

Honolulu, Hawaii February II, 2017 RE: H.B. No. 77 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 77 entitled:

"A BILL FOR AN ACT RELATING TO AN OFFICE OF ADMINISTRATIVE HEARINGS,"

begs leave to report as follows:

The purpose of this measure is to establish the Office of Administrative Hearings, an independent agency in the executive branch, to conduct contested case hearings for executive branch agencies. The executive agencies currently perform the functions of policy-making, investigations, prosecutions, and adjudication which creates the perception that the agency has an unfair advantage over the opposing litigant. That perception compromises the integrity of the process and the result. This measure separates the adjudication function from the executive branch agencies' investigative and prosecutorial functions and removes the appearance of bias.

The Hawaii Civil Rights Commission, Department of Land and Natural Resources, Department of Labor and Industrial Relations, and one individual testified in opposition to this measure. The Department of the Attorney General, Department of Commerce and Consumer Affairs, Department of Accounting and General Services, and Department of Human Services provided comments.



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Your Committee has amended this measure by deleting the provisions to establish the Office of Administrative Hearings and inserting instructions to the Legislative Reference Bureau to undertake a study of the existing administrative hearings system and the feasibility and cost impacts of implementing an Office of Administrative Hearings. The Legislative Reference Bureau shall report its findings, recommendations, and proposed legislation prior to the convening of the 2018 Regular Session. The effective date was also changed to July 1, 2050, to encourage further discussion.

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, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 77, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Judiciary,

NISHIMOTO, Chair



State of Hawaii House of Representatives The Twenty-ninth Legislature

H5CR 676

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: HB77	Committee	Referral: JUD, FI	N Date	" 2/1/1	7
The committee is reconsidering its	previous decision	on the measure.	I		
	Pass, unamended (a Pass short form bill	,	ss, with amendments		
JUD Members		Ayes	Ayes (WR)	Nays	Excused
1. NISHIMOTO, Scott Y. (C)					
2. SAN BUENAVENTURA, Jo	oy A. (VC)				
3. BELATTI, Della Au		<u> </u>		and the second	
BROWER, Tom					
5. JOHANSON, Aaron Ling					
5. LEE, Chris					/
7. MORIKAWA, Dee					
8. NAKASHIMA, Mark M.					
). OSHIRO, Marcus R.			· .	· · · ·	
0. McDERMOTT, Bob					
1. THIELEN, Cynthia					
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TOTAL (11)		7		<u>(</u>	- 3
The recommendation is:	Adopted	θ Not Adop	did not supp	ort recommendatio	
Vice Chair's or designee's signatury			72		
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