, and twelve individuals. Testimony in opposition was submitted by Waimanalo Citizens for a Healthy Future and one private individual.

Your Committee notes the following specific qualifications about the nominee: Bruce S. Anderson, Ph.D, is currently serving as Acting Director of the DOH. The nominee served as the Deputy Director for Environmental Health Administration from July 1987 to November 1998, and as the acting State Environmental Epidemiologist from January 1981 to July 1987. He received a Bachelor of Arts degree from Colorado College, a Master of Public Health degree from Yale University, and a Doctor of Philosophy degree in biomedical sciences from the University of Hawaii.

Your Committee finds that against the backdrop of a challenging budget situation, Dr. Anderson has shown creativity and determination in creating state programs for environmental protection, and has forged good partnerships with both government

agencies and public advocacy organizations. As Deputy Director for Environmental Health Administration, he worked diligently to develop systematic processes to involve the community in setting environmental goals and priorities so that limited state resources could be focused on the most pressing problems of society. Under his leadership, the DOH administered a project to improve water quality in the Ala Wai Canal Watershed as well as undertook an initiative to institute a voluntary clean-up program to provide the development community with a mechanism to clean up properties contaminated with hazardous substances or pollutants. In addition, Dr. Anderson has been an aggressive advocate for Hawaii on the national level, seeking and receiving delegation of Federal authority to operate major national programs for clean air, clean water, and safe drinking water.

Your Committee diligently questioned the nominee about his qualifications for the position to which he is being nominated. Your Committee also questioned the nominee about his professional accomplishments and about his vision and goals for the DOH. Your Committee was impressed with the nominee's education, background, and extensive experience in public health in Hawaii. Your Committee believes the nominee adequately responded to the Committee's inquiries and sufficiently satisfied the Committee's concerns.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1746 Health and Human Services on Gov. Msg. No. 153

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF HUMAN SERVICES

SUSAN MEYERS CHANDLER, Ph.D., gubernatorial nominee as the Director of Human Services for a term to expire December 2, 2002,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that the nominee has a unique range of skills, abilities, and experience that are assets to the position to which the nominee is being appointed.

Testimony in support of the nominee was submitted by the Benefit, Employment, and Support Services Division, Med Quest Division, Social Services Division, and Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services (DHS), Senior Companion and Respite Companion Service Programs of the DHS, Office of Youth Services, Housing and Community Development Corporation of Hawaii, Children's Advocacy Centers of Hawaii, Healthcare Association of Hawaii, Aloha State Association of the Deaf, State Rehabilitation Advisory Council for the Deaf and Hard-of-Hearing, Good Beginnings Alliance, Mental Health Association in Hawaii, Salvation Army Family Treatment Services, Waikiki Health Center, Hawaii Center for Independent Living, Kamaaina Kids, NAMI Oahu, Adoption Connection, Communities in Schools - Hawaii, National Association of Social Workers, Hawaii State Primary Care Association, American Academy of Pediatrics, Hawaii Medical Association, Comprehensive Evaluation of Hawaii's Healthy Start Program, American Friends Service Committee, Goodwill Industries, Family Support Services of West Hawaii, Domestic Violence Clearinghouse and Legal Hotline, Hawaii Long Term Care Association, Child & Family Service, Hawaii Nurses' Association, and twenty-one individuals. Testimony in opposition was received from two individuals.

Your Committee notes the following specific qualifications of the nominee: Susan Meyers Chandler, Ph.D., is currently serving as the Director of Human Services and is being reappointed to another term. She received a Bachelor of Science degree from Cornell University, a Master of Social Work degree from the University of Hawaii, a Doctor of Philosophy degree in social welfare from the University of California at Berkeley, and an Executive Education Certificate in Public Administration from the Maxwell School at Syracuse University. Dr. Chandler is currently on leave as a professor at the University of Hawaii.

Your Committee finds that, although Dr. Chandler assumed leadership of the DHS at a time when State government experienced declining revenues and the public demanded that government right-size, contain spending, increase services, and reform the welfare system, she constantly looked for creative and innovative approaches that allowed the DHS to accomplish its mission of protecting and helping those least able to care for themselves. In her efforts to develop a more efficient department that served the public more effectively, she involved all levels of staff, private, non-profit organizations, the public, and other governmental agencies. Her efforts to streamline the DHS have resulted in the reduction or elimination of policies and procedures that adversely affected operations or caused unwarranted delays. She increased collaboration and coordination of services among the Divisions within the DHS and maximized limited fiscal resources through increasing the involvement of the private sector and consumers. She has been visible to all staff within the DHS as well as to those in the public who use the Department's services or advocate for those who use DHS services. She provided staff within the DHS with opportunities for professional growth while supporting improvements in technology to help staff manage their increasing workloads.

Your Committee diligently questioned the nominee about her qualifications for the position to which she is being nominated. Your Committee also questioned the nominee about her professional accomplishments and her vision and goals for the DHS. Your Committee was impressed with the education, background, and experience of the nominee in the human services field. Your Committee believes the nominee adequately responded to the Committee's inquiries and sufficiently satisfied the Committee's concerns.

Your Committee acknowledges that there have been small signs of improvement in the Child Protective Services system (CPS) over the last two years, and notes that improvements are ongoing and progressing. However, the CPS still requires serious attention. Dr. Chandler assured your Committee that she is aware of the need for improvement and will continue working with the CPS, courts, police, attorney general, medical professionals, service providers, the community at-large, and the legislature to bring about those improvements. Your Committee does not believe that Dr. Chandler should be faulted for any individual tragedy. While it is true that, as the Director, she must take responsibility for the DHS programs and services, individual cases of severe child abuse are not always predictable and may not be preventable under the best of circumstances. Furthermore, Dr. Chandler has worked well with the legislature and has always been open to working with legislators and stakeholders to make positive improvements to protect the health, safety and well-being of our children.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1747 (Majority) Education and Technology on Gov. Msg. No. 241

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGENTS, UNIVERSITY OF HAWAII

G.M. No. 241 ALLAN K. IKAWA, BERT A. KOBAYASHI, AH QUON MCELRATH, CHARLES NAINOA THOMPSON and SHARON R. WEINER, for terms to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering various functions pertaining to the University of Hawaii. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the University of Hawaii Board of Regents.

Your Committee specifically notes the following:

Allan K. Ikawa is President of Big Island Candies, in Hilo, Hawaii. The extensive accolades he has garnered for the success of his business display his entrepreneurial insight and skills. Allan K. Ikawa is also active in many service associations, which also displays his civic-mindedness. This combination of business savvy and social concern will provide a fresh, vital perspective to the University of Hawaii Board of Regents.

Testimony in support of Allan K. Ikawa was submitted by the Chairperson of the Honolulu City Council, GTE Hawaiian Tel, Bank of Hawaii, Central Pacific Bank, Sears, Roebuck and Co., Hawaii, Lynette Lo Tom Communications, Inc., and a concerned individual.

Bert A. Kobayashi is the Chairman and Chief Executive Officer of Albert C. Kobayashi, Inc., a Hawaii development company. He is being considered for reappointment, having already served for a term on the University of Hawaii Board of Regents. His commitment to quality education and the advancement of children is evident in his membership in various organizations dedicated to promote these issues, such as the Aloha United Way, the Georgetown University Board of Regents, and the Ronald McDonald House.

Testimony in support of Bert A. Kobayashi was submitted by Pacific Management Consultants, Inc., and a concerned individual.

Ah Quon McElrath is a retired union social worker, and has been committed to the issues of social work and welfare for many years. She is being considered for reappointment, having already served for a term on the University of Hawaii Board of Regents. She has an honorary doctorate in the Humanities from the University of Hawaii, and has served on various other state boards and commissions dealing with tax review, health, welfare, education, and civil liberties issues. Her vast knowledge and experience provides valuable insights to the University of Hawaii Board of Regents.

Testimony in support of Ah Quon McElrath was submitted by the Senator from the twenty-third senatorial district, the ILWU Local 142, the Hawaii Government Employees Association, and two concerned individuals.

Charles Nainoa Thompson is the Executive Director of the Polynesian Voyaging Society. He is being considered for reappointment, having already served for a partial term on the University of Hawaii Board of Regents. He is devoted to educating others about ancient Hawaiian and Polynesian cultures, and has won many awards and honors for his efforts. This concern for Native Hawaiian issues, and education in general, provides Charles Nainoa Thompson with the skills and qualities important to the University of Hawaii Board of Regents.

Testimony in support of Charles Nainoa Thompson was submitted by two concerned individuals.

Sharon R. Weiner is the President and Chief Executive Officer of Stryker Weiner Associates, one of Hawaii's largest independent public relations firms. She has had a long and distinguished record of public service in Hawaii, as a Vice President of the Aloha Council, Boy Scouts of America, Vice Chair of the Board of Governors of the Japanese Cultural Center of Hawaii, and a member of the executive committee of the Honolulu Symphony. Her experience and knowledge of business and public relations, along with her commitment to the University of Hawaii, will be of great benefit to the Board of Regents.

Testimony in support of Sharon R. Weiner was submitted by the YWCA of Oahu, Hawaiian Electric Industries, Inc., AIG Hawaii Insurance Company, Inc., Outrigger Enterprises, Inc., Pacific Management Consultants, Inc., and a concerned individual.

Your Committee diligently questioned the nominees on the experience garnered in their respective fields, their visions, and their priorities as Board members. Based on this discussion, your Committee believes that the nominees adequately responded to the Committee's inquiries and would be assets to the University of Hawaii Board of Regents.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Record of Votes for Bert A. Kobayashi:

Ayes, 3. Noes, 1 (Slom). Excused, 3 (Chumbley, Matsunaga, Tam).

Record of Votes for all other nominees:

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Tam).

SCRep. 1748 Education and Technology on Gov. Msg. No. 245

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS, RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

G.M. No. 245 CHRISTOPHER T. KOBAYASHI, for a term to expire June 30, 2003,

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, who will work with compassion and commitment to assist in administering various functions of the Research Corporation of the University of Hawaii. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and desire to make Hawaii better through his participation on the Board of Directors of the Research Corporation of the University of Hawaii.

Your Committee specifically notes the following:

Christopher T. Kobayashi holds a B.S. in Finance from Santa Clara University, and a J.D. from Lewis and Clark, Northwestern School of Law. He is currently an attorney at Kobayashi, Sugita, and Goda. Christopher T. Kobayashi has garnered experience in the high technology field from his involvement in representing entities in the research arena dealing with cutting edge technology. This, combined with his excellent legal skills, promise to make him a valuable addition to the Research Corporation of the University of Hawaii.

Testimony in support of Christopher T. Kobayashi was submitted by the Research Corporation of the University of Hawaii and four concerned individuals.

Your Committee diligently questioned the nominee who appeared before the Committee about the relevance of his previous experience, and the goals he wishes to accomplish during his term on the Board. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, 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 (Chumbley, Matsunaga, Tam).

SCRep. 1749 Education and Technology on Gov. Msg. No. 182

Recommending that the Senate advise and consent to the nomination of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS

G.M. No. 182 CHARLES M. FREEDMAN, for a term to expire June 30, 2002,

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the various functions of the State Foundation on Culture and the Arts. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the State Foundation on Culture and the Arts.

Your Committee specifically notes the following:

Charles M. Freedman holds a B.A. in English from Lafayette College, and is currently the Vice President of Corporate Relations of Hawaiian Electric Company, Inc., where he oversees issue management, public relations, media relations, and consumer education. Previously, he served on the cabinet of Governor John Waihee as the Director of Communications for the Office of the Governor. His deep interest in other cultures and extensive communications experience will provide a valuable perspective to the State Foundation on Culture and the Arts.

Testimony in support of Charles M. Freedman was submitted by the State Foundation on Culture and the Arts, the Chairperson of the Honolulu City Council, and Pacific Management Consultants, Inc.

Your Committee diligently questioned the nominee who appeared before the Committee about the relevance of his previous experience and the goals he wishes to accomplish during his term on the State Foundation on Culture and the Arts. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the records of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, 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 (Chumbley, Matsunaga, Tam).

SCRep. 1750 Health and Human Services on Gov. Msg. No. 263

Recommending that the Senate advise and consent to the nomination of the following:

STATE ADMINISTRATOR, STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

MARILYN A. MATSUNAGA, nominee as State Administrator, State Health Planning and Development Agency, for a term to expire June 30, 2003,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that the nominee has the range of skills, abilities, and experiences necessary to serve in the position to which nominated.

Marilyn A. Matsunaga was appointed as the State Administrator for the State Health Planning and Development Agency (SHPDA) in 1996. She holds a Master of Business Administration degree and a Bachelor of Arts degree from the University of Denver. Her past employment includes service as Assistant to the Director of Human Services, Special Assistant to the Governor for health and human services, Special Assistant to the Deputy Director for Hospitals of the Department of Health, Financial and Business Analyst for Mitsui Company, Ltd. (Colorado/Tennessee/Florida), Marketing Planning and Analyst for The Tattered Cover Book Store (Denver, Colorado), Research Assistant at Deloitte, Haskins & Sells, and Executive Intern for The Hospice of Metro Denver.

Testimony in support of the nominee was submitted by the Hawaii Health Systems Corporation, Honolulu Subarea Health Planning Council, Windward Oahu Subarea Health Planning Council, West Oahu Subarea Health Planning Council, Kauai County Subarea Health Planning Council, Hawaii County Subarea Health Planning Council, Chairman of the City Council of the City and County of Honolulu, American Medical Response, Queen's International Corporation, Queen's Health Systems, Kapiolani Health, Rehabilitation Hospital of the Pacific, Healthcare Association of Hawaii, Hawaii Long-Term Care Association, Kahi Mohala, Hawaii Air Ambulance, Hawaii Government Employees Association, and Chamber of Commerce of Hawaii.

The nominee has effectively and successfully streamlined the processing time for certificate of need applications, with ninety per cent of all applications being processed in less than two months and an average time of seventeen days. The nominee has also modernized the certificate of need program from a somewhat traditional plan focused on one type of facility or one type of equipment to a contemporary guide document of health care planning that focuses on health outcomes. The revised plan, known as the Hawaii Health Performance Plan, has been recognized by the Vice President's National Partnership for Reinventing Government Office for its focus on partnerships and outcomes.

Your Committee diligently questioned the nominee who appeared before your Committee about her qualifications for the position to which she is being nominated. Your Committee also questioned the nominee about her vision and priorities relating to the position to which she is being appointed, and about her commitment to public service. Based on this discussion, your Committee believes the nominee adequately responded to the Committee's inquiries and sufficiently satisfied the Committee's concerns.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1751 Labor and Environment on Gov. Msg. No. 276

Recommending that the Senate advise and consent to the nominations of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 276 LANCE K. GILLILAND and PAULINE SATO, for terms to expire June 30, 1999; and

MICHAEL A. FAYE, LANCE K. GILLILAND, STEVEN S.C. LIM, PHILIP K. OHTA, CHARLES A. PRENTISS, Ph.D., and PAULINE SATO, for terms to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the functions of the Environmental Council. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Environmental Council.

Your Committee specifically notes the following:

Michael A. Faye is a licensed contractor working on the island of Kauai. He attended Carnegie-Mellon University, Kauai Community College, and the University of Hawaii at Manoa. He is a member of the Contractor's Association of Kauai and is past president of the Kauai Historical Society the West Kauai Rotary, and the West Kauai Business/Professional Association.

The Deputy Director of the Department of Health presented oral testimony supporting the nominee. The testifier noted that Mr. Faye currently serves with distinction on the Council, representing the perspective of a land owner and business person.

Lance K. Gilliland is a resort manager at the Manele Bay Resort on Lanai. He received his Bachelor's degree in Hotel and Restaurant Management from the University of Denver. Mr. Gilliland is Vice President of Ho'okupu Trust, a board member of the Partnership for the Environment Speakers Bureau, and a member of the Maui Hotel Association Engineering Hui.

The Deputy Director of the Department of Health presented oral testimony supporting the nominee, noting that Mr. Gilliland has been serving on the Environmental Council with distinction. Mr. Gilliland has been instrumental in creating environmentally sensitive resort-based environmental programs.

Steven S.C. Lim is a partner in the law firm of Carlsmith Ball in Hilo on the island of Hawaii where he specializes in state and county administrative law, real estate development, land use planning, and real estate and business litigation. He attended the University of Hawaii and received his law degree at the William S. Richardson School of Law.

The Deputy Director of the Department of Health presented oral testimony supporting the nominee noting that Mr. Lim has served a term on the Council and is the Chairperson of the Rules Committee of the Council.

Testimony in support of the nominee was received from The Nature Conservancy. The Deputy Director of the Department of Health presented testimony supporting the nominee.

Philip K. Ohta is a Maui District Land Agent with the Department of Land and Natural Resources. He holds a Bachelor of Science degree from Santa Clara University. He has served on various Maui County task forces and committees including the Hana Road Task Force and the Beach Access Committee.

Testimony in support of the nominee was received from the Board of Land and Natural Resources. The Deputy Director of the Department of Health presented oral testimony supporting the nominee. Your Committee notes that Mr. Ohta brings the perspective of a land manager to the Council.

Charles A. Prentiss, Ph.D., is an instructor at Chaminade University. He retired in 1991 from the City and County of Honolulu where he was an urban planner and Executive Secretary to the Honolulu Planning Commission. He holds a Bachelor of Arts degree from Rutgers University, a Master's degree in Business Administration from the Wharton School at the University of Pennsylvania, and a Ph.D. in Management from American International University. Dr. Prentiss is a member of the Kailua Neighborhood Board and chairperson of the Planning and Zoning Committee. He is also on the Board of Directors of Hawaii's Thousand Friends.

Testimony in support of the nominee was received from the Hawaii Audubon Society and four individuals. The Deputy Director of the Department of Health presented testimony supporting the nominee.

Pauline Sato has been employed at The Nature Conservancy for nine years primarily serving as an environmental education specialist and community outreach coordinator. She graduated with distinction from the University of Michigan with a Bachelor of Science degree in Natural Resources. She also earned a Master of Education and Educational Technology degree from the University

of Hawaii. She is a past Treasurer of the Hawaii Environmental Education Association and a current Board member of the North American Association for Environmental Education.

Your Committee diligently questioned the nominees who appeared before the Committee about their role on the Environmental Council, the relevance of their previous experience, and the goals they wish to accomplish during their term on the Council. Your Committee believes that the nominees adequately responded to the Committee's inquiries.

Your Committee notes that the mandate of the Environmental Council is to ensure that the environmental review process is fair and equitable. Therefore, it is necessary that the membership of the Council represent a broad spectrum of the public. Your Committee finds that the nominees represent this broad spectrum.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 1 (Ige, M.).

SCRep. 1752 Labor and Environment on Gov. Msg. No. 322

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 322 RICHARD H. COX, for a term to expire June 30, 2003;

Upon review of the resume submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, who will work with compassion and commitment to assist in administering the functions of the Board of Certification of Operating Personnel in Wastewater Treatment Plants (Board). Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through participation on the Board.

Your Committee specifically notes that Richard H. Cox has served with distinction on the Commission on Water Resource Management from 1987 to 1994 and from 1995 to 1999. Mr. Cox has also thirty years of experience working at Alexander and Baldwin with responsibility for water resource management and the company's water systems. Mr. Cox has long been active in professional organizations such as the American Water Works Association (AWWA) and the American Water Resource Association. Mr. Cox received the prestigious Fuller Award from the AWWA for 1995-1996.

Testimony in support of the nominee was received from the Department of Health and the Commissioners of the Commission on Water Resource Management.

Your Committee diligently questioned the nominee about his role on the Board, the relevance of his previous experience, and the goals he wishes to accomplish during his term on the Board. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, 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, 7. Noes, none. Excused, 1 (Ige, M.).

SCRep. 1753 (Joint) Economic Development and Transportation and Intergovernmental Affairs on H.C.R. No. 201

The purpose of this measure is to request the Governor to promote, encourage, and stimulate private transportation businesses engaged in the tourism industry.

Your Committees received testimony in support of this measure from the Hawaii Activities and Tours Association and E Noa Corporation.

Your Committees find that government proposals to operate a "people mover" or a "circulator" to move visitors either to and from or within the Waikiki area would have a serious detrimental effect on the private transportation industry, which currently provides these services on a competitive basis. In addition, your Committees have heard that concerns regarding anticipated traffic congestion at the Convention Center are generally unfounded, based on the experiences to date.

Your Committees believe that private industry should be encouraged to provide visitor transportation services, and that government's role should be to support and provide that encouragement to the private sector.

Your Committees have amended this measure to:

- (1) Change the title to read:

"REQUESTING THE GOVERNOR TO PROMOTE, ENCOURAGE, AND STIMULATE PRIVATE TRANSPORTATION BUSINESSES ENGAGED IN THE TOURISM INDUSTRY";

- (2) Add the word "transportation" to clarify the services in paragraph (3) of the first BE IT RESOLVED clause; and
- (3) Add a provision to paragraph (4) of the first BE IT RESOLVED clause that the actions of Government do not conflict with the rules of the Public Utilities Commission.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 201, 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. 201, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1754 (Joint) Transportation and Intergovernmental Affairs and Economic Development on H.C.R. No. 4

The purpose of this measure is to urge the United States Congress to make the visa waiver program permanent and to add Taiwan, South Korea, and China to the program.

Your Committees received testimony in support of this measure from the Department of Transportation and the Hawaii Activities and Tours Association.

Your Committees find that experience with the visa waiver pilot program has demonstrated the convenience and ease that the arrangement offers to travelers, without significant detriment or adverse results. Adoption of the program on a permanent basis, and the inclusion of Taiwan, South Korea, and China, would further facilitate travel opportunities and benefit Hawaii's tourism industry.

Your Committees have amended this measure to make technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 4, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 4, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1755 Transportation and Intergovernmental Affairs on H.C.R. No. 47

The purpose of this measure is to urge the Honolulu City Council to adopt Resolution No. 98-226, proposing amendments to Chapter 21, Revised Ordinances of Honolulu 1990 (ROH), relating to zoning of adult establishments.

Your Committee received testimony in support of this resolution from two individuals.

Your Committee finds that in mixed business/residential areas, businesses that do not fit in with the surrounding neighborhood can severely downgrade the quality of life for the community. This issue affects many neighborhoods, not only McCully.

Your Committee has amended this measure by deleting the reference to amendments to the City Charter of Honolulu and substituted a reference to Chapter 21, ROH, for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 47, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1756 Transportation and Intergovernmental Affairs on H.C.R. No. 64

The purpose of this measure is to request the support of Hawaii's Congressional Delegation for the designation and establishment of a Rapid Assessment and Initial Detection (RAID) team in Hawaii.

The Chamber of Commerce of Hawaii and the Department of Defense testified in support of this measure.

Your Committee finds that the recent anthrax hoax in Honolulu has underscored the critical need in Hawaii for a fully capable National Guard RAID team.

Your Committee has amended this measure by making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 64, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 64, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1757 Transportation and Intergovernmental Affairs on H.C.R. No. 6

The purpose of this measure is to encourage the State Department of Transportation and the county governments to consider alternative access routes to major communities currently served by a single access roadway.

Testimony in support of the intent of this measure was received from the Department of Transportation.

Your Committee finds that motorists traveling along single access roads are confronted frequently with heavy traffic, health and safety hazards, high frequency of accidents, and inconvenience in reaching their destinations.

Your Committee further finds that a serious emergency may cause a single access road to be shut down, preventing people from commuting between their homes and schools, work places, medical facilities, banks, and shopping centers, thus crippling an entire community. Your Committee is aware that these negative conditions are lessened when alternative routes to and from major communities are available.

Your Committee has made a technical, nonsubstantive change for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 6, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 6, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1758 Education and Technology on H.C.R. No. 94

The purpose of this measure is to encourage all schools in Hawaii to include music as a regular and integral part of their core curriculum.

Your Committee finds that the study of music not only provides direct educational benefits, but also allows for the preservation and perpetuation of culture and the quality of life in our society.

Your Committee has amended this measure by deleting its contents in their entirety and replacing them with the contents of S.C.R. No. 28, S.D. 1, its Senate companion measure, which was adopted by the Senate. As amended, this measure is similar to the House Concurrent Resolution as received by your Committee but:

- (1) Adds the requirement that the Department of Education and the Task Force on Music Education in Hawaii work together to ensure that music education is adequately incorporated into the Hawaii Content and Performance Standards, and the curricula of all schools, using the document "Music Education in Hawaii" and other educational resources as references; and
- (2) Requires the Department to report on the compliance and progress of this measure to the Legislature, instead of the House Education Committee.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 94, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 94, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Tam).

SCRep. 1759 Education and Technology on H.C.R. No. 218

The purpose of this measure is to request the Governor to establish a task force to develop a statewide program for Hawaii's schools that focuses on strong academic standards, assessment testing, and accountability.

Testimony in support of this measure was submitted by the National Education Goals Panel's Future of the Goals Task Force.

Your Committee finds that a standards-based accountability system will allow schools to be judged by their results and student achievement. In addition, Hawaii will be able to assess and determine student performance compared to other states and countries, and track any improvements made by our school system.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 218 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Tam).

SCRep. 1760 Education and Technology on H.C.R. No. 236

The purpose of this measure is to request the University of Hawaii to increase its efforts to recruit students from Asian Pacific countries to study medicine at the John A. Burns School of Medicine and to secure research funds for the John A. Burns School of Medicine.

Testimony in support of the intent of this measure was submitted by the University of Hawaii.

Your Committee finds that this measure echoes the State's mission to establish the John A. Burns School Medicine as a vital part of Hawaii's role as the health care center for Asia and the Pacific. However, the John A. Burns School of Medicine should recruit a broad base of non-resident students to ensure its growth and continuity. This diversity will be beneficial in providing the John A. Burns School of Medicine with an important global perspective.

Your Committee has amended this measure by:

- (1) Amending the title to read:

"REQUESTING THE UNIVERSITY OF HAWAII TO INCREASE EFFORTS TO RECRUIT NON-RESIDENT STUDENTS TO STUDY MEDICINE AT THE JOHN A. BURNS SCHOOL OF MEDICINE AND TO SECURE RESEARCH FUNDS FOR THE JOHN A. BURNS SCHOOL OF MEDICINE"; and

- (2) Encouraging the recruitment of all non-resident populations from the mainland U.S. and other foreign countries, and not only those from Asian Pacific countries.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 236, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 236, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Tam).

SCRep. 1761 Education and Technology on H.C.R. No. 237

The purpose of this measure is to request the Governor and the Chairperson of the Board of Education to appoint a temporary advisory commission to recommend a new finance structure for lower education.

Your Committee finds that this measure is necessary because numerous state audits have noted that the Department of Education has been unable to track actual spending as compared with budgeted funds. In addition, financial reports submitted to the Legislature by the Department of Education are ambiguous and difficult to analyze.

Your Committee has amended this measure to:

- (1) Include the Auditor as an ex-officio nonvoting member of the advisory commission; and
- (2) Make technical, nonsubstantive amendments for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 237, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 237, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Tam).

SCRep. 1762 Transportation and Intergovernmental Affairs on H.C.R. No. 220

The purpose of this measure is to request the Department of Transportation, Airports Division, and the Department of Budget and Finance to work closely with the air carrier industry to develop strategies to effectively reduce airport system costs, and report their findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000.

Testimony in support of this measure was received from the Department of Transportation, the Department of Budget and Finance, and the Airlines Committee of Hawaii, representing twenty-two air carriers serving the State of Hawaii.

Your Committee is aware that air transportation for our island State is essential for the travels of residents, for the import and export of goods, and for the arrivals and departures of millions of vacationing tourists, who serve as the backbone of our economy.

Your Committee finds that low and stable landing fees and other charges encourage present air carriers to add more flights, and new carriers to provide air service for our State. Your Committee further finds that the State and the air carriers must work closely together in establishing the amounts of landing fees and other charges for their mutual benefit.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 220, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 220, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Ige, D., Iwase, Taniguchi).

SCRep. 1763 Transportation and Intergovernmental Affairs on H.C.R. No. 56

The purpose of this measure is to request the United States Army to further inform and involve the public on military and related activities at the Makua Military Reservation on Oahu.

Your Committee conducted a hearing on and distributed copies of a proposed Senate Draft of this measure which urges the United States Senate to confirm the recent nomination by President Clinton of General Eric Shinseki as the 34th Chief of Staff of the United States Army.

Testimony in support of the proposed Senate Draft of this measure was received from two individuals.

Your Committee finds that General Shinseki is well-qualified for the highest position in the United States Army and fully supports his nomination.

Your Committee has amended this measure by replacing its contents with the proposed Senate Draft of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 56, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Inouye, Taniguchi).

SCRep. 1764 Transportation and Intergovernmental Affairs on S.R. No. 52

The purpose of this measure is to request the United States Army to further inform and involve the public on military and related activities at the Makua Military Reservation on Oahu.

Your Committee conducted a hearing on and distributed copies of a proposed Senate Draft of this measure which urges the United States Senate to confirm the recent nomination by President Clinton of General Eric Shinseki as the 34th Chief of Staff of the United States Army.

Testimony in support of the proposed Senate Draft of this measure was received from two individuals.

Your Committee finds that General Shinseki is well-qualified for the highest position in the United States Army and fully supports his nomination.

Your Committee has amended this measure by replacing its contents with the proposed Senate Draft of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 52, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 52, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Inouye, Taniguchi).

SCRep. 1765 Judiciary on H.C.R. No. 15

The purpose of this measure is to urge the United States government to ratify the United Nations Convention on the Elimination of All Forms of Discrimination Against Women.

The United Nations Convention on the Elimination of All Forms of Discrimination Against Women was adopted by the United Nations General Assembly in 1979 and became an international treaty in 1981. As of June, 1997, one hundred sixty-one countries had ratified the treaty. Although the United States participated in the drafting of the Convention, the United States has never ratified the treaty. This measure specifically asks the United States Senate to ratify the treaty and support the continuing goals of the Convention.

Your Committee heard testimony in support of this measure from the Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, and Hawaii Women Lawyers.

Your Committee finds that Hawaii has been a leader in recognizing gender equity in society and should encourage the United States Senate to take affirmative action and ratify this Convention. Your Committee finds that the United States as a world leader and protector of basic human and civil rights should take a strong position in the area of eliminating discrimination against women.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 15, H.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Sakamoto).

SCRep. 1766 Judiciary on H.C.R. No. 35

The purpose of this measure is to urge the Department of Public Safety, the Hawaii Paroling Authority, and the Judiciary to explore and fund alternatives to incarceration for nonviolent female offenders.

In addition, this measure requests the Department of Public Safety, the Hawaii Paroling Authority, and the Judiciary to submit their respective findings and recommendations on alternatives to incarceration for nonviolent female offenders to the Legislature before the convening of the Regular Session of 2000.

Your Committee received testimony in support of this measure from the Judiciary, the Office of Hawaiian Affairs, the Hawaii State Commission on the Status of Women, and the American Civil Liberties Union of Hawaii.

Your Committee finds that the incarceration of nonviolent offenders, who do not threaten public safety, is not in the public interest and not for the public health, safety, and general welfare of the State. Rather, the incarceration of such nonviolent offenders represents society's inability and unwillingness to deal firmly but compassionately with people who steal or prostitute themselves in order to feed a drug habit or drinking problem. The incarceration of nonviolent female offenders is of special concern to your Committee since women in Hawaii--for cultural, economic, and other reasons bear the primary responsibility for and burden of holding their families together during good times and bad. It is time for society--judges, the Hawaii Paroling Authority, and legislators especially--to realize that there is more to meting out justice than locking up offenders, especially such nonviolent offenders, and throwing away the key.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 35, H.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Anderson).

SCRep. 1767 Judiciary on H.C.R. No. 60

The purpose of this Concurrent Resolution is to request the Department of Public Safety, in cooperation with the Department of Health and the University of Hawaii School of Social Work, to determine the extent of the co-occurring diagnoses of mental disorders and substance abuse among the State's inmate population.

The Department of Public Safety is also requested to summarize the number of co-occurring diagnoses and make a preliminary assessment of the severity of each case as a basis for further assessment and report to the Legislature twenty days prior to the convening of the Regular Session of 2000.

Your Committee received testimony from the Department of Health agreeing with the testimony submitted by the Department of Public Safety indicating that it will work cooperatively with the Department of Public Safety to the extent that additional resources are available for the project.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 60, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Anderson).

SCRep. 1768 Judiciary on H.C.R. No. 65

The purpose of this Concurrent Resolution is to request the Attorney General to convene a working group to look at domestic violence policies and procedures in the criminal justice system.

Your Committee finds that despite the growing awareness of domestic violence in our community, this problem continues to impact the lives, health, and economic viability of women and their children. A sobering statistic that dramatically illustrates the severity of domestic violence in our State shows that Hawaii's domestic violence murder rate is double that of the national rate. This abnormally high rate is consistent with reports that reveal the majority of women murdered in Hawaii are killed by their partners or boyfriends.

Experts believe that this startling reality can be changed beginning with a comprehensive review of the criminal justice system to identify gaps that result in inadequate services to victims of domestic violence. Accordingly, this Concurrent Resolution requests that review by a working group convened by the Attorney General that will provide a report of its findings and recommendations to the Legislature before the 2000 regular session.

Your Committee received favorable testimony from the Attorney General, the Hawaii State Commission on the Status of Women, the Honolulu Prosecuting Attorney, the Hawaii State Coalition Against Domestic Violence, Hawaii Lawyers Care, and Child and Family Service. The Judiciary took no position on the Concurrent Resolution.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 65, H.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Sakamoto).

SCRep. 1769 Judiciary on H.C.R. No. 196

The purpose of this Concurrent Resolution is to request the Office of Information Practices to coordinate an analysis of current protections of the privacy of personal information.

The Concurrent Resolution also requests the Office of Information Practices to examine ways in which personal information is currently used, what protections are desirable, and to submit proposals to the Legislature which address the concerns of consumers, law enforcement professionals, and businesses.

Your Committee finds that the multi-billion dollar trade in personal information is one of the fastest growing industries in the world. The rapid purchase and sale of such information is often times beyond the comprehension or control of average citizens who have little or no opportunity to review or restrict its dissemination.

Whereas certain types of information are vital to the survival of a healthy and productive economy, that need must be balanced with the privacy needs of our community as provided under Article I, section 6 of the Hawaii Constitution which reads: "the right of the people to privacy is recognized and shall not be infringed without the showing of a compelling state interest."

Accordingly, before your Committee acts upon legislation that attempts to regulate this uncharted and untested area of the law, prudence dictates that the Office of Information Practices first provide the Legislature with the information necessary to craft legislation that respects and promotes the interests of all interested parties.

Your Committee received favorable testimony from the Office of Information Practices and the Hawaii Insurers Council.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 196, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Anderson).

SCRep. 1770 Health and Human Services on H.C.R. No. 232

The purpose of this measure is to request the Department of Human Services (DHS) to adopt infant and child cardiopulmonary resuscitation (CPR) in their administrative rules governing licensure and registration of child care providers.

The intent of this measure is to save young lives from unnecessary death due to untrained child care providers. It has been proven that early access to CPR can save a life. Child care providers need specialized CPR training for children. This measure requests the DHS to include infant and child CPR training and certification in its administrative rules governing licensure and registration of child care providers.

Your Committee has amended this measure by:

- (1) Adding respiratory resuscitation and first aid training;
- (2) Deleting reference to the American Red Cross's recommendation and inserting American Heart Association's curriculum; and
- (3) Revising the title accordingly.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 232, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 232, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1771 Health and Human Services on H.C.R. No. 12

The purpose of this measure is to urge the Executive Office on Aging, in partnership with Hospice Hawaii, to educate healthcare providers and the general public on the benefits of hospice.

The intent of this measure is to ease the dying days of a terminally ill patient. Hospice care ameliorates the suffering of end of life care and assuages the emotional distress of relatives of hospice patients. The Governor's Blue Ribbon Panel on Living and Dying with Dignity unanimously recommended, among other things, that hospice care be made more available and offered more expediently to the dying.

Testimony in support of this measure was received from the Executive Office on Aging, the Commission on Persons with Disabilities, the Hawaii Medical Association, and the Hawaii Catholic Conference.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 12, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1772 Health and Human Services on H.C.R. No. 169

The purpose of this measure is to express the legislature's recognition and support of individual development accounts (IDA).

IDAs are effective and important mechanisms for asset building that should be used to complement existing income-based social policy in Hawaii. The federal Assets for Independence Act, signed by President Clinton on October 27, 1998, authorizes an IDA demonstration project to establish local IDA programs. This measure requests the Department of Human Services, the Housing and Community Development Corporation of Hawaii, and the Department of Business, Economic Development, and Tourism to collaborate with IDA practitioners and support organizations to assist in the development of IDAs in Hawaii and ensure that IDA accounts, including any earned interest, will be disregarded in the determination of benefits or eligibility for services that account holders may receive from state agencies.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 169 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1773 Health and Human Services on H.C.R. No. 190

The purpose of this measure is to urge the Department of Health (DOH) to extend its services of the neuropsychology department until appropriate and adequate alternatives are found.

This measure is an outgrowth of the recent announcement by the DOH that it intends to close the neuropsychology department at the Hawaii State Hospital. The DOH feels that neuropsychology is not within mental health treatment, because neuropsychology deals with brain injury type cases and the like. However, there is concern that many current patients have nowhere to turn for neuropsychology services since there is no other facility in the State that provides these services. Furthermore, insurers will not pay for post-acute rehabilitation services.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 190, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1774 Health and Human Services on H.C.R. No. 63

The purpose of this measure is to request the Office of Youth Services (OYS) to revise its strategic plan.

The intent of this measure is to provide and encourage services to strengthen the physical, emotional, social, educational, and moral development of Hawaii's youth by preventing delinquency through a planned strategy of community involvement that encourages and provides innovative strategies for the provision of services. These services include coordinating services from public and private nonprofit groups, maximizing resources and services to youth, developing standards of care, and evaluating and monitoring these activities.

This measure specifies that the current OYS strategic plan, formulated in 1991, be updated with public input from several state departments, counties, and private youth services agencies. This measure further specifies that OYS report to the Legislature for the 2000 Regular Session.

OYS provided comments regarding this measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 63, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 1775 (Joint) Health and Human Services and Transportation and Intergovernmental Affairs on H.C.R. No. 219

The purpose of this measure is to urge the United States Congress, the President of the United States, and the Secretary of Health and Human Services to support the Hawaii congressional delegation's effort to amend the Social Security Act to increase Hawaii's Federal Medical Assistance Percentage (FMAP).

The federal government bases its payment to states for the Medicaid program on FMAP, which is a formula that yields the per capita income for a state. However, Hawaii's inordinately high cost of living is not reflected in FMAP. This measure requests support to change the FMAP formula for Hawaii, which would result in Hawaii receiving more Medicaid funds from the federal government.

Testimony in support of this measure was received from the Department of Accounting and General Services (DAGS), the Department of Human Services (DHS), the State Planning Council on Developmental Disabilities, and the Hawaii Long Term Care Association.

According to DAGS, the State currently recovers about \$20 million under FMAP. An increase in the FMAP rate for Hawaii would bring in additional federal dollars of about \$7 million per year for each percentage point increase. Your Committees believe that the State stands to gain a substantial amount of federal money through an increase in the FMAP rate for Hawaii.

According to DHS, the increase in federal moneys for Hawaii would partially off-set the anticipated cutback in federal funding due to the Balanced Budget Act of 1997. This is estimated to be a reduction of twenty-nine per cent in the next five years which would require additional general funds to maintain levels of services required for adequate health care.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 219 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Inouye, Levin, Slom).

SCRep. 1776 (Joint) Health and Human Services and Transportation and Intergovernmental Affairs on H.C.R. No. 203

The purpose of this measure is to urge the United States Congress, the President of the United States, and the Secretary of the Department of Health and Human Services to support Hawaii's congressional delegation's efforts to amend the Social Security Act.

The intent of this measure is to reduce the administrative service fee that the State is required to pay the Social Security Administration for the processing of Supplemental Security Income for the Aged, Blind, and Disabled (SSI). For fiscal year 1999, Hawaii is paying \$7.60 to issue a supplement of \$4.90. The State must continue to pay this fee to avoid jeopardizing Medicaid reimbursements from the federal government. An amendment to the Social Security Act would:

- (1) Allow Hawaii to not issue a state supplement for SSI;
- (2) Limit the cost of the administrative fee to a maximum amount;

- (3) Prohibit an increase in the fee without any increase in services; and
- (4) Allow Hawaii to contract for processing state supplements for SSI to a private vendor without being penalized by decreasing the assistance to the Federal Benefit Rate only.

Testimony strongly supporting this measure was received from the Department of Human Services.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 203 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Inouye, Levin, Slom).

SCRep. 1777 Commerce and Consumer Protection on H.C.R. No. 22

The purpose of this measure is to request the Public Utilities Commission (PUC) to submit a status report on its pending proceeding relating to electricity competition in the State.

The Department of Commerce and Consumer Affairs, Hawaiian Electric Company, Inc., and Kauai Electric presented testimony in support of the measure. The PUC and Department of Business, Economic Development, and Tourism, while not present, submitted testimony in support of the measure.

Your Committee finds that the Legislature has an interest in the issue of electricity competition in the State since Hawaii's high electricity rates affect the economic well-being and quality of life of its residents, and legislative action may be necessary to facilitate the establishment of competition within the State's electric utility industry.

The PUC has instituted a proceeding, Docket No. 96-0493, on electricity competition in Hawaii that includes an investigation into the State's electric utility infrastructure, and the findings of this proceeding may determine the need for future legislative action. Accordingly, the Legislature has an interest in the timely completion of the docket and its findings. This measure would request that the PUC provide the Legislature with a status report on the docket that includes any determinations made the PUC and a timetable for the docket's completion.

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. 22, H.D. 2, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 1778 (Joint) Commerce and Consumer Protection and Judiciary on H.C.R. No. 9

The purpose of this measure is to request that the Governor direct the Attorney General to vigorously pursue the civil litigation on gasoline price fixing in the State, expedite the discovery of evidence, seek a trial date within the next two years, and make periodic reports on the progress of the litigation.

An individual who was not present submitted testimony in support of the measure.

Your Committees find that the outcome of the State's pending lawsuit against certain oil companies for fixing gasoline market shares and prices is important to the economic well-being of the State and its residents. Hawaii's consumers allegedly pay unreasonably high prices for gasoline which is an essential commodity for daily living, and, but for the State's legal action against the oil companies, would have little or no recourse against the parties responsible for these high gasoline prices.

Your Committees further find that the Senate joins the House in its concern that the State's lawsuit against the oil companies be vigorously pursued on behalf of Hawaii's citizens and in its support of the Attorney General's actions. Accordingly, your Committees have amended this measure, including its title, to reflect that the Legislature, as a whole, supports the Attorney General's vigorous and timely representation of the State's citizens in the litigation.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 9, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 9, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 5 (Bunda, Chun Oakland, Hanabusa, Ihara, Sakamoto).

SCRep. 1779 Government Operations and Housing on Gov. Msg. No. 191

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

ALLAN LOS BANOS, JR., gubernatorial nominee to the Board of Directors, Housing and Community Development Corporation of Hawaii, for a term to expire June, 30, 2002,

Upon review of the background information submitted by the nominee, your Committee finds that Allan Los Banos, Jr. holds Bachelor's and Master's degrees from the University of Hawaii at Manoa in archaeology and education, respectively.

Mr. Los Banos has extensive work experience with both labor and management. Mr. Los Banos has served as the safety coordinator/program specialist for the Masons and Plasterers Fraternal Association for the past four years, and served as the training and personnel development manager for Fletcher Pacific Construction Company from 1990 to 1994. Mr. Los Banos served as executive vice-president for the General Contractors Association of Hawaii from 1980 to 1990.

Mr. Los Banos currently serves as an interim member of the Housing and Community Development Corporation of Hawaii and previously served as a Commissioner for the Hawaii Housing Authority from 1997 to 1998.

Testimony in support of the nominee was submitted to your Committee by: the Governor's Office, the Executive Director and Chairman of the Board of Directors for the Housing and Community Development Corporation of Hawaii, and the Hawaii Building and Construction Trades Council, AFL-CIO. All testimony unanimously supported the nomination of Mr. Los Banos, indicating that he is fair, compassionate, intelligent, hard working, and possesses the highest level of integrity. Further, testifiers acknowledged that Mr. Los Banos possesses the knowledge and ability needed as a member of the Board of Directors for the Housing and Community Development Corporation of Hawaii.

Your Committee diligently questioned the nominee regarding his extensive work experience representing the interests of both management as well as labor to ascertain how his work experience gives him the ability to understand both sides of the spectrum. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee, after full consideration of the background, character, 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 (Levin, Matsunaga, Tanaka).

SCRep. 1780 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 310

Recommending that the Senate advise and consent to the nominations of the following:

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 310 ROBERT M. GRANGER, for a term to expire June 30, 1999; and

ROBERT M. GRANGER and ROGERENE K. M. ARCE for terms to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the functions of the Molokai Irrigation System Water Users Advisory Board (Board). Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Board.

Your Committee specifically notes the following:

Robert M. Granger is the research location manager for Cargill Hybrid Seed on the island of Molokai. He has a Ph.D. in Plant Breeding and Genetics from the University of Minnesota. Mr. Granger is active in the American Society of Agronomy, the Hawaii Crop Improvement Association, and the Hawaii Farm Bureau.

Rogerene K. M. Arce is an Agricultural Extension Agent working with Hawaiian homestead lessees and 4-H youth organizations. She has a Bachelor of Science degree from the University of Hawaii at Hilo College of Agriculture. She is active on the Earth Day Committee and the Maui County Arborist Committee.

Testimony in support of the nominee was received from the Department of Hawaiian Home Lands.

The Department of Agriculture also submitted testimony in support of both nominees stating that the nominees are qualified to serve on the Board because they are active water users and have knowledge of the needs and concerns of the system's water customers.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Kanno).

SCRep. 1781 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 259

Recommending that the Senate advise and consent to the nominations of the following:

KAHO'OLAWE ISLAND RESERVE COMMISSION

G.M. No. 259 ISABELLA A. ABBOTT, Ph.D., for a term to expire June 30, 2000, and

GEORGINA K. KAWAMURA and BURT H. SAKATA, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Kaho'olawe Island Reserve Commission to which they have been nominated.

The Kaho'olawe Island Reserve Commission submitted testimony in support of the three nominees.

Your Committee notes the following specific qualifications of the nominees:

Isabella A. Abbott, Ph.D., is the G.P. Wilder Professor of Botany, Emerita, University of Hawaii, and a specialist in systematics of marine algae and Hawaiian and Polynesian ethnobotany. Dr. Abbot holds graduate degrees from the University of California, Berkeley and the University of Michigan, and an undergraduate degree from the University of Hawaii. Born in Hana, Maui and a graduate of the Kamehameha School for Girls, she is fluent in the Hawaiian language and is the author of several books, including *La'au Hawai'i*, the traditional uses of Hawaiian plants. Dr. Abbott is particularly interested in establishing a baseline study of marine algae around the island of Kaho'olawe. 'Ahahui Malama I Ka Lokahi and one individual submitted testimony in support of Dr. Abbott.

Georgina K. Kawamura, is an Organization Systems Officer with the County of Maui, where she has been employed since 1975. A graduate of Kamehameha Schools and Maui Community College, Ms. Kawamura is a reappointment to the Commission, where she has served as a valued member since 1995. As the representative for Maui County, she has been of tremendous help in the administrative aspects of the Commission, and is noted for her pragmatism and good humor. In addition to her present work with the Commission, Ms. Kawamura is a member of the Maui Community College Provost Advisory Council and the Board of Directors for Haleakala Waldorf School.

Burt H. Sakata, owner of Hawaii Stationery Co., Ltd, is a lifelong resident of Hawaii and a graduate of Kalani High School in Honolulu. A member of the Protect Kaho'olawe 'Ohana for nearly twenty years, he is a hard working contributor, often responsible for the critical planning, preparation, and cleanup of the many 'Ohana projects on the Island. A skilled facilitator and mediator, Mr. Sakata brings a conscientious approach to problem solving and extensive knowledge of the Island itself. The Protect Kaho'olawe 'Ohana, Hui Alanui o Makena, and six individuals submitted testimony in support of Mr. Sakata's nomination. One individual expressed his opposition to the appointment.

Your Committee heard from each of the nominees regarding their hopes and concerns for the Island and the difficult tasks before the Commission during the cleanup and restoration of Kaho'olawe. Your Committee is impressed by both the expertise that each of these nominees brings to the Commission and by their commitment to the work of the Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Chun, Tanaka).

SCRep. 1782 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 321

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 321 BRIAN C. NISHIDA and HERBERT M. RICHARDS, JR., for terms to expire June 30, 2003,

Upon review of the resumes and other background information submitted by the nominees, your Committee finds that the nominees bring a unique range of skills, abilities, and experiences to the Kaneohe Bay Regional Council.

Your Committee notes the following specific qualifications of the nominees:

John Goody has been an engineer at Belt Collins and Associates from 1988. During his tenure, he participated in and directed numerous environmental studies and planning studies involving effects of land and water uses on the ocean and near-shore environments, including Kaneohe Bay.

Francis Shimanuki is currently the Treasurer of the Kaneohe Bay Commercial Operators Association and is Vice President of Morning Star Cruises, Inc., one of the larger tour operators in Kaneohe Bay.

Kelvin Ching is currently self-employed and has worked at Pearl Harbor Naval Shipyard. He participated in many of the Kaneohe Bay Task Force meetings and has attended Kaneohe Bay Regional Council meetings for the last two and a half years.

David Higgins is President and CEO of Marimed Foundation and has a United States Coast Guard License, Master, Oceans, 500 tons. Mr. Higgins is a trustee of the Hawaii Maritime Center.

Kim Holland has been a biologist at the University of Hawaii since 1980. Mr. Holland is currently on the Kaneohe Bay Regional Council.

Lynn Lee has been an environmental planner with the Office of Hawaiian Affairs since 1989. Ms. Lee is currently on the Kaneohe Bay Regional Council.

Kurt Mench has been a commercial fisherman since 1975 and a member of the Fishing Panel for Kaneohe Bay and Kahaluu District Park Planning Committee.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Chun, Matsuura, Tanaka).

SCRep. 1784 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 307

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 307 LYNETTE P. TIFFANY and DUNCAN K. SETO, for terms to expire June 30, 2003,

Upon review of the resumes and other background information submitted by the nominees, your Committee finds that the nominees bring a unique range of skills, abilities, and experiences to the boards to which they have been nominated.

Testimony in support of Lynette P. Tiffany was received from the Board of Land and Natural Resources, Aha Leo Kupuna Kaiaulu/QLCCNanakuli, Paradise Cove Luau, Waianae Kai Homestead Association, Waianai Coast Culture and Arts Society, Inc., Nanakuli Hawaiian Homestead Community Association, and the Land Planning Coordinator and the Asset Manager of Lanikuhonua, for the Estate of James Campbell.

Testimony in support of Duncan K. Seto was received from the Board of Land and Natural Resources.

Your Committee notes the following specific qualifications of the nominees:

Lynette P. Tiffany has been the curator and operator of Lanikuhonua, the Campbell Estate Cultural Park, for the last ten years. Her family has long been associated with Lanikuhonua, and was instrumental in resolving burial issues in that area.

Duncan K. Seto has been a firefighter for over twenty years. He has served as the Director of the Association for the Promotion of Pacific Island Arts and Board Member of the Waianae Coast Community Alternative Development Corp. and Backyard Aquaculture Advisory Board. He has also served on the Island Burial Council, Island of Oahu, for the last four years.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Kanno).

SCRep. 1785 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 306

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANAI

G.M. No. 306 DANA NAONE HALL and MEI LEE WONG, for terms to expire June 30, 2003,

The Department of Land and Natural Resources submitted testimony in support of the nominees.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Island Burial Council for the Islands of Maui and Lanai to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

Dana Naone Hall, a self-employed writer and researcher, is a graduate of Kamehameha Schools and the University of Hawaii. She has served as the editor for Hawaii Review and a special issue of Bamboo Press entitled "Malama Hawaiian Land and Water". Ms. Hall is currently a member of the Council and has served ably as chair for many years. An advocate for the perpetuation of the Hawaiian culture and the protection of Hawaiian sites, she brings a history of resolving difficult issues involving development projects and Native Hawaiian burial sites. Ms. Hall is a member of numerous Maui cultural organizations, and serves as a director for Hui Alanui o Makena and Keauhou o Honua'ula.

Mei Lee Wong, Project Manager with Dowling Company, Inc., is a graduate of California State University of Los Angeles and a Maui resident for five years. As an employee of Dowling Company, Inc., she reflects the company's commitment to balanced, culturally sensitive development in Hawaii. Among her other interests, Ms. Wong also serves as a volunteer hike leader for The Nature Conservancy of Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Kanno).

SCRep. 1786 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 305

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAI'I

G.M. No. 305 CHARLES K. H. YOUNG and KEIKIALOHA KEKIPI, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Island Burial Council, Island of Hawai'i to which they have been nominated.

The Department of Land and Natural Resources submitted testimony in support of both nominees.

Your Committee notes the following specific qualifications of the nominees:

Charles K. H. Young, is founder and president of Native Alternatives, Inc., an agricultural corporation specializing in traditional Hawaiian plants. Born and raised in Hawaii, he is a graduate of St. Louis High School and holds an undergraduate degree from Cal Poly San Luis Obispo. Mr. Young has been active in Hawaiian issues for many years and is a member of the Native Hawaiian Chamber of Commerce, the Royal Order of Kamehameha, the Kona Hawaiian Civic Club, as well as the treasurer for the Hawaii Taro Growers Hui.

Keikialoha Kekipi, an entrepreneurial educator, has been a member of the Council for the past four years. His commitment to historic preservation and the sensitive treatment of burial sites, in particular, has made him a valued and conscientious contributor to the deliberations of the Council. Mr. Kekipi is a lifelong resident of Hawaii and attended Hawaii Community College and the University of Hawaii at Hilo. He is active in a number of community and Hawaiian organizations, and serves as a guide and mentor for the school children in the Puna area in education through traditional Hawaiian values.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Kanno).

SCRep. 1787 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 150

Recommending that the Senate advise and consent to the nomination of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 150 RAYNARD C. SOON, for a term to expire December 31, 2002;

Upon review of the qualifications and other background information submitted by the nominee, your Committee finds that Raynard C. Soon has been the Administrator of the Department of Hawaiian Home Lands' Temporary Development Assistance Group (TDAG) and the Land Management Division (LMD) prior to being appointed Acting Chairperson of the Hawaiian Homes Commission.

In 1995, as the Administrator for the LMD, and again in 1998, as the Administrator for the TDAG, Mr. Soon garnered the attention, respect, and admiration of his colleagues and clients and was awarded the prestigious honor of Manager of the Year in those years for his outstanding leadership and administrative abilities.

Testimony in support of the nomination was received from members of the House of Representatives from the Seventh and Forty-Third Representative districts, a Trustee of the Office of Hawaiian Affairs, the Chairperson of the Honolulu City Council, the Manager and Chief Engineer of the City and County of Honolulu Board of Water Supply, two employees of the Department of Hawaiian Home Lands, the Native Hawaiian Legal Corporation, the Nanakuli Hawaiian Homestead Community Association, the Waianae Coast Culture and Arts Society, Incorporated, the Waianae Kai Homestead Association, the Ahupua'a O Moloka'i, the Hawaii Operating Engineers Industry Stabilization Fund, Kauahikaua & Chun/Architects, the Maryl Group, Pacific Management Consultants, Incorporated, Paul Louie & Associates, Incorporated, the West Oahu Employment Corporation, and a number of concerned individuals.

Your Committee members diligently questioned the nominee regarding his vision of the purpose, goals, and direction of the Department of Hawaiian Home Lands. Based on this discussion, your Committee believes that the nominee will be an able Chairperson of the Hawaiian Homes Commission and the Department of Hawaiian Home Lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 1788 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 155

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRPERSON OF THE BOARD OF LAND AND NATURAL RESOURCES

TIMOTHY E. JOHNS, gubernatorial nominee to the Chairperson of the Board of Land and Natural Resources, for a term to expire December 31, 2002,

Upon review of the qualifications and other background information submitted by the nominee, your Committee finds that Timothy E. Johns has served as the Deputy Director of the Department of Land and Natural Resources assigned to the State Commission on Water Resource Management prior to his ascension to the position of interim Chairperson of the Board of Land and Natural Resources.

Prior to coming to public service, Mr. Johns amassed extensive experience in natural resource conservation, real estate development, and water-related issues. As a practicing attorney, Mr. Johns specialized in real estate and environmental matters involving a variety of issues, including compliance with state and federal water regulations. As Director of Protection for the Nature Conservancy of Hawaii, Mr. Johns managed a statewide legal protection program for biologically significant lands.

Testimony in support of the nomination was received from representatives of numerous state, county, private, nonprofit, and community organizations, as well as from many private citizens.

A concerned individual testified in opposition to the nomination.

Your Committee members diligently questioned the nominee regarding his vision of the purpose, goals, and direction of the Department of Land and Natural Resources. Based on this discussion, your Committee believes that the nominee will be a capable Chairperson of the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun, Kanno).

SCRep. 1789 Government Operations and Housing on Gov. Msg. No. 143

Recommending that the Senate advise and consent to the nomination of the following:

COMPTROLLER

RAYMOND H. SATO, gubernatorial nominee as Comptroller for a term to expire December 2, 2002,

Upon review of the background information submitted by the nominee, your Committee finds that Raymond H. Sato holds a Bachelor of Science degree from the University of Hawaii, with an emphasis in civil engineering and a Master of Science degree from California State University at Long Beach, with an emphasis in civil engineering.

Mr. Sato, who is a professionally licensed engineer in both Hawaii and California, has thirty-three years of engineering experience, and has served as Comptroller for the State of Hawaii since April, 1998. In addition, Mr. Sato was appointed Manager and Chief Engineer of the Board of Water Supply, City and County of Honolulu in 1995 and Manager and Chief Engineer of the Department of Water for the County of Kauai in 1980.

Mr. Sato has served as National Director and Chairman of the Hawaii section of the American Water Works Association, and President of both the Hawaii Water Works Association and Kauai Society of Civil Engineers, Architects and Land Surveyors. Mr. Sato also received the George Warren Fuller Award in 1990 from the American Water Works Association.

Testimony in support of the nominee was submitted to your Committee by: the Department of Accounting and General Services (DAGS), the State Procurement Office, the Department of Hawaiian Home Lands, a member of the City Council for the City and County of Honolulu, the Manager and Deputy Manager of the Honolulu Board of Water Supply, four employees at the Board of Water Supply for the City and County of Honolulu, the Director and Deputy Director of the Department of Water Supply for the County of Maui, the Hawaii State Teachers Association, Yamasato Fujiwara Aoki and Associates, Inc., the Plumbers and Fitters Local 675 United Association, Contractors Association of Kauai, International Association of Bridge, Structural and Ornamental Iron Workers AFL-CIO, Hawaii Building and Construction Trades Council AFL-CIO, Paul Louis and Associates, Inc., Consulting Engineers Council of Hawaii, and 28 individuals.

All testimony unanimously supported Mr. Sato by indicating that he has strong analytical and leadership qualities, including the ability to run a large and complicated department efficiently as well as motivate staff to unleash creativity.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee, after full consideration of the background, character, 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 (Levin, Matsunaga, Tanaka).

SCRep. 1790 Government Operations and Housing on Gov. Msg. No. 194

Recommending that the Senate advise and consent to the nomination of the following:

RENTAL HOUSING TRUST FUND ADVISORY COMMISSION

G.M. 194 PATRICK S. YAMADA, for a term to expire June 30, 2001,

Upon review of the background information submitted by the nominee, your Committee finds that Patrick S. Yamada holds Bachelor's and Master's degrees in business administration from the University of Southern California. Mr. Yamada has worked in the banking industry for over 24 years, currently as vice-president and manager and for Bank of Hawaii's construction and income property loan department and prior to that as assistant manager from 1985 to 1989. Additionally, Mr. Yamada worked as assistant

vice-president and commercial and construction loan officer for First Federal Savings and Loan Association of Hawaii from 1978 to 1985. Mr. Yamada has also been a certified public accountant since 1979.

Mr. Yamada previously has served as the Chairman of the Income Property Committee for the Mortgage Bankers Association of Hawaii, Chairman of the Finance Committee for the Building Industry Association of Hawaii, and Chairman of the Parade of Homes. Currently, he is the Secretary of the Mortgage Bankers Association of Hawaii and Finance Committee member of the Building Industry Association of Hawaii.

Testimony in support of the nominee was submitted to your Committee by: the Executive Director of the Housing and Community Development Corporation of Hawaii, the Chairman of the Rental Housing Trust Fund Advisory Commission, and the Chairman of the Board of Directors for the Housing and Community Development Corporation of Hawaii, and the Hawaii Bankers Association. All testimony unanimously supported the nomination of Mr. Yamada, indicating that he is fair, compassionate, intelligent, hard working, and possess the highest level of integrity. Further, testifiers acknowledged that Mr. Yamada possesses the knowledge and ability needed to be qualified as a member of the Rental Housing Trust Fund Advisory Commission.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee, after full consideration of the background, character, 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 (Levin, Matsunaga, Tanaka).

SCRep. 1791 Judiciary on Gov. Msg. No. 235

Recommending that the Senate advise and consent to the nominations of the following:

DEFENDER COUNCIL

G.M. No. 235 JACQUELINE K. MURAI, for a term to expire June 30, 2003;

GERONIMO VALDRIZ, for a term to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Defender Council.

Your Committee notes the following specific qualifications of the nominees:

Jacqueline K. Murai holds a B.S. degree from the University of Hawaii at Manoa. She is a driver education assistant and a consultant for the Department of Public Works, Traffic Division for the County of Hawaii. Ms. Murai has also been a member of the Lehua Jaycees and has served on the Defender Council since 1998.

Geronimo Valdriz holds a B.A. and J.D. degree from the University of Hawaii at Manoa and currently works as an attorney in private practice on Maui. He is a member of the Hawaii State Bar Association, the Filipino Bar Association, and serves as volunteer counsel for Family Court. Mr. Valdriz has served on the Defender Council since 1995.

Testimony in support of Ms. Murai and Mr. Valdriz was submitted to your Committee by the Public Defender. The testimony supported the nomination of Ms. Murai and Mr. Valdriz by indicating that they both have contributed significantly as members of the Defender Council and possess the dedication to service that qualifies them for continuing appointment to the Defender Council.

Your Committee reviewed the testimony and personal letters from Ms. Murai and Mr. Valdriz in lieu of their appearance before the Committee and believes that the nominees adequately meet the Committee's standards for confirmation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1792 Judiciary on Gov. Msg. No. 242

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION, ISLAND OF OAHU

G.M. No. 242 HERMAN T. ANDAYA, JR., for a term to expire June 30, 2003;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Registration, Island of Oahu.

Your Committee notes the following specific qualifications of the nominee:

Herman T. Andaya, Jr. holds a B.A. and a M.A. in political science from the University of Hawaii at Manoa. He has served as an elections specialist for the Office of the Lieutenant Governor, and is a member of the Hawaii State Bar Association's Gender and Other Fairness Subcommittee and the Governor's Task Force on Substance Abuse.

Testimony in support of Mr. Andaya, Jr. was submitted to your Committee by the Office of Elections. The testimony supported the nomination of Mr. Andaya, Jr. by indicating that his experience and familiarity with the laws of the State of Hawaii qualifies him for the position to which he has been nominated.

Your Committee diligently questioned Mr. Andaya, Jr. about his role on the Board of Registration and believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1793 Judiciary on Gov. Msg. No. 243

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION, KAUAI AND NIIHAU

G.M. No. 243 CATHY AKEMI SHIM, for a term to expire June 30, 2003;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon her professional credentials, integrity, and a desire to make Hawaii better through her participation on the Board of Registration for the Islands of Kauai and Niihau.

Your Committee notes the following specific qualifications of the nominee:

Cathy Akemi Shim holds a degree from the University of Hawaii at Hilo. Ms. Shim has worked for the State Judiciary, District Court, Fifth Circuit as a judicial clerk since 1992. She also serves as the vice-president for the Wilcox Elementary School Parent Teacher Student Association and volunteers for the local AYSO Soccer Organization.

Testimony in support of Ms. Shim was submitted to your Committee by the Office of Elections and the Judiciary Chief Court Administrator. All testimony supported the nomination of Ms. Shim by indicating that her experience and familiarity with the laws of the State of Hawaii and her warm, polite mannerism qualifies her for the position to which she has been nominated.

Your Committee reviewed the testimony and Ms. Shim's personal letter to the Committee in lieu of her appearance before the Committee and believes that the nominee adequately meets the Committee's standards for confirmation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1794 Judiciary on Gov. Msg. No. 289

Recommending that the Senate advise and consent to the nomination of the following:

DEFENDER COUNCIL

G.M. No. 289 ALFRED B. CASTILLO, JR., for a term to expire June 30, 2003

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Defender Council.

Your Committee notes the following specific qualifications of the nominee:

Alfred B. Castillo, Jr. holds a B.A. and J.D. degree from the University of Hawaii at Manoa. He is an attorney in private practice and has been practicing law for 17 years. Mr. Castillo, Jr. is a member of the Kauai Bar Association and has been the President of the West Kauai Lions Club.

Testimony in support of Mr. Castillo, Jr. was submitted to your Committee by the Chief Court Administrator for the District Court of the Fifth Circuit, and one private citizen. The testimony supported the nomination of Mr. Castillo, Jr. by indicating that he is a man of unquestionable moral character and possesses the legal experience and knowledge to allow him to contribute significantly as a member of the Defender Council.

Your Committee reviewed the testimony and personal letter from Mr. Castillo, Jr. in lieu of his appearance before the Committee and believes that the nominee adequately meets the Committee's standards for confirmation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Sakamoto).

SCRep. 1795 Judiciary on Gov. Msg. No. 295

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 295 MARY JUANITA TIWANAK, for a term to expire June 30, 2003;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon her professional credentials, integrity, and a desire to make Hawaii better through her participation on the Hawaii Paroling Authority.

Your Committee notes the following specific qualifications of the nominee:

Mary Juanita Tiwanak holds a degree from the University of Hawaii at Hilo. Ms. Tiwanak has served as a member of the Hawaii Paroling Authority since 1995 and works as a real estate appraiser. She also is a member of the National Association of Master Appraisers, National Association of Environmental Consultants, and St. Francis Hospital Golf Club. Ms. Tiwanak also served as a delegate to the 1996 Democratic Party State Convention.

Testimony in support of Ms. Tiwanak was submitted to your Committee by: the Department of Public Safety, the Democratic Party of Hawaii, Second Opinion Hawaii, and five private citizens. All testimony supported the nomination of Ms. Tiwanak by indicating that she is an honest, thoughtful, and sensitive individual who can make decisions that balance the needs of the community with those of the individual offender. She also possesses the integrity, compassion, and intellect that qualifies her for reappointment to the Hawaii Paroling Authority.

Your Committee diligently questioned Ms. Tiwanak about her role on the Hawaii Paroling Authority and believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Sakamoto).

SCRep. 1796 Judiciary on Gov. Msg. No. 156

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR TO THE DEPARTMENT OF PUBLIC SAFETY

THEODORE I. SAKAI, gubernatorial nominee as Director to the Department of Public Safety, for a term to expire December 2, 2002,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that Theodore I. Sakai holds a Bachelor's degree in Political Science and a Master's degree in Business Administration from the University of Hawaii, and has held a variety of positions during his 19 year tenure with the Department of Public Safety. Mr. Sakai has dedicated his professional career to working within the state correctional system and is recognized as the State's leading authority on corrections. Mr. Sakai has participated as a member of the following American Correctional Association committees: the Delegate Assembly, the Substance Abuse Committee, the Offender Services Committee, and the Correctional Issues Committee.

Testimony in support of the nominee was submitted to your Committee by the U.S. Marshal, several deputy directors and administrators within the Department of Public Safety, the Counseling and Probation Division of the Judiciary, the Hawaii Paroling Authority, the Department of Education, the Hawaii Advisory Commission on Drug Abuse and Controlled Substances, the Chief Deputy Public Defender, the Prosecuting Attorney for the City and County of Honolulu, the Prosecuting Attorney for the County of Kauai, the Chiefs of Police of the four county police departments, the Hawaii Island Economic Development Board, the Iowa State Department of Corrections, the Honolulu Information Service, UPW/AFSCME Local 646 AFL-CIO, HGEA/AFSCME Local 52 AFL-CIO, Big Island Business Council, Corrections Corporation of America, American Correctional Association, American Legislative Exchange Criminal Justice Task Force, The Sex Abuse Treatment Center, Women's Financial Resource Center, TJ Mahoney & Associates, Discovery Learning Systems, University of Hawaii School of Travel Industry Management, and six private individuals.

Your Committee finds that all testimony indicated that Mr. Sakai is known as an individual with a strong sense of self-discipline and commitment to excellence in fulfilling his responsibilities, and has demonstrated his ability to be an effective administrator. Your Committee further finds that testimony also indicated that Mr. Sakai has performed his positions with compassion, with integrity, and with the courage to make the right decisions in spite of harsh criticism.

Your Committee members diligently questioned the nominee regarding his administrative qualifications, his visions, and his priorities as the Director of the Department of Public Safety. On March 10, 1999, Mr. Sakai submitted a plan of action to this Committee which set forth goals, objectives, and deadlines to address critical issues in prison management such as inmate abuse and prevention, the delivery of mental health services, suicide prevention, and other personnel matters such as employee training, discipline, and grievance procedures. Your Committee questioned Mr. Sakai about his ability to meet these enumerated tasks and deadlines, and he indicated that substantial progress has been made to rectify and resolve these long-standing management issues and that the deadlines he enumerated will be met on time. Your Committee intends to hold Mr. Sakai, and the Department of Public Safety, accountable for every task and deadline enumerated in the March 10th report.

During this Committee's prison inquiry held on January 28 - 29, 1999, your Committee was dismayed to learn that the State settled two cases of alleged inmate abuse, for a total of approximately \$400,000, and that no disciplinary actions were taken against any of the correctional officers involved in either case. Your Committee further questioned Mr. Sakai about these specific allegations of inmate abuse and the Department's re-opening of the investigations into the Ulysses Kim and Anthony DeGuzman cases. Mr. Sakai indicated that he will diligently and personally review these cases to assess the State's risk of exposure and take corrective action to reduce future liability. Based upon this discussion, your Committee believes that the nominee adequately responded to the Committee's inquiry.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1797

Judiciary on Gov. Msg. No. 265

Recommending that the Senate advise and consent to the nomination of the following:

INTERMEDIATE APPELLATE COURT

JOHN S.W. LIM, gubernatorial nominee to the Intermediate Appellate Court, for a term of Ten Years,

Upon review of the background information submitted by the nominee, your Committee finds that John S.W. Lim holds a Bachelor's degree from Harvard College and a J.D. degree from Stanford Law School. Mr. Lim has 16 years of law experience, and was appointed to the Circuit Court in 1995. He has also served as a District Family Court Judge, President of Hawaii Lawyers Care, and has provided legal counsel to the Waikiki Convention Center Authority and the Hawaii Economic Development Corporation.

Testimony in support of the nominee was submitted to your Committee by: the Judiciary; seven members of the Office of the Public Defender; the Hawaii State Bar Association; the Korean American Bar Association of Hawaii; the International Brotherhood of Electrical Workers Local Union 1186; the Convention Center Authority; seven members of the legal community; and two private citizens. All testimony unanimously supported the nomination of Mr. Lim by indicating that he is intellectual, approachable, fair, compassionate, hard working, and is highly respected among his peers. Further, testifiers acknowledged that Mr. Lim possesses the

legal knowledge and ability, professional experience, judicial temperament, and impartiality needed to be highly qualified as a judge in the Intermediate Appellate Court.

Your Committee members diligently questioned the testifiers on Mr. Lim's character and on his decision in the Kimberly Pada case. After discussions with the testifiers and Mr. Lim, your Committee has been assured that Mr. Lim exercised proper judicial authority, and did not misinterpret nor misinform the jury regarding the application of existing law in this case. Your Committee also questioned the nominee regarding his legal experience, his experience presiding over Drug Court, his beliefs about standards for issuing temporary restraining orders, his philosophy on protecting individual's civil rights and his views about public review of and participation in judicial retention. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1798 (Joint) Health and Human Services and Education and Technology on H.C.R. No. 14

The purpose of this measure is to urge effective pain management programs to be required in all healthcare institutions.

This measure also specifies that:

- (1) The Agency for Healthcare Policy and Research (AHCPR) guidelines for the treatment of pain be used as a guide for all healthcare providers;
- (2) The Department of Health establish the right to skilled pain management in a "Patient's Bill of Rights" for certified or licensed facilities;
- (3) Pain management programs and guidelines be instituted in each certified or licensed facility;
- (4) All medical, nursing, and other healthcare professional schools in the State be encouraged to incorporate pain management courses into their curricula;
- (5) Professional organizations be challenged to formally adopt AHCPR standards and incorporate them in their peer review and continuing education programs;
- (6) The Hawaii Medical Association (HMA) and Hawaii Nurses' Association (HNA) evaluate the pain management component of pain management programs at each certified or licensed facility to determine the effectiveness of having all physicians and nurses to be skilled in pain management for their patients; and
- (7) The HMA and HNA submit a preliminary report to the legislature for the 2000 Regular Session and a final report for the 2001 Regular Session on their evaluation.

Testimony in support of this measure was received from the Commission on Persons with Disabilities, Hawaii Medical Association, and Hawaii Nurses' Association.

The intent of this measure is to alleviate pain and suffering for the terminally ill at the last stages of their life, in accordance with established guidelines for the treatment of pain. Your Committees believe that no one should suffer unnecessarily and that the process of dying should be made as bearable and as comfortable as possible.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that is attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 14, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chumbley, Fukunaga, Levin, Matsunaga, Tam).

SCRep. 1799 (Joint) Health and Human Services and Education and Technology on H.C.R. No. 79

The purpose of this measure is to establish a joint legislative committee on child and adolescent mental health.

The intent of this measure is for the legislature to evaluate the cost-effectiveness of current plans to meet the requirements of the Felix consent decree. Auditor Report No. 98-20, "Assessment of the State's Efforts Related to the Felix Consent Decree" raises questions about the program that your Committees believe should be addressed through legislative oversight over the effectiveness of the current program and the commensurate costs.

The Department of Education submitted testimony in support of the measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 79 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chumbley, Fukunaga, Levin, Matsunaga, Tam).

SCRep. 1800 (Joint) Education and Technology and Health and Human Services on H.C.R. No. 76

The purpose of this measure is to request a collaborative partnership to increase the number of children who have an opportunity to eat a nutritious breakfast in the public and private schools, pre-schools, and group care.

Your Committees find that research indicates a strong correlation between eating a good breakfast and enhanced learning and improved school performance.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 76, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chumbley, Fukunaga, Levin, Matsunaga, Tam).

SCRep. 1801 Education and Technology on H.C.R. No. 7

The purpose of this measure is to urge the Board of Education and the Superintendent of Education to restructure the Department of Education to ensure accountability at all levels and to allow for greater decision-making authority in the individual schools.

Your Committee finds that Hawaii's public education system needs improvement. Currently, it is impossible to determine which entities within the Department of Education are fulfilling their responsibilities and which are not. By restructuring the Department of Education to ensure accountability at all levels, authority and resources will be directly linked to responsibility, clear lines of responsibility and mutual obligation will be defined, and appropriate consequences in the form of rewards and sanctions will be invoked for observed performance. As a result, all parties involved will be further motivated to improve Hawaii's public education system.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 7, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Tam).

SCRep. 1802 Education and Technology on H.C.R. No. 18

The purpose of this measure is to urge the Board of Education to expand family and parenting classes, training, and guidance for high school students.

Testimony in support of this measure was received from the Board of Education.

Your Committee finds that the State should encourage the development of interpersonal family and parenting skills among the State's high school students.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 18, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Tam).

SCRep. 1803 Education and Technology on H.C.R. No. 208

The purpose of this measure is to express support for the millennium project, dedicating the celebrations of the third millennium to peace and understanding.

Your Committee finds that the multi-cultural and multi-ethnic population of Hawaii sets an encouraging example for international understanding among nations of the world striving to live together in peace and harmony.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 208, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Tam).

SCRep. 1804 Government Operations and Housing on S.R. No. 78

The purpose of this measure is to request State agencies to submit an electronic copy of documents produced for the Legislature.

Common Cause Hawaii and an individual testified in support of the measure.

Each session the Legislature requests various reports or studies from state agencies to assist it in its consideration of legislative issues. Copies of the reports are distributed to legislators, but are generally only available to the public upon payment of a photocopying fee. Since State agencies are required to charge fifty cents per page for photocopying, obtaining agency reports can create a financial hardship for members of the public.

Your Committee finds that having State agencies' legislative reports available in electronic form on the Internet would allow for greater and less costly public access to information, thereby facilitating public participation in the legislative process and promoting openness in government. Submitting a report in electronic form should not be burdensome for State agencies or cause them to incur additional costs since they currently generate and maintain these types of reports in an electronic format.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 78, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 4 (Levin, Matsunaga, Matsuura, Anderson).

SCRep. 1805 Judiciary on Gov. Msg. No. 145

Recommending that the Senate advise and consent to the nomination of the following:

ATTORNEY GENERAL

MARGERIE S. BRONSTER, gubernatorial nominee as Attorney General, for a term to expire December 2, 2002,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that Margery Bronster holds an A.B. degree in Chinese Language and Literature and History from Brown University, and a J.D. degree from the Columbia University School of Law. Ms. Bronster has practiced law with a New York firm and, for six years, with the Honolulu firm of Carlsmith Ball Wichman Murray Case & Ichiki. Ms. Bronster has served as Attorney General since January 1995, and is now nominated for a second term.

Testimony in support of the nominee was submitted by the Attorney General of Mississippi, the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Department of the Prosecuting Attorney for the County of Maui, the Office of the Prosecuting Attorney for the County of Hawaii, the Honolulu Police Department, the Maui Police Department, the Kauai Police Department, the Hawaii Police Department, the Domestic Violence Clearinghouse and Legal Hotline, the Sex Abuse Treatment Center, the Hilo Medical Center, the Kamehameha Alumni Association of the Northern California region, the Hawaii Carpenters Union, the Hawaii State Coalition Against Domestic Violence, Catholic Charities of the Diocese of Honolulu, and 20 individuals. The supporting testimony indicated that Ms. Bronster's legal and administrative skills are highly respected, and that her tenure as Attorney General has included some notable civil successes for the State, including participation in the tobacco master settlement agreement, and increased advocacy for stronger criminal laws and law enforcement, in general. Additional supporting testimony praised the Attorney General's handling of matters involving Bishop Estate. Testimony opposing the nomination was submitted by the Government Affairs and Sovereignty Committee of the Office of Hawaiian Affairs, Lambda Aloha, and 21 individuals. The opposing testimony focused largely on the Attorney General's handling of matters involving Bishop Estate.

Your Committee members diligently questioned the nominee regarding her administrative qualifications, her visions, and her priorities as the Attorney General. Your Committee further questioned Ms. Bronster about her handling, as Attorney General, of matters involving the Bishop Estate, about the relationship between the Attorney General and other state agencies, and about her plans for assisting the Department of Education to comply with the Felix consent decree. Based upon this discussion, your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1806

Ways and Means on Gov. Msg. No. 146

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF FINANCE

EARL I. ANZAI, gubernatorial nominee as Director of Finance, for a term to expire December 2, 2002,

Upon review of the qualifications and other background information submitted by the nominee, your Committee finds that Earl I. Anzai has served as the Director of Finance for the past four years.

Prior to assuming the position of Director of Finance, Mr. Anzai amassed an extensive public service career record which includes his tenure as a management analyst with the U.S. General Accounting Office, a legislative analyst with the Hawaii Office of the Auditor, a committee clerk with the Constitutional Convention, chief clerk for the Hawaii Senate Ways and Means Committee, as well as several legal positions including attorney for the Special Senate Committee Investigating the Pesticide Heptachlor in Milk, chief counsel for the Senate Committee on Judiciary, and special legal counsel to the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs.

Mr. Anzai holds Bachelor's and Master's degrees in Economics from the University of Hawaii, and a J.D. from the William S. Richardson School of Law.

Your Committee members diligently questioned the nominee regarding his administrative qualifications, his vision and priorities for the Department of Budget and Finance, and related policy issues presently before the Legislature. Your Committee wishes to express some concerns regarding his responses and performance as Director of Finance.

In 1997, Mr. Anzai orally requested an opinion from the Attorney General regarding the need to submit a balanced budget to the Legislature. Despite the Attorney General's response that a balanced budget must be submitted, Mr. Anzai did not do so. Attorney General Opinion No. 83-4 stated that "while the allotment system authorizes the governor to avoid wasteful expenditures in circumstances where the social purposes of the appropriation are not compromised or to reduce expenditures where unanticipated revenue shortfalls occur, it does not permit the executive branch to prioritize authorized expenditures and reallocate resources, for to do so would be an usurpation of the legislature's appropriation powers."

Mr. Anzai's responses to the Legislature have been slow and incomplete with regard to requests for details on the Administration's plans to resolve the State's fiscal problems. Your Committee has been particularly frustrated in its efforts to obtain reliable information on which to make policy decisions in such critical areas as funding for Felix and the Administration's recent proposal to divert excess investment earnings from the Employees' Retirement System to fund collective bargaining retroactive increases and school repair and maintenance 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, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Nakata).

SCRep. 1807

Ways and Means on Gov. Msg. No. 157

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF TAXATION

RAY K. KAMIKAWA, gubernatorial nominee to the Director of Taxation, for a term to expire December 2, 2002,

Upon review of the statements submitted concerning Mr. Kamikawa, your Committee finds that he will continue to work with compassion and commitment to assist in administering the government functions related to the Department of Taxation. Your Committee further finds that Mr. Kamikawa's appointment is based on his credentials, integrity, and a desire to make Hawaii better through the position of Director of Taxation to which he has been nominated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Nakata).

SCRep. 1808

Transportation and Intergovernmental Affairs on Gov. Msg. No. 279

Recommending that the Senate advise and consent to the nominations of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 279 T.B. LYONS III, HARVEY A. SHAPIRO, GEORGE KAWAKAMI, LEILANI CHRISTY LEE and HERNANDO R. TAN, for terms to expire June 30, 2003,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees bring a unique range of skills, abilities, and experience to the State Highway Safety Council.

Your Committee notes the following of the nominees:

T.B. Lyons III is seeking reappointment to the State Highway Safety Council. Mr. Lyons, a veteran of the Korean War, has been an estate planner and financial consultant with Mutual of Omaha since 1963. He is involved with community organizations including the 200 Club which assists widows of deceased policemen and firefighters, Hui Hanai, Hawaiian Civic Club, and the Camp Erdman YMCA board of managers.

Testimony in support of Mr. Lyons was received from the Department of Transportation.

Harvey A. Shapiro is also seeking reappointment to the State Highway Safety Council. Mr. Shapiro is a research director with the Honolulu Board of Realtors and is the president of Kokua Computing Systems. His professional affiliations include the Hawaii Economic Association and the Institute of Management Sciences. Furthermore, his community involvement includes the Friends of Hanauma Bay, Adult Friends for Youth, Nature Conservancy, and the Humane Society.

Testimony in support of Mr. Shapiro was received from the Department of Transportation and the Motor Vehicle Safety Office.

George Kawakami, a University of Hawaii B.B.A. graduate, currently works as a systems analyst and was a member of the Governor's School Advisory Council.

Testimony in support of Mr. Kawakami was received from the Department of Transportation, Vet's Termite Control, and two individuals who describe him as a very dedicated and committed individual who has worked on various community activities over the last twenty years.

Leilani Christy Lee is a housewife and counselor. She was raised in Seoul, Korea, and is currently the treasurer of the Hawaii Korean Entertainers Association. She is also a member of the Korean American Women's Club. Her community service activities include entertaining during community events and for nursing home residents.

Testimony in support of Mrs. Lee was received from the Department of Transportation, The Korea Central Daily of Hawaii and one individual. The testimony indicated that she has exhibited dedication and leadership on several community related projects.

Hernando R. Tan has extensive hotel maintenance and engineering experience. In addition, he is active in many community service projects including the Waikiki Beach Cleanup Group, Adopt a School Program, and Ala Wai Beautification Program.

Testimony in support of Mr. Tan was received from the Department of Transportation, The Royal Hawaiian Hotel, a sergeant with the Honolulu Police Department, and one individual. Testimony indicated that Mr. Tan assumed a leadership role in working with the community and police to reduce crime in the Kalihi-Palama area.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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, 3 (Buen, Iwase, Taniguchi).

SCRep. 1809 Economic Development on Gov. Msg. No. 288

Recommending that the Senate advise and consent to the nominations of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 288 DAVID FUERTES, for a term to expire June 30, 2001;

JOHN ISOBE and LORRAINE M. MENDOZA, for terms to expire June 30, 2002; and

DAVID B. FISHER, JOYCE L.E. KAAIHUE, ALAN T. MURAKAMI and YOU SOUKASEUM for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Community-Based Economic Development Advisory Council to which they have been nominated.

The Department of Business, Economic Development, and Tourism submitted testimony in support of all of the nominees.

Your Committee notes the following specific qualifications of the nominees:

David Fuertes combines two careers, as Department Head and Teacher at Kohala High School, and as a consultant on strategic planning, facilitation, and training. A teacher for over twenty years, Mr. Fuertes is equally committed to building a strong community through civic action. In addition to his many community projects, he is a member of the Big Island Association of Nurserymen, an advisor for the Future Farmers of America, as well as a member of a wide range of rural and community associations. He holds both an undergraduate degree and professional education diploma from the University of Hawaii. The Chairman of the Honolulu City Council and one individual submitted letters in support of Mr. Fuertes.

John Isobe is Rural Grant Coordinator, Kauai Community College, and has served as Director of the Kauai Economic Development Board and with the County of Kauai. His community organizations include the Kauai Visitors Bureau, the Kauai Chamber of Commerce, and the Kauai Northshore Business Council, among others. He attended the University of Hawaii, and is a lifelong resident of the State.

Lorraine M. Mendoza, an Administrative Assistant with the Hawaii Island Chamber of Commerce, is also active in a range of community organizations. She is the President of the Rural South Hilo Community Association, a board member of the Hilo-Hamakua Community Development Corporation, board member and advisor to the Pepeekeo Community Association, and a member of the Filipino Chamber of Commerce. A lifelong resident of Hawaii, she is a graduate of Hawaii Community College. A letter of support was received from one individual.

David B. Fisher, Director of the U.H.H. Small Business Development Center Network, launched the Network operations on Maui. He has also operated his own business and served in management positions with mainland companies in New York and New Jersey. Mr. Fisher is a graduate of Yale University with a Master's degree from New York University.

Joyce L.E. Kaaihue is community Development Lender and Government Lending Programs Credit Officer with Bank of Hawaii. In addition to her banking career, Ms. Kaaihue has experience in sales and the health industry. A graduate of the University of Hawaii, she is also a member of the Pilot Club of Downtown Honolulu.

Alan T. Murakami is Litigation Director for the Native Hawaiian Legal Corporation, where he is responsible for litigation, case management, and training. Mr. Murakami is a member of the National Economic Development and Law Center, the Hawaii Advisory Committee to the U.S. Commission on Civil Rights, and the Environmental Poverty Law Working Group, among others. He holds a law degree from the University of California at Davis and a Master's degree from the University of Hawaii.

You Soukaseum, the owner of You Soukaseum Farm, is also the U.S. Small Business Administration Minority Small Business Advocate for 1998. Twenty years ago, Soukaseum fled Laos to begin a new life in Hawaii as a farmer. With no money, skills, or contacts, and unfamiliar with the language, he built a successful business and along the way has helped over two hundred Chinese and Laotian refugees become independent farmers. Mr. Soukaseum's concerns embrace many areas, and he is also the founder and past president of the Association of Chinese from Vietnam, Cambodia, and Laos. His nomination was supported by the Governor's Special Assistant for Housing.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Buen).

SCRep. 1810 Economic Development on Gov. Msg. No. 336

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS, HAWAII STRATEGIC DEVELOPMENT CORPORATION

G.M. No. 336 JONATHAN A. KOBAYASHI, for a term to expire June 30, 2001;

RICHARD L. LIM, for a term to expire June 30, 2002; and

TETSU AIKO, PHILIP M. JOHNSON, Ph.D., WILLIAM M. MCKILLOP and DAVID A. OKA, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Hawaii Strategic Development Corporation to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

Jonathan A. Kobayashi is an Associate Attorney with Kobayashi Sugita & Goda in Honolulu. A 1994 graduate of the University of Puget Sound School of Law, he holds an undergraduate degree from Lewis and Clark College. Mr. Kobayashi is a member of the Hawaii State Bar Association. Testimony in support of Mr. Kobayashi was received from Herbert Chock & Associates, Inc., and one individual.

Richard L. Lim, President and Chief Operating Officer of International Savings, has been with the company since 1987. He is active in the Hawaii League of Savings Institutions, the Honolulu Committee on Foreign Relations, and the Young Presidents Organization, among others. Mr. Lim has an undergraduate degree from the University of Santa Clara and a Master of Business Administration degree from Chaminade University. The Hawaii Strategic Development Corporation, a member of the House of Representatives, and two other individuals submitted letters in support of Mr. Lim's nomination.

Tetsu Aiko, Chairman of Daiei Hawaii Investments, Inc., has been with the corporation since 1964. He is a member of the Hawaii Business Roundtable, the Hawaii Council on Economic Education, and the Japan-America Society of Hawaii, in addition to other community organizations. Mr. Aiko holds a Bachelor's degree in Economics from Doshisha University in Kyoto, Japan. A member of the House of Representatives, the Chairman of the Honolulu City Council, and three individuals submitted supporting letters.

Philip M. Johnson, Ph.D., is an Associate Professor at the Department of Information and Computer Sciences, University of Hawaii, where he is also the Director of the Collaborative Software Development Laboratory and the Graduate Chair. Dr. Johnson has written and published extensively in the field of computers and software. He holds undergraduate degrees from the University of Michigan, and both a Master's and Doctorate degree in Computer Science from the University of Massachusetts. The Chair of the Department of Information and Computer Science, University of Hawaii, and one individual submitted letters in support of Dr. Johnson's nomination.

William M. McKillop is Branch Manager for First Hawaiian Bank, where he has been employed since 1979. He has extensive experience in financial management, staff development, and regulatory compliance. Mr. McKillop served as a loaned executive to the House Committee on Finance in 1993. He is a graduate of the University of Puget Sound and has completed additional specialized training in management and finance.

David A. Oka is the owner of O Design, Inc., doing business as O Communications. With extensive experience in advertising and marketing, Mr. Oka is a member of the American Institute of Graphic Arts, the American Marketing Association, and the Hawaii Visitors and Convention Bureau, among others. He was also a working group member of the Economic Revitalization Task Force in 1998. He holds an undergraduate degree from the University of Cincinnati.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1811 Economic Development on Gov. Msg. No. 338

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS, NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

G.M. No. 338 BARRY T. MIZUNO, for a term to expire June 30, 2003;

Upon review of the statements submitted by the nominee, your Committee finds that Barry T. Mizuno is a volunteer, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that he has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through participation on the Natural Energy Laboratory of Hawaii Authority (NELHA) to which he has been nominated.

Your Committee notes the following specific qualifications of the nominee:

Barry T. Mizuno is the Financial Manager for Constellation Power, Inc., and past Managing Director and former Director of Finance for the County of Hawaii. In addition to his considerable financial business experience, Mr. Mizuno has served in a variety of other management positions in Hawaii companies. He is a member of the County of Hawaii Salary Commission and the Hilo Family Practice Center, among other community organizations. Mr. Mizuno is a graduate of Waimea High School and Central Washington University.

Mr. Mizuno's nomination is supported by the Department of Business, Economic Development, and Tourism, the International Longshore and Warehouse Union Local 142, Hawaii Division, the Hawaii Island Geothermal Alliance, the Hawaii Leeward Planning Conference, a member of the NELHA board, and four other individuals.

Your Committee believes that Mr. Mizuno brings both business and public policy experience to the Authority at a time when commercial ventures in ocean-based high technology are on the verge of significant growth at the laboratory facility.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found Mr. Mizuno to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Buen).

SCRep. 1812 Commerce and Consumer Protection on Gov. Msg. No. 268

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 268 JENNIFER M.H.F. KIM, for a term to expire June 30, 2003,

Upon review of the statement submitted by the nominee, your Committee finds that the nominee is a volunteer, willing to serve without compensation, and will assist in administering the functions of the Board of Public Accountancy with compassion and commitment.

Your Committee further finds that the nominee is President of Pacific Rim Network, Inc., and has received teaching certificates in both Korea and Hawaii. In addition, the nominee's broad and diverse experiences, including her work in consulting and translation, broadcasting, the travel and airlines industries, and education, will assist the nominee in administering her duties as a public member of the Board.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1813 Commerce and Consumer Protection on Gov. Msg. No. 269

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ACUPUNCTURE

G.M. No. 269 MELVIN S.H. FONG and CHRISTIANE W. CHRIST, O.M.D., for terms to expire June 30, 2003,

The Department of Commerce and Consumer Affairs (DCCA) presented testimony in support of the nomination of Melvin S.H. Fong. The Hawaii Government Employees Association, while not present, submitted testimony in support of Mr. Fong. The Hawaii Acupuncture Association and the Oriental Medical Institute of Hawaii, while not present, submitted testimony in support of the nomination of Christiane W. Christ.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the Board of Acupuncture (Board) with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Melvin S.H. Fong has served on the Board since July, 1995, and has been involved with the Board's proposed amendments to its administrative rules. Mr. Fong brings to the Board the invaluable perspective of a consumer and layperson.

Christiane W. Christ has been a licensed acupuncturist in the State since 1992, and holds a Master of Acupuncture degree from the Oriental Medical Institute of Hawaii. Ms. Christ is a member of several acupuncturists' professional organizations and also sits on the Acupuncture Advisory Committee to the Regulated Industries Complaints Office of DCCA.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1814 Commerce and Consumer Protection on Gov. Msg. No. 274

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 274 NICHOLAS G. OPIE, D.C., for a term to expire June 30, 2003,

Three individuals, while not present, submitted testimony in support of the nomination.

Upon review of the statement submitted by the nominee, your Committee finds that the nominee is a volunteer, willing to serve without compensation, and will assist in administering the State Board of Chiropractic Examiners with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominee:

Nicholas G. Opie graduated from Western States Chiropractic College in 1980, and has been a practicing chiropractor in Hawaii since 1981. Dr. Opie has held several offices in the Hawaii State Chiropractic Association, served as the Hawaii representative to the International Chiropractors Association (ICA), and was named to the Distinguished Fellows of ICA.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1815 Commerce and Consumer Protection on Gov. Msg. No. 275

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 275 GREGORY S. ENDO, MARK H. FUJIMOTO and ROBERT Y. KATSURA, for terms to expire June 30, 2003,

The Department of Commerce and Consumer Affairs presented testimony in support of all of the nominations. An individual presented testimony in support of nominee Mark H. Fujimoto.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Board of Electricians and Plumbers (Board) with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Gregory S. Endo, a small business owner, has served as a public member of the Board since July, 1998. Although a fairly new member of the Board, Mr. Endo has diligently and conscientiously represented the interests of consumers and laypersons.

Mark H. Fujimoto, a licensed journeyman plumber with thirty years of experience in the plumbing profession, is currently employed as a Plumbing Manager with Oahu Plumbing and Sheet Metal, Ltd. Mr. Fujimoto has served on the Board since July, 1995.

Robert Y. Katsura is a Business Representative for the International Brotherhood of Electrical Workers Local 1186 and has over forty years experience as an electrician. Mr. Katsura has been a Board member since July, 1995.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1816 Commerce and Consumer Protection on Gov. Msg. No. 277

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAI'I HURRICANE RELIEF FUND

G.M. No. 277 RONALD K. MIGITA, LORNA A. NISHIMITSU and GERALD H. TAKEUCHI, for terms to expire June 30, 2003,

Four individuals, while not present, submitted testimony in support of nominee Ronald K. Migita. An individual who was not present submitted testimony in support of nominee Gerald H. Takeuchi.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Board of Directors of the Hawai'i Hurricane Relief Fund with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Ronald K. Migita has over thirty years experience in finance and banking. He is currently President and Chief Executive officer of CB Bancshares, Inc., Vice Chairman, President, and Chief Executive Officer of City Bank, and Vice Chairman and Chief Executive Officer of International Savings and Loan Association, Ltd. Mr. Migita has also been involved extensively in community service activities.

Lorna A. Nishimitsu has been a practicing attorney for over twenty years, with experience in the courts, the Legislature, various government agencies, and the private sector.

Gerald H. Takeuchi is Vice Chairman of Noguchi and Associates, Inc., a multi-line insurance agency whose agents represent all major insurance companies in the State, as well as foreign insurers. Mr. Takeuchi has over twenty-five years experience in the insurance industry.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1817 Commerce and Consumer Protection on Gov. Msg. No. 280

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN NATUROPATHY

G.M. No. 280 CHARLES H. TURNER and JASON Y. UCHIDA, N.D., for terms to expire June 30, 2002; and
AUDREY INABA for a term to expire June 30, 2003;

The Department of Commerce and Consumer Affairs presented testimony in support of the nominations of Jason Y. Uchida and Charles H. Turner. Three individuals, while not present, submitted testimony in support of Dr. Uchida.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Board of Examiners in Naturopathy (Board) with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Charles H. Turner, a retired journalist, has diligently served as a public member of the Board since August, 1994.

Jason Y. Uchida graduated from the National College of Naturopathic Medicine in 1988 with a Doctor of Naturopathic Medicine degree. He has been licensed as a naturopathic physician since 1989, and has served on the Board since June, 1998.

Audrey Inaba is a public health nurse employed by the Department of Health in East Hawaii, with over fifteen years of nursing experience. Ms. Inaba currently serves as Vice-President of the Hawaii Alliance for Community Health.

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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1818 Commerce and Consumer Protection on Gov. Msg. No. 281

Recommending that the Senate advise and consent to the nomination of the following:

PEST CONTROL BOARD

G.M. No. 281 ERIC HIGASHIHARA, for a term to expire June 30, 2003,

An individual submitted testimony in support of the nominee.

Upon review of the statement submitted by the nominee, your Committee finds that the nominee is a volunteer, willing to serve without compensation, and will assist in administering the functions of the Pest Control Board (Board) with compassion and commitment.

Your Committee further finds that Eric Higashihara is a financial adviser with American Express Financial Advisors, Inc., with an applied science background in horticulture. Mr. Higashihara has also been active in the community, volunteering with the Boy Scouts, Castle Medical Center, and Alvah A. Scott Elementary School Ethnobotanical Garden. The nominee's varied and diverse experiences will assist him in carrying out his duties as a public member of the Board and representing the interests of consumers.

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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1819 Commerce and Consumer Protection on Gov. Msg. No. 282

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 282 JAN K. YOKOYAMA and JONI S. KANAZAWA, P.T., for terms to expire June 30, 2003,

The Department of Commerce and Consumer Affairs presented testimony in support of the nomination of Joni S. Kanazawa. An individual who was not present submitted testimony in support of the nomination of Jan K. Yokoyama.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Board of Physical Therapy (Board) with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Jan K. Yokoyama is a public health nurse for the Department of Health in East Hawaii, with twenty-three years of nursing experience. Ms. Yokoyama has also been active with numerous community groups, including the State chapter of the American Association of Diabetes Educators, the American Diabetes Association, the Hilo Association for Retarded Citizens, and the State Council on Underage Drinking.

Joni S. Kanazawa is a licensed physical therapist employed by Kuakini Medical Center and a member of the American Physical Therapy Association. Ms. Kanazawa served on the Board from 1986 to 1993, and has been a current member of the Board since July, 1995.

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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1820 Commerce and Consumer Protection on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PSYCHOLOGY

G.M. No. 283 GINGER A. KOLONICK, BARBARA B. SLOGGETT, Ph.D., and DAVID S. WEISS, Ph.D., for terms to expire June 30, 2003,

The Department of Commerce and Consumer Affairs presented testimony in support of the nominations of Barbara B. Sloggett and Ginger A. Kolonick. Five individuals, while not present, submitted testimony in support of the nomination of David S. Weiss.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Board of Psychology (Board) with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Ginger A. Kolonick, a certified property manager, currently serves as a public member on the Board. During her first term on the Board, Ms. Kolonick has become knowledgeable about the practice of psychology and represented the interest of consumers in Board matters.

Barbara B. Sloggett is a clinical psychologist in private practice and has been licensed to practice psychology in Hawaii since April, 1973. A current member of the Board, Dr. Sloggett has been involved in the revision of the psychology administrative rules and served on the Board's committee on hypnotherapy.

David S. Weiss is Chief of the Child Psychology Service at Tripler Army Medical Center and has been licensed to practice psychology in the State for twenty-two years. Dr. Weiss is a member of the American Psychological Association and recently received his board certification in clinical psychology.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1821 Commerce and Consumer Protection on Gov. Msg. No. 286

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 286 LINDA D. CHIU, M.D., for a term to expire June 30, 1999;

FAITH Y. LEBB and THELMA YOSHIDA, for terms to expire June 30, 2001; and

LINDA D. CHIU, M.D., FAYE A.T. MATSUNAGA and JANICE S. SHINTANI for terms to expire June 30, 2002,

The Department of Commerce and Consumer Affairs presented testimony in support of the nominations of Linda D. Chiu and Janice S. Shintani.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, who will assist in administering the functions of the Board of Speech Pathology and Audiology (Board) with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Linda D. Chiu is a physician licensed to practice medicine in the State and has served as an interim public member of the Board since November 24, 1998.

Faith Y. Lebb is a licensed social worker and a vocational rehabilitation specialist with Career Development Center of Hawai'i, Inc. Ms. Lebb has been certified as a provider of rehabilitation services by the United States Department of Labor, the Social Security Administration, and the State Department of Labor.

Thelma Yoshida has a Master's degree in Business Administration and over ten years experience in the field of human resources and is currently human resources director with the Department of Public Safety.

Faye A.T. Matsunaga is a licensed audiologist employed by the Department of Health's Zero to Three Program. Ms. Matsunaga has also worked in the Department of Health's hearing and vision program and the special services section of the Department of

Education. Ms. Matsunaga is a member of the American Speech-Language-Hearing Association and the Hawaii Academy of Audiology.

Janice S. Shintani has been a licensed speech pathologist since 1976 and is a member of the American Speech and Hearing Association. Ms. Shintani has served on the Board since July, 1996.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1822 Commerce and Consumer Protection on Gov. Msg. No. 290

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 290 JAY A. CAMBRA, D.D.S, for a term to expire June 30, 1999; and

JAY A. CAMBRA, D.D.S, and STANWOOD H. KANNA, D.D.S, for terms to expire June 30, 2003;

The Department of Commerce and Consumer Affairs presented testimony in support of nominee Dr. Jay A. Cambra. The Hawaii Dental Association, while not present, submitted testimony in support of nominee Dr. Stanwood H. Kanna.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Board of Dental Examiners (Board) with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Jay A. Cambra, D.D.S., has practiced general dentistry in the State since 1987. As an interim member of the Board since November, 1998, Dr. Cambra was instrumental in the Board's adoption of criteria for the administration of block anesthesia. Additionally, Dr. Cambra has participated in the Board's dental licensure and dental hygiene licensure examinations and testified on behalf of the Board at the Legislature.

Stanwood H. Kanna, D.D.S., is in private practice on the island of Kauai, and has practiced dentistry in the State since 1987. Dr. Kanna is a member of the American Dental Association, Hawaii Dental Association, and Kauai County Dental Society. Additionally, Dr. Kanna volunteers his services with a number of community organizations, including the Kauai County Dental Health Task Force, State Health Coordinating Council Plan Development Committee, and West Kauai Lions Club.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, none.

SCRep. 1823 Commerce and Consumer Protection on Gov. Msg. No. 293

Recommending that the Senate advise and consent to the nominations of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 293 JAMES P. CHUNG and CLIFFORD R. SMITH, for terms to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Elevator Mechanics Licensing Board with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

James P. Chung is a maintenance specialist with the Otis Elevator Company who has been employed in the elevator industry since 1975. Mr. Chung received his State elevator license in 1979 and elevator constructors mechanics license in 1980.

Clifford R. Smith is a licensed elevator mechanic employed by Montgomery KONE Elevator and has more than twenty-five years of experience in the elevator contractor business. Mr. Smith is a member of the Elevators Construction Union Local 126 and is also active in his community with the Mililani Missionary Church.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, none.

SCRep. 1824 Commerce and Consumer Protection on Gov. Msg. No. 296

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TRUSTEES, HAWAII PUBLIC EMPLOYEES HEALTH FUND

G.M. No. 296 JAMES H. YASUDA, for a term to expire June 30, 2000; and

ROBERT S.J. HU, for a term to expire June 30, 2003;

The Hawaii State Teachers Association-Retired presented testimony in support of both nominees. The Retirees Unit of the Hawaii Government Employees Association presented testimony in support of James H. Yasuda. The Hawaii State Teachers Association presented testimony in support of Robert S.J. Hu. The Hawaii Government Employees Association (HGEA), while not present, submitted testimony in support of Mr. Yasuda.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Board of Trustees of the Hawaii Public Employees Health Fund with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

James H. Yasuda has spent more than thirty years in public employment, with the Department of Education, Office of Collective Bargaining, Office of the Governor, and Department of Accounting and General Services. Mr. Yasuda currently represents the interests of retired government employees as part of the Retirees Unit of HGEA.

Robert S.J. Hu is a teacher at Mililani High School and has taught in Hawaii's public schools since 1968. In addition to teaching, Mr. Hu is involved with education at the local, state, and national levels, serving as Senior Class Adviser and School Community Based Management Chair at Mililani High School, sitting on the board of directors of the Hawaii State Teachers Association, and serving as a delegate to the National Educational Association convention. Mr. Hu is also involved with various community groups including the Boy Scouts, Disabled American Veterans, and Mililani Lions Club.

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, character, 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 nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, none.

SCRep. 1825 Commerce and Consumer Protection on Gov. Msg. No. 311

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 311 DAVID D.S. CHUN and BUSTER M. KOMORI, for terms to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Motor Vehicle Industry Licensing Board (Board) with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

David D.S. Chun is President of Honolulu Ford and has worked in the automotive industry since 1965. Mr. Chun is a member of the Hawaii Auto Dealers Association and the Car Rental and Truck Leasing Association.

Buster M. Komori has operated Buster's Repair Services, Inc., since 1945 and has been recognized by his peers with an Honorary Merit Award from the Automotive Body and Painting Association and a Founders Award from the Interindustry Conference on Auto Collision Repair. Mr. Komori has served two terms on the Board, including a term as Board Chairperson.

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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, none.

SCRep. 1826 Commerce and Consumer Protection on Gov. Msg. No. 313

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 313 BARBARA J. DIRKS, O.D., FRANKLIN Y.P. LAU, O.D., and ERNEST K. OSHIRO, O.D., for terms to expire June 30, 2003;

The Department of Commerce and Consumer Affairs presented testimony in support of the nomination of Dr. Dirks. The Hawaii Optometric Association, while not present, presented testimony in support of the nominations of Dr. Lau and Dr. Oshiro.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Board of Examiners in Optometry with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Barbara J. Dirks, O.D., is Lead Optometrist at the Neighbor Island Clinic, Kaiser Permanente. She received her optometry degree from Pacific University in 1982, and has practiced optometry in Hawaii since 1986. Dr. Dirks' community activities include volunteering her services in the Vision and Learning programs in Maui and Kona schools.

Franklin Y.P. Lau, O.D., has practiced optometry in Hawaii since 1983. Dr. Lau was president of the Hawaii Optometric Association from 1988 to 1989, and named as its Optometrist of the Year in 1995. Dr. Lau is also a commissioned officer in the United States Army Reserve and active with various community organizations, including the Waikiki Sunrise Lions Club and Lung Kong Kung Shaw.

Ernest K. Oshiro, O.D., received his degree in optometry from the University of California-Berkeley School of Optometry in 1985, and has practiced optometry in Hawaii for fourteen years. Dr. Oshiro is a past president of the Hawaii Optometric Association and is on the Board of Directors of the Laser Eye Institute of 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, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, none.

SCRep. 1827 Commerce and Consumer Protection on Gov. Msg. No. 333

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 333 STANLEY A. WADA for a term to expire June 30, 2000; and

ERNIE BELLO, CLYDE J. EUGENIO and KENNETH T. TOKUNAGA, for terms to expire June 30, 2003,

The Department of Commerce and Consumer Affairs presented testimony in support of the reappointments of Mr. Eugenio and Mr. Tokunaga. The Subcontractors Association of Hawaii presented testimony in support of Mr. Tokunaga and Mr. Wada. The Construction Industry Legislative Organization and Aczon Construction, although not present at the hearing, submitted written testimony in support of Mr. Bello. The General Contractors Association of Hawaii, although not present at the hearing, submitted written testimony in support of Mr. Bello and Mr. Wada.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, who will assist in administering the functions of the Contractors License Board with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Stanley A. Wada is the Chief Executive Officer of Quality Masons and Quality General, Inc. He graduated from the University of Hawaii and studied masonry construction at Honolulu Community College. Mr. Wada is a representative to the Hawaii State Contractors Council. He is also a licensed General Engineering Contractor, General Building Contractor, and Masonry Contractor.

Ernie Bello is the Executive Vice President of Tower Construction, Inc. He holds a Bachelor of Science degree in Civil Engineering from the University of Hawaii and is active in the General Contractors Association and the Oahu Contractors Association.

Clyde J. Eugenio is the Financial Secretary, Treasurer, and Business Manager for the Ironworkers Union Local 625. He attended Church College of Hawaii and Los Angeles City College and formerly served on the State Apprenticeship Board.

Kenneth T. Tokunaga is President and Treasurer of Floor Trends Hawaii, Inc. He is a licensed Contractor with experience in carpeting, flooring, painting, and waterproofing.

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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 1828 Commerce and Consumer Protection on Gov. Msg. No. 337

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MEDICAL EXAMINERS

G.M. No. 337 ANN H. KOBAYASHI, THOMAS SIDNEY KOSASA, M.D., BENJAMIN M. ONO, M.D., and RAMON K. SY, M.D., for terms to expire June 30, 2003,

The Department of Commerce and Consumer Affairs presented testimony in support of the reappointment of Dr. Ono and an individual presented testimony in support of Ms. Kobayashi. The Honolulu Japanese Chamber of Commerce, although not present at the hearing, submitted written testimony in support of Ms. Kobayashi.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Board of Medical Examiners with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Ann H. Kobayashi is the Community Liaison for the Office of the Governor. She served as a Hawaii State Senator from 1980 to 1994. Ms. Kobayashi attended Pembroke College and Northwestern University. Presently, Ms. Kobayashi serves on the Board of Governors of the Hawaii Lupus Foundation, the Board of Directors of the Juvenile Diabetes Foundation, and the Board of Directors of the Windward Spouse Abuse Shelter.

Thomas Sidney Kosasa is Co-Director of the Pacific In Vitro Fertilization Institute and an Associate Professor in the Department of Obstetrics and Gynecology at the John A. Burns School of Medicine at the University of Hawaii. He received his Medical Degree from McGill University Medical School. Dr. Kosasa is a member of the American College of Obstetricians and Gynecologists, the American Fertility Society, and the Hawaii Medical Association.

Benjamin M. Ono is a medical doctor in private practice on the island of Hawaii. He received his Medical Degree from the University of California at Los Angeles Medical School. Dr. Ono is a member of the Hawaii County Medical Society and is active with the Hawaii Chapter of the American Lung Association.

Ramon K. Sy is an Assistant Clinical Professor at the John A. Burns School of Medicine and President and Co-Founder of the Aloha Medical Mission. Dr. Sy received his Medical Degree from the University of Santo Thomas in Manila. He is a member of the Hawaii Medical Association, the Hawaii Otolaryngology, Head, and Neck Society, and the International College of Physicians.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 1829 Commerce and Consumer Protection on Gov. Msg. No. 181

Recommending that the Senate advise and consent to the nominations of the following:

CREDIT UNION ADVISORY BOARD

G.M. No. 181 WAYNE M. SHINTANI, for a term to expire June 30, 2000,
PATRICK PETTI, for a term to expire June 30, 2002, and
RALPH Y. FUJINAKA and MILTON W.Y. LUM, for terms to expire June 30, 2003,

Upon review of the resume and other background information submitted by the nominees, your Committee finds that the nominees have a unique range of skills, abilities, and experiences that are assets to the positions to which the nominees are being appointed.

Wayne M. Shintani holds a Bachelor's degree in Business Administration from University of Hawaii, and a Master's degree in Business Administration from Hawaii Pacific University. He is the Assistant Manager for Oahu One Credit Union, and was the Branch Manager for Associates Financial Services.

Patrick Petti holds a Bachelor's degree in Business Administration from the University of Hawaii at Manoa and an Associate Degree in accounting from Hilo Commercial College. He is currently President of JCC Credit Union in Hilo. He previously served as an accountant with Big Island Educational FCU, office manager for Orchid Island Hotel, office manager for Amfac, Inc., and part-time treasurer/manager for Amfac Hilo Employees FCU. He is a member of the Big Island Credit Union Managers Association, Japanese Chamber of Commerce & Industry of Hawaii, Portugese Chamber of Commerce, and Big Island Chefs & Purveyors Association.

Ralph Y. Fujinaka is a graduate of Kapaa High School and Kauai Technical School. He is currently with the Lihue Credit Union. He is Director of Hawaii Impulse Systems, Inc., and Treasurer for the Hanapepe Hongwanji Mission.

Milton W.Y. Lum is a graduate of Linfield College and Punahou High School. He is currently with the Hawaii Central Credit Union and is a member of the Credit Union Executives Society. His past employment is with Hawaii National Bank.

The Hawaii Credit Union League testified in favor of all the nominees.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 1830 Commerce and Consumer Protection on Gov. Msg. No. 284

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

G.M. No. 284 PATRICIA CHOI, for a term to expire June 30, 2003,

Upon review of the statement submitted by the nominee, your Committee finds that the nominee is a volunteer, willing to serve without compensation, and will assist in administering the functions of the Real Estate Commission (Commission) with compassion and commitment.

Your Committee further finds that the nominee's qualifications to serve on the Commission include being founder, president, and principal broker of Patricia Choi Realty, Inc., and having over nineteen years experience in the real estate industry in Hawaii. Ms. Choi has earned the designations of Certified Commercial Investment Member and Certified International Property Specialist, and has served on the boards of directors of the Hawaii Association of Realtors and the Honolulu Board of Realtors.

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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 1831 Ways and Means on Gov. Msg. No. 316

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TAXATION REVIEW, FIRST TAXATION DISTRICT (OAHU)

G.M. No. 316 CURTIS K. SAIKI, for a term to expire June 30, 2003, (Succeeding Barbara Richardson)

G.M. No. 316 DON I. SAKAI, for a term to expire June 30, 2003, (Reappointment)

G.M. No. 316 CAROL RAE BAPTISTA, for a term to expire June 30, 2000, (Filling vacancy of James Masters).

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Taxation Review to which they have been nominated.

As affirmed by the records of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Nakata).

SCRep. 1832 Ways and Means on Gov. Msg. No. 317

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TAXATION REVIEW, SECOND TAXATION DISTRICT (MAUI COUNTY)

G.M. No. 317 RANDOLPH R. CABANILLA, for a term to expire June 30, 2000; (Filling the vacancy of Andrew Bonfield)

G.M. No. 317 MIMI S. J. HU, for a term to expire June 30, 2003. (Reappointment)

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Taxation Review to which they have been nominated.

As affirmed by the records of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Nakata).

SCRep. 1833 Ways and Means on Gov. Msg. No. 319

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, FOURTH TAXATION DISTRICT (KAUAI COUNTY)

G.M. No. 319 JOSE R. S. DIOGO, for a term to expire June 30, 2003,

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that the nominee has been appointed based upon his credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Taxation Review to which he has been nominated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Nakata).

SCRep. 1834 Ways and Means on Gov. Msg. No. 344

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, THIRD TAXATION DISTRICT (HAWAII)

G.M. No. 344 RICHARD SAKANASHI, for a term to expire June 30, 2003, (Succeeding Elmer Vieira)

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that the nominee has been appointed based upon his credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Taxation Review to which he has been nominated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Nakata).

SCRep. 1835 Health and Human Services on Gov. Msg. No. 291

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I ADVISORY COMMISSION ON DRUG ABUSE AND CONTROLLED SUBSTANCES

G.M. No. 291 ALISON M. DINGLEY and THOMAS H. KAAIAI, JR., for terms to expire June 30, 2001;

JUDITH AKAMINE, for a term to expire June 30, 2002; and

GARY L. BLAICH, M.D., and GODFREY "KAIPO" KEALALIO, II, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances to which they have been nominated.

The Department of Health submitted testimony in support of all of the nominees.

Your Committee notes the following specific qualifications of the nominees:

Alison M. Dingley is Rector of St. Luke's Episcopal Church, and formerly the Vicar of Waikiki Episcopal Church. She is a Certified Substance Abuse Counselor, a Certified Substance Abuse Manager, and has served as a substance abuse specialist for the Department of Public Safety and as the Director of Outpatient Services for the Salvation Army, A.T.S. Ms. Dingley is a graduate of Shimer College and holds a Master's of Divinity degree from the United Theological Seminary of the Twin Cities.

Thomas H. Kaaiai, Jr. is an Officer with the Honolulu Police Department Crime Prevention Section, and former Drug Awareness Coordinator for the department. He is President-Elect of the Society for Public Health Education, President of Hawaii D.A.R.E., and provides consultations to numerous agencies, work sites, community groups, families, and individuals in the field of substance abuse prevention, intervention, and crisis work. Mr. Kaaiai has a degree from Honolulu Community College and attended Chaminade University.

Judith Akamine, R.N., is a Public Health Nurse with the Department of Health. A member of the Hawaii Alliance for Community Health and the Hawaii Island Rural Health Association, she has many years experience in nursing on Oahu and the island of Hawaii. Ms. Akamine holds both undergraduate and graduate nursing degrees from the University of Hawaii at Manoa.

Gary L. Blaich, M.D., is a psychiatrist with Diamond Head Mental Health Clinic and has been in private practice both on Kauai and in Honolulu. Dr. Blaich is a member of the State Advisory Council on Mental Health, the Manoa Subwatershed Advisory Council of the Ala Wai Watershed Water Quality Improvement Project, and Malama o Manoa. He is a graduate of Dartmouth College and the University of Washington School of Medicine.

Godfrey "Kaipo" Kealalio, II, is with the Aloha Council of the Boy Scouts of America, and works with youth throughout the State. In addition, Mr. Kealalio is active in the Rotary Club, and community organizations such as the Heart Association and March of Dimes. He holds undergraduate degrees from several colleges and a Master's degree from the University of California at Los Angeles.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1836 Health and Human Services on Gov. Msg. No. 292

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 292 WAYNE T. HIKIDA, CLARA KATEKARU, FELY LIBRE, WINIFRED N. ODO, LINDA SPRATT, JILL N. TOKUDA and HARRIET O. YOSHIMORI, for terms to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees bring a unique range of skills, abilities, and experiences to the respective boards to which they are appointed.

Testimony in support of Clara Katekaru, Fely Libre, Winifred N. Odo, Linda Spratt, and Harriet O. Yoshimori was received from the Executive Office on Aging. Testimony in favor of Wayne T. Hikida was received from American Insurance Agency, Inc. and TIG Insurance. Testimony in support of Jill N. Tokuda was received from a councilmember of the City and County of Honolulu.

Your Committee notes the following specific qualifications of the nominees:

Wayne T. Hikida holds a Bachelor of Science degree from Brigham Young University and is currently the regional manager for TIG Insurance Company in Hawaii. Mr. Hikida is on the Board of Directors for the Hawaii Insurance Guaranty Association and Hawaii Insurance Bureau.

Clara Katekaru holds a Bachelor of Arts degree in Psychology from the University of Hawaii and a Master's degree in Social Work from the University of Pittsburgh School of Social Work. Ms. Katekaru was a counselor in Hawaii public schools for over twenty years and later program specialist for counseling and guidance for the Department of Education.

Fely Libre holds a Bachelor of Arts degree in Business from the University of Las Vegas and a Master's degree in Management from Columbia University. Ms. Libre is currently employed as an administrator at the Faulkner Institute for Eye Care and Surgery and is a member of the American Society of Personnel Administrators and vice-president of the Business and Professional Women's Club-Aloha.

Winifred N. Odo holds a Bachelor of Arts degree in Sociology and a Master's degree in social work from the University of Hawaii at Manoa. Since 1996, Ms. Odo has been a healthcare consultant for Acordia of the Pacific. Ms. Odo is a member of the Hawaii Long Term Care Association Board of Directors and the State Health Planning and Development Agency.

Linda Spratt holds a Bachelor of Arts degree in Sociology from the University of California at Riverside. Currently, Ms. Spratt is the Human Resource Director for Liberty House and is a member of the Society for Human Resource Management.

Jill N. Tokuda holds a Bachelor of Arts degree in International Business from George Washington University. Currently, Ms. Tokuda is a legislative aide to a City and County Councilman and a consultant for the Hawaii Assistive Technology Training and Services. Ms. Tokuda is the president of the Young Democrats of Hawaii.

Harriet O. Yoshimori holds a Bachelor of Science degree in Nursing and a Master's degree in Public Health from the University of Hawaii at Manoa. Ms. Yoshimori was a coordinator for respite services for three years and a health care administrator for over twenty five years. Ms. Yoshimori was a member of the Board of Nursing and currently is a member of the Queen's School of Nursing Alumni Association.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1837 Health and Human Services on Gov. Msg. No. 294

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. 292 GAIL T. TOMINAGA, M.D., F.A.C.S, for a term to expire June 30, 2002; and

TOBY L. CLAIRMONT, VIRGINIA MARIE KAPALI, DELBERT M. NISHIMOTO, DARREN J. ROSARIO and ANDY SCHWARTZ, M.D., for terms to expire June 30 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees bring a unique range of skills, abilities, and experiences to the Emergency Medical Services Advisory Committee.

The Department of Health submitted testimony in support of all of the nominees.

Your Committee notes the following specific qualifications of the nominees:

Gail Tominaga is currently the medical director for trauma services at the Queen's Medical Center. Ms. Tominaga is currently the State Chairperson for the American College of Surgeons Committee on Trauma and a member of the Pacific Coast Surgical Association.

Toby L. Clairmont is a registered nurse and manager for Kaiser Permanente Medical Care Program. Mr. Clairmont currently serves as the hospitals deputy operations officer for the Oahu Civil Defense Agency and is a member of the United States Army Reserves.

Testimony in support of Mr. Clairmont was received from Kaiser Permanente.

Virginia Kapali is currently the Transportation Director for Kauai County Transportation Agency. Ms. Kapali has previously worked as an assistant executive and program specialist for the Kauai County Office of Elderly Affairs. Ms. Kapali currently serves on the Kauai Hearing Board for the Housing and Community Development Corporation of Hawaii and is a member of the Kamehameha Schools Association of Kauai.

Testimony in opposition to Virginia Kapali was received from one individual.

Delbert Nishimoto is currently a construction inspector for the County of Hawaii Department of Public Works. Mr. Nishimoto is a board member for the Hawaii Heart Association and the Big Island International Marathon Association. Mr. Nishimoto is a retired Hawaii Army National Guard Commander.

Darren Rosario is presently a Hawaii County Firefighter and a mobile intensive care technician. Mr. Rosario is a committee member of A Dream Come True and a C.P.R. Instructor. Mr. Rosario additionally served in the Hawaii Army National Guard for eight years as a combat medic.

Andy Schwartz is currently a physician at the Queen's Medical Center. Mr. Schwartz is a member of the American College of Emergency Physicians and was past president of the Hawaii chapter. Mr. Schwartz has previously served on the Board of Directors for the Domestic Violence Coalition and Hotline and presently serves on the Department of Commerce and Consumer Affairs Medical Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1838 Health and Human Services on Gov. Msg. No. 304

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE INDEPENDENT LIVING COUNCIL

G.M. No. 304 J. COURTNEY FITZSIMMONS, DONNA M. BUHRMAN, EPE ANDERSON, HEATHER PROUD, SHARON SHORE, LINDA WONG, LYN A. PASAK, LORI G. ODELL and RANDOLPH C. HACK, for terms to expire June 30, 2002,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the functions of the Statewide Independent Living Council. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Council.

Your Committee specifically notes the following:

J. Courtney Fitzsimmons is an individual with a disability living on the island of Hawaii who, despite a spinal chord injury, maintains his independence. He is a self-employed woodcraftsman and is highly motivated to see that other persons with disabilities achieve a similar measure of independence.

Donna M. Buhrman is an individual with a disability living on the island of Kauai who is both an advocate and consumer of independent living services. She graduated from Brackenridge Nursing School and the University of Texas with a degree in Human Development and Humanities.

Testimony in support of the nominee was received from the Kauai Center for Independent Living.

Epe Anderson is a healthcare worker who resides on the Leeward Coast of Oahu. She has strong community ties and through her work as a nurses' assistant, she has gained valuable experience dealing with individuals with disabilities. Ms. Anderson is currently a student at Leeward Community College.

Heather Proud is an individual with a disability living on the island of Maui. She currently serves on the Council as well as on the Maui Mayor's Commission on Persons with Disabilities. Ms. Proud is presently a student and has an Associate of Arts degree from Maui Community College.

Testimony in support of the nominee was received from an individual.

Sharon Shore is an individual with a disability living on the island of Oahu who is completing her first term on the Council. She has been elected by the Council to represent their views on the State Rehabilitation Advisory Council. Ms. Shore holds a Bachelor of Fine Arts in Interior Design from Chaminade University. She is also Hawaii's representative to the National Multiple Sclerosis Society.

Linda Wong is an individual with a disability living on the island of Oahu who currently serves on the Council. She is a food service manager with the Department of Education. Ms. Wong received an Associate of Science degree from Kapiolani Community College and has also attended the University of California at Long Beach and San Jose.

Lyn A. Pasak is an individual with a disability living on the island of Hawaii. She is a self-employed businessperson who has experienced the challenges of becoming economically independent. Ms. Pasak has a Bachelor's Degree in Psychology.

Lori G. Odell is an individual with a disability living on the island of Oahu who will be completing her first term on the Council. She has been active on many of the Council's committees including the Finance Committee. She is also active as a fundraiser for the Humane Society and the Arthritis Telethon.

Randall C. Hack is an individual with a disability living on the island of Oahu who has extensive experience working with and for persons with significant mental illness. He is the Executive Director of United Self-Help. Mr. Hack holds a Bachelor's Degree in Geography from the University of Hawaii at Manoa.

Testimony in support of all the nominees was received from the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1839

Health and Human Services on Gov. Msg. No. 309

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 309 LESLIE ROSS, Ph.D., for a term to expire June 30, 2001; and

KUHIO ASAM, M.D., WILLIAM S. BUD BOWLES, SANDRA JANE MIYOSHI, MARILYN JEAN MOE, SHELLY A. ABE OGATA and POE SUA'AVA III, for terms to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the functions of the State Council on Mental Health. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Council.

The Department of Health, Adult Mental Health Division, submitted testimony in support of all of the nominees.

Your Committee specifically notes the following:

Leslie Ross holds a Doctorate in Clinical and Counseling Psychology from Columbia Pacific University. She is the Director of Operations for Kahi Mohala Outpatient Psychiatry. Dr. Ross is active in the Mental Health Community Coalition.

Kuhio Asam is a psychiatrist and medical director at Kahi Mohala. He graduated from the John A. Burns School of Medicine at the University of Hawaii. Dr. Asam is a member of the American Psychiatric Association. He also serves on the Board of Directors of Hanahauoli School.

William S. Bud Bowles is a Program Manager for United Self Help. He is also the owner of Bowles Advertising and Public Relations. He holds a Bachelor's degree in Business Administration with a specialty in Marketing and a minor in Journalism from the University of Hawaii. Mr. Bowles is a member of the Board of Directors of the Mental Health Association.

Sandra Jane Miyoshi is a Homeless Programs Administrator with the State of Hawaii. She graduated from the University of Hawaii with a Bachelor of Arts degree.

Marilyn Jean Moe is certified as a Clinical Specialist in Psychiatry by the American Nursing Association. She received her MSN degree in nursing from the University of Hawaii. Ms. Moe was selected to sit on the Joint Commission on Aging and has taught at the University of Hawaii School of Nursing and the John A. Burns School of Medicine.

Shelly A. Abe Ogata is a Registered Nurse working on the Helping Hands Hawaii ACT Team in Hilo. She holds a Master's degree in Public Health from the University of Hawaii at Manoa. Mrs. Ogata is a member of Sigma Theta Tau.

Testimony in support of the nominee was received from the Susannah Wesley Community Center and four private citizens.

Poe Sua'ava III is a counselor at Waianae High School. He holds a Master of Education degree from the University of Hawaii with a specialty in School Counseling. Mr. Sua'ava is a member of the Hawaii State Counselors Association and is co-advisor to the Waianae High School Samoan Club.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1840 Health and Human Services on Gov. Msg. No. 314

Recommending that the Senate advise and consent to the nominations of the following:

STATE ADVISORY COUNCIL ON REHABILITATION

G.M. No. 314 DOROTHY (NANI) FIFE, JAMES (JIM) C. BEAMAN and JOANNE H. KEALOHA, for terms to expire June 30, 2002,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the functions of the State Advisory Council on Rehabilitation (Council). Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Council.

Your Committee specifically notes the following:

Dorothy (Nani) Fife is an individual with a disability living on the island of Oahu who has extensive knowledge and experience in working collaboratively with educational and employment programs in the public and private sector. She will be an asset to the council as it develops its relationship with the State and Local Workforce Development Councils. Ms. Fife has a Bachelor's degree in Public Administration and has completed eighty hours towards a Master's degree in Special Education. She is active in the National Federation of the Blind, the Library for the Blind and Physically Handicapped, Ho'opono Advisory Board, and the American Cancer Society.

James (Jim) C. Beaman serves in an advocacy capacity with the Client Assistance Program. He provides the council an understanding of advocacy issues facing the vocational rehabilitation program. Mr. Beaman graduated from Michigan Law School and is licensed to practice law in Hawaii and Michigan.

Joanne H. Kealoha is a Social Services Coordinator with the ILWU Local 142 on Oahu. She has a Master's degree in Social Work from the University of California at Los Angeles. Ms. Kealoha serves on the Allocations Panel V of the Aloha United Way and Catholic Charities Community Services. She is the Chairperson of the Labor's Community Services Committee of Oahu, the Vice-

Chairperson of the Honolulu Planning Commission, and Secretary to the Oahu Private Industry Council. She provides the council with the perspectives of both labor and employers in her capacity with the union and the Oahu Private Industry Council.

Testimony in support of the nominees was received from the Department of Human Services.

As affirmed by the record of votes of the members of your committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1841 Health and Human Services on Gov. Msg. No. 323

Recommending that the Senate advise and consent to the nominations of the following:

STATE COMMISSION ON THE STATUS OF WOMEN

G.M. No. 323 JANE RENFRO SMITH and LESLIE WILKINS, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the functions of the State Commission on the Status of Women. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the State Commission on the Status of Women.

Your Committee specifically notes the following:

Jane Renfro Smith has earned a Bachelor of Science degree in Child Development at the University of Maine, as well as a Master's degree in Social Work from the University of Hawaii. She currently holds the position of Interim Managing Director for the YWCA of Oahu, and is responsible for operations and program management for the Association, where she is focused on women's empowerment and the elimination of racism on Oahu. In addition, Jane Renfro Smith was the first President and Chief Executive Officer of the Hawaii Community Foundation from 1988 to 1998, and prior to that was a Vice President and Department Manager with Pacific Century Trust. Her vast experience and leadership skills, combined with her commitment to women's issues and public service make Jane Renfro Smith a qualified addition to the State Commission on the Status of Women.

Testimony in support of Jane Renfro Smith was submitted by the State Commission on the Status of Women, the YWCA of Oahu, Pacific Century Trust, KCAA Pre-Schools of Hawaii, the Domestic Violence Clearinghouse and Legal Hotline, the Atherton Family Foundation, Emmanuel Episcopal Church, Gerson, Grekin, and Wynhoff Attorneys at Law, and five private individuals.

Leslie Wilkins holds a Bachelor of Arts degree in Political Science as well as a Master's degree in Public Administration. She is currently a consultant for the Maui Economic Development Board, having previously worked as an adult literacy instructor and trainer. Leslie Wilkins has been involved with Hawaii Federation of Business and Professional Women's Clubs, Inc., for over ten years, and has held the positions of Maui President, State President, National Board member, and Legislation Chair. She has also devoted her time to many community service organizations including Healthy Mothers, Healthy Babies, Sex Abuse Interventions, Inc., the Maui Early Childhood Resource Coalition, and the Maui County Committee on the Status of Women. Her work experience and her community service activities clearly demonstrate her commitment to women's issues and civic responsibility. These qualities promise to make Leslie Wilkins a positive addition to the State Commission on the Status of Women.

Testimony in support of Leslie Wilkins was submitted by the State Commission on the Status of Women, the Hawaii Federation of Business and Professional Women's Clubs, Inc., the Domestic Violence Clearinghouse and Legal Hotline, and a private individual.

Your Committee determines that the nominees' experiences, visions, and priorities as members of the Commission, will make them assets to the State Commission on the Status of Women.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1842 Health and Human Services on Gov. Msg. No. 334

Recommending that the Senate advise and consent to the nominations of the following:

STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 334 VIRGINIA M. PRESSLER, M.D., for a term to expire June 30, 2000;

EVELYN CHONG, for a term to expire June 30, 2002; and

ESPERANZA N. CADAVONA, CHARLES C. DUARTE, JOHN L. NOLAND, KATHERINE ANNE O'REILLY, DAVID PFEIFFER, Ph.D., MILLICENT L.K. ROGERS, HELEN SMALLEY-BOWER, LAMBERT K. WAI and DIRK K. WASANO, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees bring a unique range of skills, abilities, and experiences to the State Planning Council on Developmental Disabilities to which they are appointed.

Testimony in favor of all nominees was received from the State Planning Council on Developmental Disabilities. Testimony in favor of David Pfeiffer, Ph.D, was received from one individual. Testimony opposed to Millicent L.K. Rogers was received from one individual.

Your Committee notes the following specific qualifications of the nominees:

Virginia M. Pressler, M.D., is a consultant for Pressler Healthcare Consulting. Dr. Pressler is a member at large for the Aloha United Way Board of Directors and the Health Committee Chair for America's Promise Hawaii. Dr. Pressler also has made numerous medical presentations at national meetings and has published four medical related articles.

Evelyn Chong is an administrator for the Executive Office on Aging. Ms. Chong is past treasurer and vice-president of Aikane O' Nuuanu and present secretary of Lung Doo Kong Tow Society.

Esperanza N. Cadavona is President and Chief Executive Officer of Home and Community Services of Hawaii, Inc. Ms. Cadavona is a member of the Bone Marrow Registry of Hawaii and the Board of Directors for Minority Organ Tissue Transplantation Education Program (MOTTEP) of the Organ Donor Center of Hawaii.

Charles C. Duarte is an administrator for the Med-QUEST division of the Department of Human Services. Mr. Duarte is a past board member of the Association of Asian-Pacific Community of Health Organizations and past president of the Hawaii State Primary Care Association.

John L. Noland is an assistant vocational rehabilitation administrator for the Department of Human Services. Mr. Noland is the past president of the Hawaii Rehabilitation Counseling Association and currently holds a position on the State Council on Mental Health.

Katherine Anne O'Reilly holds a Bachelor of Science degree in Physical Therapy from Tufts University and a Master's degree in maternal child health from the University of Hawaii at Manoa. For twenty years Ms. O'Reilly worked for Kapiolani Medical Centers. Ms. O'Reilly is currently a member of the American Physical Therapy Association and the Hawaii Early Intervention Coordinating Council.

David Pfeiffer, Ph.D., is a professor and analyst for the Association of University Professors. Dr. Pfeiffer is currently the editor of Disability Studies Quarterly and was past president of the Society for Disability Studies and past chairperson for the Massachusetts Coalition of Citizens with Disabilities.

Millicent L.K. Rogers was a social worker for the Hawaii Assistive Technology Training and Services Project and the United Cerebral Palsy Association of Hawaii. Ms. Rogers has served on the Commission on the Handicapped and the Advisory Committee for Hawaii Centers for Independent Living.

Helen Smalley-Bower is a homemaker and has previously worked for the Aloha Special Technology Access Center and the Vietnam Veterans Family Assistance Program for the Learning Disabilities Association of Hawaii. Ms. Smalley-Bower currently serves on the Reproductive Rights Protection Committee.

Lambert K. Wai worked for Mutual of Omaha for forty years. Mr. Wai is a member of the Association of Life Underwriters and the Association of Health Underwriters. Mr. Wai has volunteered with the Association of Retarded Citizens for over forty years.

Dirk K. Wasano is an office automation assistant for the Department of Defense and a professional photographer. Mr. Wasano served on the State Planning Council on Developmental Disabilities from 1982-1995.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

Recommending that the Senate advise and consent to the nomination of the following:

PUBLIC UTILITIES COMMISSION

G.M. No. 193 GREGORY G.Y. PAI, Ph.D., for a term to expire June 30, 2000,

The Chair of the Public Utilities Commission (PUC) presented testimony in support of the nomination. Written testimony in support of the nomination was received from the following persons and entities who were not present at the hearing: a commissioner, the administrative director, and five employees of the PUC, the Hawaii Korean Chamber of Commerce, the Korean American Bar Association Hawaii, the Hawaii Han-in Sports Association, the Honolulu Korean Jaycees, the Korean American Women's Club, the Korean American Coalition Hawaii Chapter, and three individuals. Two individuals presented testimony opposing the nomination.

Upon review of the resume and other background information submitted by the nominee, your Committee finds that Gregory G.Y. Pai has, among other credentials, a Ph.D. in economics from the Massachusetts Institute of Technology and a Master's degree in Architecture from Harvard University. The nominee worked as an economist with the Bureau of Economic Analysis and the United States Department of Commerce, and served for six years as Vice-President and Chief Economist with First Hawaiian Bank.

In 1989, Dr. Pai was appointed Special Assistant to the Governor for Economic Affairs and was subsequently named Director of the Office of State Planning. The nominee held an interim commissioner position on the PUC from 1996 to 1997, prior to being appointed Special Assistant to the Governor for Policy. Dr. Pai is currently an interim commissioner on the PUC.

Dr. Pai is active in community affairs, having served as President of the Korean Chamber of Commerce of Hawaii, the American Statistical Association, Hawaii Chapter, and First Night Honolulu. Additionally, the nominee has served on the boards of numerous organizations, including Hawaii Public Radio, the Honolulu Symphony Orchestra, the Health and Community Services Council of Hawaii, and the Girl Scout Council of the Pacific.

Testimony received by your Committee in support of the nominee indicated that Dr. Pai's expertise in economic analysis and planning has been invaluable to the PUC in its decisionmaking since a significant number of utility filings involve complex economic issues. Further, the nominee's diverse experiences in the public and private sectors allow him a broad and balanced perspective on the issues facing the PUC. Supporters of the nominee also noted that Dr. Pai's qualities include knowledge of the regulatory process, dedication, independence, leadership, and a commitment to public service.

Testimony received by your Committee in opposition to the nominee indicated that Dr. Pai is unqualified to serve on the PUC due to his lack of business and telecommunications experience. Other testimony indicated that the nominee displayed a lack of openness to public input during meetings of the Barbers Point Redevelopment Commission, on which the nominee served as one of its Chairs. Concerns were also raised regarding the nominee's position against the mandatory undergrounding of high voltage electric transmission lines.

Your Committee members diligently questioned the nominee regarding his qualifications, his position on the role of the PUC, and his views on substantive public utility issues. Dr. Pai responded that his professional and educational background, as well as his prior and current experience as an interim PUC commissioner qualified him for a regular appointment to the PUC. Dr. Pai also indicated that he favors greater openness in PUC matters and the adoption of a more proactive stance by the PUC.

The nominee also indicated that he did not support the mandatory undergrounding of electric transmission lines and favored the current law under which, the PUC, applying certain criteria, has the discretion to determine whether transmission lines should be placed overhead or underground. The nominee noted that in two recent dockets, the PUC, applying the current law, approved in both cases the overhead placement of electric transmission lines.

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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, 2 (Hanabusa, Kanno). Excused, none.

Recommending that the Senate advise and consent to the nominations of the following:

REPRODUCTIVE RIGHTS PROTECTION COMMITTEE

G.M. 285 JANICE IRENE HANSEN, M.D., and AMY KURAOKA-GOO, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering a government

function. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Reproductive Rights Protection Committee.

Your Committee specifically notes the following:

Upon review of the resume and background information submitted by Dr. Janice Hansen, your Committee finds that she holds a medical degree from the University of Hawaii, John A. Burns School of Medicine and is a practicing physician in obstetrics and gynecology at the Straub Hospital and Clinic. Dr. Hansen is currently a member of the Reproductive Rights Protection Committee.

Testimony in support of Dr. Hansen was received from the Department of Health.

Upon review of the resume and background information submitted by Amy Kuraoka-Goo, your Committee finds that she holds a Bachelor of Science degree in Human Development and a Master's degree in Social Work from the University of Hawaii. Ms. Kuraoka-Goo is a practicing clinical social worker at Queen's Medical Center.

Testimony in support of Ms. Kuraoka-Goo was received from the Department of Health and one individual.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1845 Health and Human Services on Gov. Msg. No. 298

Recommending that the Senate advise and consent to the nomination of the following:

HONOLULU SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 298 JOYCE INGRAM-CHINN, for a term to expire June 30, 2003,

Testimony in support of this nominee was received from the State Health Planning and Development Agency.

Upon review of the resume and other background information submitted by the nominee, your Committee finds that the nominee brings a unique range of skill, ability, and experience to the Honolulu Subarea Health Planning Council.

Your Committee notes the following specific qualifications of Joyce Ingram-Chinn:

Ms. Ingram-Chinn received her Master's degree in Education from the University of Hawaii at Manoa. Currently, Ms. Ingram-Chinn is the Program Manager for Community Care Services for Hawaii Biodyne. For fifteen years, she worked as the Chief of the Alcohol and Drug Abuse Division of the Department of Health.

Ms. Ingram-Chinn is past president of the Organization of Women Leaders and founder of Pacific Institute of Chemical Dependency. In addition, she is past president of the Soroptimist International of Honolulu and the National Prevention Faculty.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualification 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 (Iwase, Anderson).

SCRep. 1846 Health and Human Services on Gov. Msg. No. 299

Recommending that the Senate advise and consent to the nominations of the following:

WEST OAHU SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 299 KATHLEEN DELAHANTY, JOYCE O'BRIEN and KHEN SEE ANG, M.D., for terms to expire June 30, 2003,

Upon review of the resumes and other background information submitted by the nominees, your Committee finds that the nominees bring a unique range of skills, abilities, and experiences to the West Oahu Subarea Health Planning Council

Testimony in support of the nominees was received from the State Health Planning and Development Agency.

Your Committee notes the following specific qualifications of the nominees:

Kathleen Delahanty is the director of business development and community relations at Kahi Mohala Behavioral Healthcare. Ms. Delahanty is a member of the Hawaii Association of Health Underwriters and former legislative liaison for the HMSA long term care legislative committee.

Joyce O'Brien is the associate director of the Waianae Coast Comprehensive Health Center. Ms. O'Brien is a member of the American Public Health Association and Waianae Coast Coalition.

Khen See Ang, M.D., is an internal medicine physician at Kapiolani Medical Center at Pali Momi. Ms. Ang is a member of the American Medical Association and American College of Physicians.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1847 Health and Human Services on Gov. Msg. No. 335

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. 335 WAYNE M.T. LU, for a term to expire June 30, 2000; and

B. MARTIN LUNA and NORMAN H. OKAMURA, Ph.D., for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the functions of the Board of Directors of the Hawaii Health Systems Corporation. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Board.

Your Committee specifically notes the following:

Wayne M.T. Lu is a retiree living on the island of Maui. He has served for twelve years on the Maui Region Management Advisory Committee. Before retiring, Mr. Lu was AEOS Project Manager for the Research Corporation of the University of Hawaii, Institute for Astronomy. Mr. Lu attended the University of Hawaii and graduated from the Electronic Institute of Hawaii with an Electronic Technician diploma.

Testimony in support of the nominee was received from five individuals from the Maui Memorial Medical Association.

B. Martin Luna is Managing Partner with Carlsmith Ball Attorneys at Law on the island of Maui. He holds a Juris Doctor degree from George Washington University Law Center and is a member of the Maui County and American Bar Associations. He also serves as Chairperson of the Judicial Selection Commission of the Hawaii Supreme Court and Director on the Maui Japanese Chamber of Commerce.

Testimony in support of Mr. Luna was received from the Executive Public Health Facility, Management Advisory Committee.

Norman H. Okamura, Ph.D., is Associate Specialist in Telecommunications and Information Technology Policy, Planning, Technology Systems, Regulation, and Management at the University of Hawaii, Social Science Research Institute. He is widely published in the field of telecommunications. Dr. Okamura received his Doctorate degree from the University of Hawaii in Political Science.

Testimony in support of the nominee was received from the Oahu regional Public Health Facility Management Advisory Committee of the Hawaii Health Systems Corporation, Hilo Medical Center, Kohala Hospital, St. Francis Healthcare System of Hawaii, Hawaii Management Alliance Association, Hawaii Medical Services Association, High Technology Development Corporation, two individuals from GTE Hawaiian Tel, and Valley Isle Cardiology.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1848 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 273

Recommending that the Senate advise and consent to the nomination of the following:

BARBERS POINT NAVAL AIR STATION REDEVELOPMENT COMMISSION

G.M. No. 273 RICK EGGED, for a term to expire June 30, 2000,

Upon review of the qualifications and other background information submitted by the nominee, your Committee finds that Rick Egged is the President of the Waikiki Improvement Association (WIA), a two hundred fifty member private, nonprofit organization focusing on the physical revitalization of Waikiki.

As President of the WIA, Mr. Egged's responsibilities include legislative and community-related matters, bringing together public and private sectors on a range of issues, zoning and land use planning, improving and expanding Waikiki's beaches and parks, and providing a safe and friendly pedestrian experience in the Waikiki area. Mr. Egged provides guidance to the WIA subcommittees and is a member of the Mayor's Waikiki Advisory Task Force and the Waikiki Watershed Improvement Project.

Prior to working at the WIA, Mr. Egged was Director of the Office of Planning with responsibility for land use issues statewide. In 1996, Mr. Egged was named Chair of the Barbers Point Naval Air Station Redevelopment Commission in his capacity as Director of Planning. Mr. Egged also served as the Director of the Office of Tourism, Department of Business, Economic Development, and Tourism, from 1991-1996.

Testimony in favor of the nomination was received from the Director of Business, Economic Development, and Tourism, the Kaneohe Ranch Company, Ltd., and a private citizen.

Your Committee members diligently questioned the nominee regarding his vision of the purpose and charge of the Barbers Point Naval Air Station Redevelopment Commission. Based on this discussion, your Committee believes that the nominee will continue to be an asset to the work of the Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, 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 (Kanno, Tanaka, Anderson).

SCRep. 1849 (Majority) Commerce and Consumer Protection on Gov. Msg. No. 218

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES, EMPLOYEES' RETIREMENT SYSTEM

G.M. No. 218 RICHARD L. HUMPHREYS, for a term to expire January 1, 2005;

Three individuals, while not present, submitted testimony in support of the nomination.

Upon review of the statement submitted by the nominee, your Committee finds that the nominee is a volunteer, willing to serve without compensation, who will assist in administering the functions of the Board of Trustees of the Employees' Retirement System with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominee:

Richard L. Humphreys is a partner in Altres Financial, L.P., and has over thirty years experience in banking and finance in Hawaii and California. Mr. Humphreys has served as Hawaii Chairman of Bank of America, President of Hawaiian Trust Company and First Federal Savings and Loan, and Executive Vice-President of Bank of Hawaii and AMFAC Financial. The nominee's community service activities include serving on the boards of the Aloha United Way, Augustine Foundation, Convention Center Authority, and Hawaii Nature Center.

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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 1850 Commerce and Consumer Protection on Gov. Msg. No. 312

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 312 RUDOLPH E. AHLO and DAWN L. HIRAI, for terms to expire June 30, 2003;

Two individuals presented testimony in support of the nomination of Dawn L. Hirai. An individual who was not present submitted testimony in support of Ms. Hirai.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Motor Vehicle Repair Industry Board (Board) with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Rudolph E. Ahlo, who has been nominated for a public member position on the Board, has training and work experience in business and purchasing. He has been employed by Del Monte Fresh Produce, Inc., since 1963, and is a member of the National Association of Purchasing Management. Additionally, Mr. Ahlo has been active within the community, coaching Kailua Little League, Kailua Pop Warner, and Enchanted Lake Association basketball.

Dawn L. Hirai, also nominated to a public member position, is a policy and planning analyst with the Office of the Governor. Ms. Hirai has extensive experience within the legislative and executive branches of government and a demonstrated 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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, none.

SCRep. 1851 Commerce and Consumer Protection on Gov. Msg. No. 320

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 320 RICHARD M. FUJIE, D.V.M, Ph.D., and LISSA W.G. KAM, D.V.M., for terms to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Board of Veterinary Examiners with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Richard M. Fujie, D.V.M, Ph.D., received his degree in veterinary medicine in 1983 and a doctorate degree in veterinary sciences from the University of Washington. In addition to being licensed in Hawaii, Dr. Fujie is licensed to practice veterinary medicine in Oregon and Washington. Dr. Fujie has been a veterinarian with the Department of Agriculture, and currently practices at the Kahala Pet Hospital.

Lissa W.G. Kam, D.V.M., received her veterinary degree from Colorado State University in 1984, and has practiced veterinary medicine in the State for fifteen years. Dr. Kam is past president of the Hawaii Veterinary Medical Association and Honolulu Veterinary Society. Dr. Kam has also been active with the Kalihi Business Association and Downtown Business 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, after full consideration of the background, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, none.

SCRep. 1852 Commerce and Consumer Protection on Gov. Msg. No. 339

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF NURSING

G.M. No. 339 BARBARA K. IDETA, R.N., STEPHEN A. KULA, Ph.D., SANDRA MARIE MYERS, L.P.N., and KENDALL DEBORAH SHARPLESS, R.N., for terms to expire June 30, 2002,

The Department of Commerce and Consumer Affairs and Hawaii Nurses' Association presented testimony in support of nominees Barbara K. Ideta, Sandra Marie Myers, and Kendall Deborah Sharpless. The Hawaii Nurses' Association and an individual presented testimony in support of nominee Stephen A. Kula. Although not present, the Waimanalo Health Center, Hawaii Association for Home Care, Healthcare Association of Hawaii, and three individuals submitted testimony in support of Stephen A. Kula.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, who will assist in administering the functions of the State Board of Nursing with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Barbara K. Ideta, R.N., is Assistant Vice-President of Out-Patient Services at Kuakini Medical Center and has served in managerial or supervisory nursing positions in the State for almost forty years. Ms. Ideta's community service activities include serving on the board of Hospice Hawaii, chairing the Emergency Medical Services Advisory Council, and serving on the State Emergency Medical Services Advisory Committee. The nominee has served on the State Board of Nursing since 1966.

Stephen A. Kula, Ph.D., is President of Hospice Hawaii, Inc., and holds a nursing home administrator's license from the Department of Health. Dr. Kula received his Bachelor's and Master's degrees from Colorado State University and a Doctorate degree from Kennedy Western University. The nominee's community service activities include serving as Vice-President and past President of the Hawaii State Hospice Network, and on the boards of Queen's Medical Center Cancer Institute, Interfaith Ministries of Hawaii, and Aloha United Way.

Sandra Marie Myers, L.P.N., has been licensed as an L.P.N. and employed by Kapiolani Medical Center for Women and Children (KMCWC) for twenty-two years. Additionally, Ms. Myers has served on the Nursing Advisory Committee of the Regulated Industries and Complaints Office, on the board of the Pan Pacific South East Asia Women's Association, and as L.P.N. Unit Chair for KMCWC. The nominee has been a member of the State Board of Nursing since 1996.

Kendall Deborah Sharpless, R.N., is Quality Assurance Coordinator at Kula Hospital, and has been a registered nurse for almost twenty-five years. The nominee's professional affiliations include membership in the Hawaii Nurses' Association, American Nurses Association, and National Association for Health Care Quality. Ms. Sharpless has served on the State Board of Nursing since 1996.

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, character, 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 Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 1853 Commerce and Consumer Protection on Gov. Msg. No. 343

Recommending that the Senate advise and consent to the nominations of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 343 MEMITO N. ABLAN, JUNE J. NAKAMURA and MAILE V.O. ROMANOWSKI, for terms to expire June 30, 2000;

JAMES E. COON, ANDREW L. NICKLES, KENNETH T. ONO and ISOO OSHIMA, for terms to expire June 30, 2001; and

ANN B. LEIGHTON, TIMOTHY MOORE, ROY SHIMONISHI and DENISE WALKER, for terms to expire June 30, 2002;

The Department of Business, Economic Development, and Tourism and the National Federation of Independent Business presented testimony in support of all the nominations. The Hawaii Restaurant Association submitted written testimony in support of Timothy Moore, Maile V.O. Romanowski, Roy Shimonishi, and Denise Walker. An individual submitted written testimony in support of June J. Nakamura, Timothy Moore, Maile V.O. Romanowski, and Roy Shimonishi.

The Contractors Association of Kauai, General Contractors Association of Hawaii, and four individuals submitted written testimony in support of Maile V.O. Romanowski. The Hawaii Society of Certified Public Accountants submitted written testimony in support of Isoo Oshima. The Kona-Kohala Chamber of Commerce submitted written testimony in support of Kenneth T. Ono. An individual submitted written testimony in support of Roy Shimonishi.

Upon review of the statements submitted by the nominees, your Committee finds that the nominees are volunteers, willing to serve without compensation, and will assist in administering the functions of the Small Business Regulatory Review Board with compassion and commitment.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Memito N. Ablan is a mortgage broker and President of Mortgages of America. Mr. Ablan was educated in finance, banking, and economics, and has a bachelor's degree in business administration. Mr. Ablan has also worked in the real estate, insurance, and retail industries.

June J. Nakamura is a civil engineer, President of Engineering Solutions, Inc., and a licensed engineer in three states, including Hawaii. Prior to establishing her own business in 1993, Ms. Nakamura worked as an engineer on projects in Hawaii, Maryland, and Virginia, and headed the Engineering Technology Department at Honolulu Community College.

Maile V.O. Romanowski has a bachelor's and master's degrees in civil engineering and is a general contractor with Jas. A. Glover, Ltd. Ms. Romanowski has contributed numerous hours to the improvement of the building and contracting industry through her involvement with the Contractors Association of Kauai, General Contractors Association of Hawaii, Building Industry Association of Hawaii, and Construction Industry Legislative Organization, among other organizations.

James E. Coon is the owner and Chief Executive Officer of Trilogy Excursions, a charter boat business in Maui. Mr. Coon is also Vice-President of another family business, Lanai City Service, Inc. Mr. Coon currently serves on the Small Business Task Force on Regulatory Relief and is active in numerous business, community, and maritime organizations.

Andrew L. Nickles is a civil engineer, construction estimator, general building contractor, and general engineering contractor with extensive professional experience in Hawaii, California, Arizona, and Guam. Mr. Nickles serves on the board of the Kauai Y.M.C.A., formerly served on the Kauai United Way Building committee, and is active with other community organizations on Kauai.

Kenneth T. Ono is President of West Hawaii Home Health Services, a family-owned and operated business that provides in-home skilled nursing, physical therapy, occupational therapy, and medical social services. Mr. Ono is Chair of the Kona-Kohala Chamber of Commerce and serves on the State Emergency Medical Services Commission.

Isoo Oshima is a certified public accountant (CPA) and Managing Director of Oshima and Chan, LLP, a fourteen-person CPA firm with offices on Oahu and Molokai. Mr. Oshima is also owner and President of The Oshima Corporation, Certified Public Accountant. Mr. Oshima currently serves as President of the Hawaii Society of Certified Public Accountants and is on the board of the Hong Kong Business Association of Hawaii.

Ann B. Leighton has been the owner of a motorcycle sales and service dealership on Kauai since 1980. Additionally, Ms. Leighton is on the boards of the Kapaa Business Association and Garden Island Resource Conservation and Development, Inc., President of the Hawaii Motorcycle Dealers Association, and Chairperson of the Kauai Na Ala Hele Trails Advisory Council.

Timothy Moore is Financial Director for Old Lahaina Luau and Chair of the Small Business Task Force on Regulatory Relief. Additionally, Mr. Moore is Co-Chair of the Hawaii Congress on Small Business, on the boards of the Maui Chamber of Commerce and West Maui Youth Center, and was designated Maui County Small Business Person of the Year.

Roy Shimonishi is the owner of Hungry Lion, Inc., whose Hungry Lion Restaurant was listed among the top fifty family restaurants in the United States. Mr. Shimonishi is active with several professional, nonprofit, and community organizations, including the Hawaii Restaurant Association, Catholic Charities for the Elderly, and Ahahui Koa Anuenue. Mr. Shimonishi has received the Governor's Kilohana Award for Outstanding Volunteerism and the Kalihi Businessperson Award for Outstanding Late Night Gang Basketball Program.

Denise Walker is owner and Vice-President of Walker Consultants, an environmental and geologic consulting firm. In addition to serving on the Small Business Task Force on Regulatory Relief, Ms. Walker is on the board of directors of the Association for Retarded Citizens of Hilo and the National Federation of Independent Business Leadership Council.

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, character, 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 Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, none.

SCRep. 1854

Education and Technology on Gov. Msg. No. 308

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

G.M. No. 308 ROSE MAY ENOS-KU and MARION M. JOY, for terms to expire June 30, 2002; and

LUCY M. AKAU and CANDACE K. LEE, for terms to expire June 30, 2003;

Upon review of the resumes and other background information submitted by the nominees, your Committee finds that the nominees bring a unique range of skills, abilities, and experiences to the King Kamehameha Celebration Commission.

Testimony in support of the nominees was received from the King Kamehameha Celebration Commission.

Your Committee notes the following specific qualifications of the nominees:

Rose May Enos-Ku is a Hawaiian Studies teacher at Kualapuu Elementary school on Molokai. Ms. Enos-Ku has previously served as a cultural resource for the County of Maui Planning Commission and currently volunteers with 4-H and the Kaahumanu Society.

Marion M. Joy is a realtor with Hawaii Real Estate Professionals. Ms. Joy is a certified residential broker and a member of the Honolulu Board of Realtors and the Hawaii Association of Realtors. Ms. Joy is a member of Pearl City Community Church, Kamehameha Alumni Association, Oahu Region, and the secretary of Na Pua a KeAlii Pauhi, Inc.

Lucy M. Akau is a retired State telephone operator who provided 37 years of dedicated public service. Ms. Akau is active as a member of Kaumakapili Church and the Waimanalo Hawaiian Homes Association.

Candace K. Lee is a self-employed Hawaiian floral and gift shop owner. Ms. Lee has previously served on the King Kamehameha Celebration Commission from 1979-1986. Ms. Lee also volunteers in the community with the Kapahulu Music Club and as a consultant for the Hawaiian Regent Hotel, Mauna Lani Hotel, and Lahaina Pacific Railroad.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the King Kamehameha Celebration Commission 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 (Chumbley, Matsunaga, Tam).

SCRep. 1855 Education and Technology on Gov. Msg. No. 340

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS, UNIVERSITY OF HAWAII

G.M. No. 340 SAT KHALSA, for a term to expire June 30, 2001,

Upon review of the resume and other background information submitted by the nominee, your Committee finds that the nominee brings a unique range of skill, ability, and experience to the Board of Regents, University of Hawai'i.

Testimony in support of the nominee was received from three individuals.

Your Committee finds that Sat Khalsa is currently a first-year student at the William S. Richardson School of Law. Mr. Khalsa maintains a grade point average of 3.4, placing him in the top quartile of his law school class. He received a Bachelor's degree in Government and American Politics from Cornell University. He is active in the Advocates of Public Interest Law, Environmental Law Society, Ahahui (Native Hawaiian Law Club), Delta Theta Phi, and the American Bar Association-Law Student Division.

Your Committee diligently questioned the nominee on the experience garnered in his respective field, his vision, and his priorities as a regent. More specifically, your Committee questioned the nominee on University autonomy and tuition increases. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the Board of Regents, University of Hawai'i 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 (Chumbley, Matsunaga, Tam).

SCRep. 1856 Health and Human Services on Gov. Msg. No. 302

Recommending that the Senate advise and consent to the nominations of the following:

KAUAI COUNTY SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 302 RONALD Y. FUJIMOTO, M.D., RICHARD M. GOODALE, M.D., EMMALINE K. IHU and LANI J. YUKIMURA, for terms to expire June 30, 2003;

Testimony in support of these nominees was received from the State Health Planning and Development Agency.

Upon review of the resumes and other background information submitted by the nominees, your Committee finds that the nominees bring a unique range of skills, abilities, and experiences to the Kauai County Subarea Health Planning Council to which they are appointed.

Your Committee notes the following specific qualifications of the nominees:

Ronald Y. Fujimoto, M.D., is a physician and currently is the medical director of the Kuhio Medical Center. Dr. Fujimoto received his Bachelor's degree in Biology and a Master's degree in Public Health from the University of Hawaii at Manoa and a Doctor of Osteopathic Medicine from the College of Osteopathic Medicine of the Pacific. Dr. Fujimoto is a member of the American Medical Association, American Osteopathic Association, a Fellow of the American Academy of Family Practitioners, and served as past president of the Kauai American Heart Association.

Richard M. Goodale, M.D., is a physician with the Kauai Medical Group, Inc. Dr. Goodale received his Bachelor's degree in Biology from Johns Hopkins University and Medical degree from the University of Hawaii John A. Burns School of Medicine. Dr. Goodale is a medical officer with the United States Army, past president of the Kauai County Medical Society, and a member of the Hawaii Medical Association and International Society of Travel Medicine.

Emmaline K. Ihu is a registered nurse and a graduate of the St. Francis Hospital School of Nursing. Ms. Ihu works with the Department of Health in public health nursing specializing in working with the frail and elderly. Ms. Ihu is a board member of the Association of Retarded Citizens Kauai, University Affiliated Program, and co-chairperson of the Autism Project at the University of Hawaii at Manoa.

Lani J. Yukimura is director of community services for Wilcox Memorial Hospital. Ms. Yukimura received a Bachelor's degree from the University of Hawaii at Manoa. She is also the president of Adult Day Health Services Hawaii, Inc. Ms. Yukimura serves on the executive committee of the Kauai High and Intermediate School to Work program, is a youth advisor with the Kauai Ke Ala Hoku Youth Steering Committee and the Young Women's Christian Association, and president of Project Grad of Kauai High and Intermediate.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1857 Health and Human Services on Gov. Msg. No. 342

Recommending that the Senate advise and consent to the nominations of the following:

WINDWARD OAHU SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 342 RONALD T. HAYASHI, for a term to expire June 30, 2002; and

ANN M. DITZLER, KEVIN W. SYPNIEWSKI and ROY YAMAUCHI, for terms to expire June 30, 2003,

Testimony in support of these nominees was received from the State Health Planning and Development Agency.

Upon review of the resumes and other background information submitted by the nominees, your Committee finds that the nominees bring a unique range of skills, abilities, and experiences to the Windward Oahu Subarea Health Planning Council.

Your Committee notes the following specific qualifications of the nominees:

Ronald T. Hayashi is the principal of HCCS Consulting Associates. Mr. Hayashi received his Bachelor's degree in business from the University of Hawaii and his Master's in business administration from Boston University. Mr. Hayashi is active as a board member for Young Life and has previously served as a board member with the Japanese Chamber of Commerce.

Ann M. Ditzler is an analyst with Hawaii Medical Service Association. Ms. Ditzler is a registered dietician and received her Bachelor's from Michigan State University and a Master's degree from Case Western Reserve University. Ms. Ditzler has served with the Kapiolani Medical Center for Women and Children and the Queen's Medical Center. Currently, she is a district committee member with the Aloha Council of the Boy Scouts and a member of the Junior League of Honolulu.

Kevin W. Sypniewski is the president of AssistGuide, Inc. Mr. Sypniewski received a Bachelor's degree in business administration from Southern Methodist University. Mr. Sypniewski has been active in long-term care and served on the Finance Resource Group of the Hawaii Long Term Care Reform Blue Ribbon Task Force as well as the National League for Nursing's Reimbursement Committee and the Joint Legislative Committee on Long Term Care.

Roy Yamauchi is a pharmacist with Hawaii Medical Service Association. He earned a Bachelor's degree in pharmacy from the University of Missouri at Kansas City. Mr. Yamauchi is a member of the Hawaii Pharmacist Association, the American Pharmaceutical Associates, and the Academy of Managed Care Pharmacy. Mr. Yamauchi currently serves on the board for Drug Addiction Services of Hawaii as vice-president.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1858 Health and Human Services on Gov. Msg. No. 341

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 341 WILLIAM "SPEEDY" BAILEY and JESS DAVID CURB, M.D., for terms to expire June 30, 2001; and

STACY K. EVENSEN, PATTY FOLEY, VIVIAN HO, SUSAN B. HUNT, DARRELL M. KIKUCHI and
GAYLE H. MACKURA, for terms to expire June 30, 2003,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the functions of the Statewide Health Coordinating Council. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Council.

Your Committee specifically notes the following:

William "Speedy" Bailey is the Manager of Marketing and Business Development for American Medical Response. He did post-graduate work in biology at the University of Hawaii and has a Bachelor's degree in Biology/Psychology from Occidental College as well as a variety of courses in emergency medical care. He is a board member of the Keiki Injury Prevention Council, and member of the State EMS Advisory Pre-hospital and Transportation Subcommittee. Mr. Bailey is also a founding member of Hawaii Kids at Work.

Jess David Curb, M.D., is the Medical Director and Chief Executive Officer of the Pacific Health Research Institute. He received his Medical Doctorate degree from the University of New Mexico and a Master's degree in Disease Control/Epidemiology from the University of Texas School of Public Health. Dr. Curb is also Director of Research for the University of Hawaii John A. Burns School of Medicine.

Stacy K. Evensen is the Assistant Vice President of Community and Government Relations for Hawaii Medical Services Association. She holds a Master's degree in Nutritional Sciences from the University of Hawaii. Ms. Evensen is active in the community serving as a Board Member with the American Diabetes Association, the past President of the Hawaii Nutrition Council, and a Board Member of Someone Special Foundation.

Patty Foley is the Corporate Director of Human Resources with Outrigger Hotels and Resorts. She holds a Bachelor's degree from the Western New England College in Massachusetts. She is the President of the Hawaii Business Health Council, a founding member of the Hawaii Industry Venture, a founding Board Member of the Hawaii Association of Health Underwriters, and the Chairperson of the American Health Association's Heart Walk.

Vivian Ho is the President and Chief Executive Officer of the Queen's International Corporation. She holds a Master's degree in Business Administration in Finance and International Business from the University of Washington. Ms. Ho serves on the Board of Directors of the Five Mountain Medical Community and the Board of Counselors of MidPacific Institute.

Susan B. Hunt is a Health Care Consultant on the island of Hawaii. She holds a Master's degree in Hospital Administration from St. Louis University and a Graduate Certificate in Gerontology. Ms. Hunt is a diplomate of the American College of Healthcare Executives and a member of the National Association of Women's Healthcare Professionals.

Darrell M. Kikuchi is the Director of Strategic Planning for Kaiser Permanente Health Plan. He holds a Master's degree in Communications from the Annenberg School of Communications at the University of Southern California and a Bachelor's degree in Communication and Sociology from the University of Hawaii at Manoa.

Gayle Haunani Mackura is a Planner with Papa Ola Lokahi. She holds a Bachelor's degree in English from Marycrest College in Indiana. Ms. Mackura is active in Hawaiian health initiatives and participated in one of five symposia the U.S. Surgeon General held on development of Healthy People 2010. She is active with the Special Populations Task Force of the Tobacco Coalition of the American Cancer Society.

Testimony in support of all the nominees was received from the State Health Planning and Development Agency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1859 Health and Human Services on Gov. Msg. No. 301

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I COUNTY SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 301 JOY A. MCELROY, M.D., KATHLEEN M. MISHINA, IRENE A. NAGAO, KAREN A.M. NORRIS and STEVEN G. PAVAO, for terms to expire June 30, 2003;

Testimony in support of the nominees was received from the State Health Planning and Development Agency.

Upon review of the resumes and other background information submitted by the nominees, your Committee finds that the nominees bring a unique range of skills, abilities, and experiences to the Hawai'i County Subarea Health Planning Council.

Your Committee notes the following specific qualifications of the nominees:

Joy A. McElroy, M.D., is a physician in private practice. Dr. McElroy received her medical degree from the University of Missouri at Kansas City. Dr. McElroy is a member of the Hawaii Dermatology Association, the Hawaii Medical Association and is a Fellow of the American Academy of Dermatology. Dr. McElroy has published numerous medical research articles and volunteers with the Skin Cancer Screening Clinics.

Kathleen M. Mishina is a public health nurse with the Department of Health. Ms. Mishina received a Bachelor's degree in nursing and a Master's degree in public health from the University of Hawaii at Manoa. She is a member of the National Council on Aging, the American Society on Aging, and the American Public Health Association. Ms. Mishina is currently a member of the Hawaii County Subarea Council, including the Certificate of Need Review Panel.

Irene A. Nagao is a self employed fashion coordinator for Weekenders. Ms. Nagao is a graduate of the Honolulu Business College. She is the secretary for Junior Achievement, a board member of Business Education Partnership, board member of the Private Industry Council, and treasurer for the Japanese Chamber of Commerce and Industry.

Karen A.M. Norris is the director of occupational therapy at Hilo Medical Center. Ms. Norris received her Bachelor's degree in occupational therapy from Colorado State University. She is a member of the American Occupational Therapy Association and serves on the board of directors of the Young Women's Christian Association and the Hawaii Young Farmers Association.

Steven G. Pavao is a social worker with the Department of Human Services. Mr. Pavao received his Bachelor's degree in psychology and education from the University of Hawaii at Manoa and a Master's degree from Southeastern University. Mr. Pavao is active in his community as the president of the Hilo Intermediate School Band Boosters and is unit steward and member of the general assembly for the Hawaii Government Employees Association.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1860 Health and Human Services on Gov. Msg. No. 303

Recommending that the Senate advise and consent to the nominations of the following:

TRI-ISLE SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 303 JUDY MCCORKLE, for a term to expire June 30, 1999;

TIMOTHY T. SHIROMA, for a term to expire June 30, 2000;

THOMAS R. FITZGERALD, JR., and PATRICIA MARY RAFFETTO, for terms to expire June 30, 2001; and

JUDY MCCORKLE and JOHN ORNELLAS, for terms to expire June 30, 2003,

Your Committee notes that subsequent to the receipt of Governor's Message No. 303, it was informed that "Tri-Isle" is the appropriate name of this Subarea Health Planning Council.

Upon review of the resumes and other background information submitted by the nominees, your Committee finds that the nominees bring a unique range of skills, abilities, and experiences to the Tri-Isle Subarea Health Planning Council.

Testimony in support of the nominees was received from the State Health Planning and Development Agency.

Your Committee notes the following specific qualifications of the nominees:

Judy McCorkle is a financial consultant and received her Bachelor's degree from Oklahoma State University. Ms. McCorkle is active in the community as past Endowment Committee chair of the Maui United Way, past chair of the Maui Chamber of Commerce, and member of the Maui Police Commission. Ms. McCorkle is a member of the National Association of Professional Financial Advisors and is a Certified Trust and Financial Advisor.

Timothy T. Shiroma is the sales manager and account executive for Hawaii Medical Services Association on Maui. Mr. Shiroma received his Bachelor's degree and Master's degree in communication from the University of Hawaii at Manoa. Mr. Shiroma is a certified health consultant with Blue Cross/Blue Shield. He is currently trustee of the Maui Church of Christ and secretary of the Tri-Island Community Mental Health Center, Inc.

Thomas R. Fitzgerald, Jr., is an insurance agent with Insurance Agents Group. Mr. Fitzgerald received his Bachelor's degree in mathematics from the University of Hawaii at Manoa. Mr. Fitzgerald is a member of the General Insurance Association of Maui and the Hawaii Independent Insurance Agents Association. He is also a board member of Maui County Crimestoppers and was past president of Junior Achievement of Maui.

Patricia Mary Raffetto is the quality management coordinator for Kaiser Permanente. Ms. Raffetto received a Bachelor's degree in nursing from the University of Hawaii at Manoa and a Master's degree in nursing from University of California at Los Angeles. Ms. Raffetto is the past president of the Kula Elementary School Parent Teacher Association and the Maui Special Learning Center and past member of the Maui AIDS Foundation.

John Ornellas is the property manager for the Lanai Company, Inc. Mr. Ornellas received his Bachelor's degree in business administration from San Diego State University and the National University and is certified in purchasing management and lead base paint inspection. He is past president of the Lanai Lions Club and is active with the School Community Based Management for Lanai public schools.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, 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 (Iwase, Anderson).

SCRep. 1861 (Majority) Commerce and Consumer Protection on Gov. Msg. No. 236

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TRUSTEES, HAWAII PUBLIC EMPLOYEES HEALTH FUND

Gov. Msg. No. CLIFFORD T. UWAIN, for a term to expire June 30, 1999;

BRUCE Y. NAKAMURA, for a term to expire June 30, 2000; and

CLIFFORD T. UWAIN, for a term to expire June 30, 2003,

Your Committee notes that Governor's Message No. 356 withdrew the nomination of Donna L. Kekauoha from consideration by the Senate.

The United Public Workers, AFSCME, Local 646, AFL-CIO (UPW), presented testimony in support of Mr. Uwaine. The Hawaii Government Workers Association AFSCME, while not present, submitted testimony on behalf of Mr. Uwaine. An individual who was not present submitted testimony in support of Reverend Nakamura.

Upon a review of the statements submitted by the nominees, your Committee finds that the nominees are willing to serve as volunteers and without compensation to assist in administering the functions of the Board of Trustees of the Hawaii Public Employees Health Fund.

Your Committee notes as follows with respect to the specific qualifications of the nominees:

Clifford T. Uwaine has served as Division Director for the UPW for nineteen years. As Division Director, Mr. Uwaine negotiates and administers on the union members' behalf, the UPW's twenty-one private unit sector contracts that include health, dental, and life insurance benefits.

Bruce Y. Nakamura is Resident Minister at Jikoen Hongwanji Mission and has also served as Assistant to the Director at Honpa Hongwanji Mission of Hawaii Buddhist Study Center and Associate Minister at Honpa Hongwanji Hilo Betsuin. Reverend Nakamura's outreach activities include working with prisoners and the terminally ill, and serving as a grief support counselor.

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, character, 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 their nominations.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, 3 (Hanabusa, Matsuura, Slom). Excused, 1 (Inouye).

SCRep. 1862 Government Operations and Housing on S.R. No. 70

The purpose of this measure is to request the Comptroller and the Attorney General to provide the Senate Committee on Government Operations and Housing with an accurate assessment of the services they provide to state agencies and an explanation as to why delays in authorizing procurement requests are so prevalent.

Oral testimony in support of this measure was received from the Department of the Attorney General.

Your Committee finds that the Legislature has come to the realization that the support functions provided by state agencies are to a certain extent, precluding other state departments and agencies from attaining their full operational potential. Additionally, these inefficiencies are resulting in delayed government services to citizens.

This measure will result in the identification of government services that are inefficient and the proposal of legislation that will improve such inefficiencies.

Your Committee has amended this measure by:

- (1) Changing the name of the measure to, "REVIEWING THE INEFFICIENCY OF GOVERNMENT OPERATIONS CAUSED BY DELAYED SERVICES TO STATE AGENCIES, DEPARTMENTS, AND CITIZENS";
- (2) Deleting the paragraph describing the responsibilities of the Department of Accounting and General Services;
- (3) Adding the following three additional examples of government inefficiencies:
 - (A) Inadequate management of the programs and departments at the University of Hawaii at Manoa caused by an inefficient administration;
 - (B) Inadequate response time by the Hawaii Real Estate Commission in responding to inquiries on the ambiguities and deficiencies in the condominium property regime law; and
 - (C) Inadequate response time by the Regulated Industries Complaints Office in responding to consumer concerns and complaints;
- (4) Deleting the paragraph requesting the Attorney General and Comptroller to provide the Senate Committee on Government Operations and Housing with an assessment of the services they provide for procurement review;
- (5) Inserting language that requests the Senate Committee on Government Operations and Housing to solicit and review information on government process, productivity, and goals and action plans, and the development of a "How to Apply for State Government Contracts" handbook;

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- (6) Inserting language that requests the Senate Committee on Government Operations and Housing to examine the use of State Grants in Aid as they relate to counties, including policies established for setting real property taxes and building housing;
 - (7) Inserting language that requests the Senate Committee on Government Operations and Housing to develop proposed legislation twenty days before the convening of the Regular Session of 2000 to improve government efficiency and services; and
 - (8) Making technical, nonsubstantive changes for the purposes of clarity and proper drafting style.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 70, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 70, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Matsunaga, Matsuura, Tanaka, Anderson).