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# A BILL FOR AN ACT

RELATING TO CHANGES TO RESPONSIBILITIES OF THE DEPARTMENT OF  
HEALTH CONCERNING PATIENTS, THE COUNTY OF KALAWAO, AND THE  
KALAUPAPA SETTLEMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 PART I

2 SECTION 1. The legislature finds that the population of  
3 former Hansen's disease patients residing at Kalaupapa in the  
4 county of Kalawao is aging. There are currently seven  
5 individuals on the Kalaupapa registry who receive services from  
6 the State. Four of them are full-time residents at Kalaupapa.  
7 All these patients are eighty-three years or older.

8 The legislature finds that the county of Kalawao consists  
9 of that portion of the island of Molokai commonly known as the  
10 Kalaupapa Settlement and that the county of Kalawao is under the  
11 jurisdiction and control of the department of health and  
12 governed by the laws and rules relating to the department and  
13 the care and treatment of persons affected with Hansen's  
14 disease. After the passing of the last full- or part-time  
15 patient resident at Kalaupapa, the department of health will no



1 longer provide patient care there but intends to complete  
2 environmental remediation work.

3 The legislature further finds that there are many other  
4 stakeholders that care about the future of the Kalaupapa  
5 Settlement and the preservation of the historical, cultural, and  
6 environmental significance of the county of Kalawao. This Act  
7 reflects preliminary sentiments expressed by some Maui county  
8 residents that the county of Kalawao be reunited with the county  
9 of Maui. A transparent process and opportunity for more  
10 extensive public input regarding the transfer of jurisdiction  
11 and control of Kalawao county is required.

12 Accordingly, the purpose of this Act is to:

- 13 (1) Prepare for changes to responsibilities of the  
14 department of health upon the passing of the last  
15 patient resident of the Kalaupapa Settlement;
- 16 (2) Offer the public an opportunity to provide input on  
17 the future of the county of Kalawao; and
- 18 (3) Require any future planning for the permanent transfer  
19 of the powers and duties of the department and any  
20 other state agency over Kalaupapa Settlement to other  
21 governmental or qualified non-governmental entities,



1 to include a community organization in the county of  
2 Kalawao that is designated in P.L. 111-11, title VII,  
3 section 7108, and a topside community organization  
4 selected in consultation with the Molokai community.

5 PART II

6 SECTION 2. Chapter 326, Hawaii Revised Statutes, is  
7 amended by adding a new section to be appropriately designated  
8 and to read as follows:

9 **"§326- County of Kalawao; cessation; county of Maui.**

10 The county of Kalawao that consists of that portion of the  
11 island of Molokai known as Kalaupapa, Kalawao, and Waikolu, and  
12 commonly known or designated as the Kalaupapa Settlement, shall  
13 cease to constitute a county by itself and shall be and form a  
14 portion of the county of Maui."

15 SECTION 3. Section 326-1, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 **"§326-1 [Establishment of facilities] Services for the**  
18 **treatment and care of persons with Hansen's disease.** The  
19 department of health, subject to the approval of the governor,  
20 shall ~~[establish and maintain facilities and]~~ provide services  
21 as are necessary for the care and treatment of persons with



1 Hansen's disease and persons who were institutionalized for  
2 segregation by order of the department of health because of  
3 Hansen's disease.

4 Every [~~such facility or~~] service provider shall exercise  
5 every reasonable effort to effect a cure of [~~these~~] persons[-]  
6 with Hansen's disease. All [~~such~~] persons with Hansen's disease  
7 shall be cared for as well as circumstances will permit, in  
8 accordance with accepted medical practices. [~~Every patient~~  
9 ~~shall be encouraged to take complete treatment so that prompt~~  
10 ~~recovery can be attained. Isolation and treatment shall be~~  
11 ~~compulsory only in those cases where, in the opinion of the~~  
12 ~~department, that treatment is necessary to protect the health of~~  
13 ~~the public, and the department may take such measures as may be~~  
14 ~~necessary to enforce this section, including the adoption of~~  
15 ~~rules pursuant to chapter 91.]"~~

16 SECTION 4. Section 326-13, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "**§326-13 Expenses; rules.** [~~(a)~~] The department of health  
19 shall bear all expenses of travel and other necessary expenses  
20 incurred under sections 326-1 to 326-14 and may adopt all rules



1 and forms and perform all acts necessary and proper for carrying  
2 out their provisions.

3 ~~[(b) Expenses related to patients shall be tracked~~  
4 ~~separately from nonpatient costs, whenever appropriate and~~  
5 ~~possible.]"~~

6 SECTION 5. Section 326-24, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 "**§326-24 Rules.** The director of health may adopt rules  
9 pursuant to chapter 91 necessary for the conduct of all matters  
10 pertaining to Hansen's disease, the treatment and care thereof,  
11 and other services provided to persons affected with Hansen's  
12 disease [~~and the full and complete governance of the county of~~  
13 ~~Kalawao, except as limited by this chapter]."~~

14 SECTION 6. Section 326-25.5, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "**§326-25.5 Annual report.** (a) The department of health  
17 shall submit a report to the legislature no later than twenty  
18 days prior to the convening of each regular session that  
19 addresses the following with regard to Kalaupapa Settlement:

20 (1) The department's provision of medical and basic living  
21 needs of the patients;



- 1           (2) The department's progress toward defining and
- 2           addressing the nonmedical needs of patients;
- 3           (3) The department's progress toward promoting a positive
- 4           living environment;
- 5           (4) The department's management of state resources,
- 6           including benefits given to employees that are not
- 7           statutorily defined;
- 8           (5) The department's progress toward establishing written
- 9           policies and procedures for Kalaupapa store;
- 10          (6) The department's progress toward establishing and
- 11          maintaining a complaint file and adequately addressing
- 12          complaints;
- 13          (7) The performance of the administrator, including
- 14          compliance with job duties;
- 15          (8) The department's progress toward adequate
- 16          accountability of state property;
- 17          (9) Details and justification of approved employee air
- 18          travel requests and trail pay;
- 19          (10) Details and updated information, as available,
- 20          regarding the permanent transfer to other governmental
- 21          or qualified non-governmental entities of the powers



1 and duties of the department and any other state  
2 agency over Kalaupapa Settlement; and  
3 (11) Details including efforts of engagement by the  
4 department with Molokai community groups, including  
5 the addition of Ka Ohana O Kalaupapa and a  
6 non-governmental organization from the non-peninsular  
7 area of Molokai to be selected by the department in  
8 consultation with the non-peninsular area of the  
9 Molokai community.

10 The department of Hawaiian home lands and department of  
11 land and natural resources shall submit to the department of  
12 health, for inclusion in the annual report, a summary of their  
13 respective activities in and related to the county of Kalawao,  
14 including efforts involving community engagement and  
15 consultation.

16 (b) Annual reporting shall continue until the earlier of  
17 the year in which the passing of the last patient resident  
18 occurs or the Kalaupapa Settlement is no longer under the  
19 jurisdiction and control of the department of health."

20 SECTION 7. Section 326-1.3, Hawaii Revised Statutes, is  
21 repealed.



1           ~~["§326-1.3] Liberty, autonomy, and dignity of patient~~  
2 ~~residents. (a) In recognition of the disruptions and hardships~~  
3 ~~experienced over the course of their lives by former Hansen's~~  
4 ~~disease patients residing at Kalaupapa, the legislature declares~~  
5 ~~its intent to ensure that all residents at Kalaupapa are treated~~  
6 ~~with dignity, respect, courtesy, and sensitivity and that the~~  
7 ~~protections extended by this chapter to the patient residents at~~  
8 ~~Kalaupapa are honored and upheld by the department of health to~~  
9 ~~the extent possible within their purview.~~

10           ~~(b) Notwithstanding any other law to the contrary, the~~  
11 ~~department of health shall promote and protect the personal~~  
12 ~~liberty, autonomy, and dignity of all patient residents at~~  
13 ~~Kalaupapa." ]~~

14           SECTION 8. Section 326-2, Hawaii Revised Statutes, is  
15 repealed.

16           ~~["§326-2 Equal treatment of patients. Every Hansen's~~  
17 ~~disease sufferer at Hale Mohalu and Kalaupapa shall be accorded~~  
18 ~~as nearly equal care and privileges as is practicable under the~~  
19 ~~different operating conditions of the two institutions." ]~~

20           SECTION 9. Section 326-11, Hawaii Revised Statutes, is  
21 repealed.



1           ~~["§326-11 Voluntary transfer to and from Kalaupapa. Any~~  
2 ~~person undergoing treatment and receiving care for Hansen's~~  
3 ~~disease at Hale Mohalu on June 30, 1969, may be transferred to~~  
4 ~~Kalaupapa for care and treatment if the person desires. Any~~  
5 ~~person who may undergo treatment and receive care for Hansen's~~  
6 ~~disease at Hale Mohalu after June 30, 1969, may apply to the~~  
7 ~~director of health for transfer to Kalaupapa. Any person~~  
8 ~~undergoing treatment and receiving care for Hansen's disease at~~  
9 ~~Kalaupapa may be transferred to Hale Mohalu for care and~~  
10 ~~treatment if the person desires. A person transferred may be~~  
11 ~~retransferred to Kalaupapa if the person desires."]~~

12           SECTION 10. Section 326-21, Hawaii Revised Statutes, is  
13 repealed.

14           ~~["§326-21 Employment of patients. At any facility for the~~  
15 ~~care and treatment of persons with Hansen's disease, the~~  
16 ~~department of health, with the consent of a patient, may employ~~  
17 ~~that patient to perform labor or service.~~

18           ~~When there are vacancies in positions, classified under~~  
19 ~~chapter 76, at a facility exclusively for the care and treatment~~  
20 ~~of persons with Hansen's disease, employment preference shall be~~  
21 ~~given to temporary release patients and discharged patients from~~



1 ~~those facilities provided that the persons so hired shall be~~  
2 ~~otherwise qualified under chapter 76.~~

3 ~~Discharged patients who have been employed prior to~~  
4 ~~December 30, 1960, under chapter 76 in accordance with the~~  
5 ~~second paragraph of this section shall be eligible to receive~~  
6 ~~the same rights and privileges as those enjoyed by temporary~~  
7 ~~release patients employed under the second paragraph of this~~  
8 ~~section." ]~~

9 SECTION 11. Section 326-22, Hawaii Revised Statutes, is  
10 repealed.

11 [~~"§326-22 Compensation of patient employees. The~~  
12 ~~compensation for patients employed under section 326-21 shall be~~  
13 ~~set by the department of health; provided that in no case shall~~  
14 ~~the compensation be less than the minimum wage as established by~~  
15 ~~section 387-2.~~

16 ~~Each patient employee of the department shall be entitled~~  
17 ~~to and granted sick leave with pay and a vacation with pay each~~  
18 ~~calendar year, each calculated at the following rate:~~

19 ~~For patients working six hours a day, one and one-half days~~  
20 ~~for each month of service;~~



1       ~~For patients working five hours a day, one and one-quarter~~  
2 ~~days for each month of service;~~

3       ~~For patients working four hours a day, one day for each~~  
4 ~~month of service.~~

5       ~~A month of service is defined as eighty or more hours of~~  
6 ~~work which may be accumulated over any period of time to total~~  
7 ~~eighty hours. No more than twelve months of service may be~~  
8 ~~earned and credited in any calendar year, even if the total~~  
9 ~~number of hours worked should exceed nine hundred sixty hours." ]~~

10       SECTION 12. Section 326-23, Hawaii Revised Statutes, is  
11 repealed.

12       ~~[ "§326-23 Pensions for patient employees at facilities.~~

13 ~~(a) All patient employees or patient laborers at every facility~~  
14 ~~maintained for the treatment and care of persons with Hansen's~~  
15 ~~disease shall be entitled, upon retirement after twenty years or~~  
16 ~~more service with the department of health, to a pension in an~~  
17 ~~amount which shall be equal to sixty-six and two-thirds per cent~~  
18 ~~of the monthly wage or salary which the patient was receiving at~~  
19 ~~the time of retirement, or to a pension in an amount which shall~~  
20 ~~be equal to sixty-six and two-thirds per cent of the average~~  
21 ~~monthly wage or salary which the patient employee was receiving~~



1 ~~during the last twelve months of employment at the department of~~  
2 ~~health, whichever is higher. For the period from July 1, 2007,~~  
3 ~~to June 30, 2008, the pension amounts shall be adjusted as~~  
4 ~~follows:~~

5 ~~(1) Retired patient employees receiving less than \$4,000~~  
6 ~~annually shall be granted a five per cent increase;~~

7 ~~(2) Retired patient employees receiving \$4,000 or more but~~  
8 ~~less than \$5,000 annually shall be granted a four per~~  
9 ~~cent increase; and~~

10 ~~(3) Retired patient employees receiving \$5,000 or more~~  
11 ~~annually shall be granted a 2.5 per cent increase.~~

12 ~~For the period from July 1, 2008, to June 30, 2009, all retired~~  
13 ~~patient employees shall be granted a 2.5 per cent increase.~~

14 ~~Thereafter, the pension amounts shall remain as adjusted~~  
15 ~~effective for the period ending June 30, 2009.~~

16 ~~(b) Patient employees may use service with any state~~  
17 ~~department or agency not exceeding five years which has not been~~  
18 ~~credited under the state retirement system in lieu of service~~  
19 ~~with a facility maintained for the treatment and care of persons~~  
20 ~~with Hansen's disease to satisfy the requirements of subsection~~



1 ~~(a); provided that the service shall be authenticated by~~  
2 ~~official records of the department where service was performed.~~

3 ~~(c) When work is available at Kalaupapa which may be~~  
4 ~~fulfilled by patient residents of the facility under section~~  
5 ~~326-21 and there are no applicants for those positions from~~  
6 ~~among the eligible patients, pensioned patients who are in~~  
7 ~~residence at Kalaupapa may be reemployed, not to exceed nineteen~~  
8 ~~hours per week, without relinquishing the pension granted to~~  
9 ~~them under this section. Furthermore, notwithstanding any other~~  
10 ~~law relating to this subject, that reemployment shall not result~~  
11 ~~in suspension or termination of payment of the pension granted~~  
12 ~~originally or serve to increase, decrease, or alter the pension~~  
13 ~~in any way." ]~~

14 SECTION 13. Section 326-26, Hawaii Revised Statutes, is  
15 repealed.

16 [~~"§326-26 Persons allowed at places for Hansen's disease~~  
17 ~~patients. (a) No person, not having Hansen's disease, shall be~~  
18 ~~allowed to visit or remain upon any land, place, or inclosure~~  
19 ~~set apart by the department of health for the domiciles and~~  
20 ~~community facilities of persons affected with Hansen's disease,~~  
21 ~~without the written permission of the director of health, or~~



1 ~~some officer authorized thereto by the department, under any~~  
2 ~~circumstances whatever, and any person found upon such land,~~  
3 ~~place, or inclosure without a written permission shall be fined~~  
4 ~~not less than \$10 nor more than \$100 for such offense; provided~~  
5 ~~that any patient resident of Kalaupapa desiring to remain at the~~  
6 ~~facility shall be permitted to do so for as long as the person~~  
7 ~~may choose, regardless of whether the person has been~~  
8 ~~successfully treated.~~

9 ~~(b) Notwithstanding subsection (a), upon the request of a~~  
10 ~~patient, the non-patient spouse of a patient residing at~~  
11 ~~Kalaupapa shall be allowed to reside with the patient spouse at~~  
12 ~~Kalaupapa. The non-patient spouse shall not be entitled to~~  
13 ~~receive any services or benefits accorded specifically to~~  
14 ~~Hansen's disease patients at Kalaupapa." ]~~

15 SECTION 14. Section 326-27, Hawaii Revised Statutes, is  
16 repealed.

17 [~~"§326-27 Kalaupapa store; loans for operation and~~  
18 ~~maintenance. (a) All moneys to enable the department of health~~  
19 ~~to operate and maintain the Kalaupapa store, situated in~~  
20 ~~Kalaupapa, Molokai, shall be allocated by the legislature~~  
21 ~~through appropriations out of the state general fund.~~



1       ~~(b) The department shall include in its budgetary request~~  
2 ~~for each upcoming fiscal period, the amounts necessary to~~  
3 ~~effectuate the purposes of this section.~~

4       ~~(c) All moneys received in reimbursement of payments made~~  
5 ~~under this section shall be deposited to the credit of the state~~  
6 ~~general fund." ]~~

7       SECTION 15. Section 326-28, Hawaii Revised Statutes, is  
8 repealed.

9       ~~["§326-28 Kalaupapa store prices; penalty. It shall be~~  
10 ~~unlawful for the department of health or its agents to sell or~~  
11 ~~offer for sale any merchandise at the Kalaupapa store at prices~~  
12 ~~exceeding the actual cost thereof, free on board steamer or any~~  
13 ~~other means of transportation at Honolulu. Any person violating~~  
14 ~~this section shall be fined \$25 and in addition thereto shall,~~  
15 ~~in the discretion of the department, be subject to removal from~~  
16 ~~office." ]~~

17       SECTION 16. Section 326-29, Hawaii Revised Statutes, is  
18 repealed.

19       ~~["§326-29 Fishing laws exemption; Kalaupapa.~~  
20 ~~Notwithstanding any provision of law to the contrary, state laws~~  
21 ~~on fishing shall not be applicable to Hansen's disease patients~~



1 of Kalaupapa, ~~provided the patients engage in fishing along the~~  
2 ~~shorelines and in waters immediately adjacent to the county of~~  
3 ~~Kalawao.~~

4 ~~No fish or other marine products obtained by patients may~~  
5 ~~be sold outside of the county of Kalawao.~~

6 ~~The department of health shall adopt rules pursuant to~~  
7 ~~chapter 91 necessary to control all fishing and acquisition of~~  
8 ~~marine products by Hansen's disease patients." ]~~

9 SECTION 17. Section 326-30, Hawaii Revised Statutes, is  
10 repealed.

11 [~~"§326-30 Making or taking of pictures without permission~~  
12 ~~prohibited.~~ (a) ~~No person shall photograph, film, or videotape~~  
13 ~~any patient at any facility maintained by the department of~~  
14 ~~health for the care and treatment of persons with Hansen's~~  
15 ~~disease, without the written permission of the patient.~~

16 (b) ~~Any person violating this section shall be fined not~~  
17 ~~more than \$1,000 per incident." ]~~

18 SECTION 18. Section 326-34, Hawaii Revised Statutes, is  
19 repealed.

20 [~~"§326-34 County of Kalawao; governance.~~ (a) ~~The county~~  
21 ~~of Kalawao shall consist of that portion of the island of~~



1 ~~Molokai known as Kalaupapa, Kalawao, and Waikolu, and commonly~~  
2 ~~known or designated as the Kalaupapa Settlement, and shall not~~  
3 ~~be or form a portion of the county of Maui, but is constituted a~~  
4 ~~county by itself. As a county it shall have only the powers~~  
5 ~~especially conferred and given by sections 326-34 to 326-38 and,~~  
6 ~~except as provided in those sections, none of the provisions of~~  
7 ~~the Hawaii Revised Statutes regarding counties shall be deemed~~  
8 ~~to refer to or shall be applicable to the county of Kalawao.~~

9 ~~(b) The county of Kalawao shall be under the jurisdiction~~  
10 ~~and control of the department of health and be governed by the~~  
11 ~~laws, and rules relating to the department and the care and~~  
12 ~~treatment of persons affected with Hansen's disease, except as~~  
13 ~~otherwise provided by law." ]~~

14 SECTION 19. Section 326-35, Hawaii Revised Statutes, is  
15 repealed.

16 ~~["§326-35 Sheriff, appointment, removal. There shall be~~  
17 ~~no county officer in the county other than a sheriff, who shall~~  
18 ~~be a patient resident of and be appointed in the county by the~~  
19 ~~department of health and who shall hold office at the pleasure~~  
20 ~~of the department or until a successor is appointed by the~~  
21 ~~department. When a qualified patient resident is not available,~~



1 ~~the department may appoint a staff employee or other qualified~~  
2 ~~person to serve as sheriff." ]~~

3 SECTION 20. Section 326-36, Hawaii Revised Statutes, is  
4 repealed.

5 [~~"§326-36 Sheriff, salary. The salary of the sheriff~~  
6 ~~shall be fixed and paid by the department of health out of the~~  
7 ~~appropriation allowed by the legislature for the care and~~  
8 ~~treatment of persons affected with Hansen's disease." ]~~

9 SECTION 21. Section 326-37, Hawaii Revised Statutes, is  
10 repealed.

11 [~~"§326-37 Sheriff, duties. The sheriff of the county of~~  
12 ~~Kalawao shall preserve the public peace and shall arrest and~~  
13 ~~take before the district judge for examination all persons who~~  
14 ~~attempt to commit or who have committed a public offense and~~  
15 ~~prosecute the same to the best of the sheriff's ability." ]~~

16 SECTION 22. Section 326-38, Hawaii Revised Statutes, is  
17 repealed.

18 [~~"§326-38 Sheriff, powers. The sheriff may appoint and~~  
19 ~~dismiss and reappoint as many police officers as may be~~  
20 ~~authorized by the department of health for the county. Patient~~  
21 ~~residents, for the services rendered as police officers, shall~~



1 ~~receive pay as the department determines and which pay shall be~~  
2 ~~taken out of and from the appropriation made by the legislature~~  
3 ~~for the care and treatment of persons affected with Hansen's~~  
4 ~~disease. The sheriff shall have other powers and duties within~~  
5 ~~the county of Kalawao and appropriate thereto as are prescribed~~  
6 ~~by law for the chiefs of police or police officers of the~~  
7 ~~several counties respectively." ]~~

8 SECTION 23. Section 326-40, Hawaii Revised Statutes, is  
9 repealed.

10 [~~"§326-40 Kalaupapa; policy on residency. The legislature~~  
11 ~~finds that Hawaii's Hansen's disease victims have in many ways~~  
12 ~~symbolized the plight of those afflicted with this disease~~  
13 ~~throughout the world. Their sufferings and social deprivations~~  
14 ~~helped eventually to bring the story of the disease and an~~  
15 ~~understanding of its health ravages to people everywhere. Those~~  
16 ~~patients who settled in Kalaupapa remain a living memorial to a~~  
17 ~~long history of tragic separation, readjustment, and endurance.~~

18 ~~It is the policy of the State that the patient residents of~~  
19 ~~Kalaupapa shall be accorded adequate health care and other~~  
20 ~~services for the remainder of their lives. Furthermore, it is~~  
21 ~~the policy of the State that any patient resident of Kalaupapa~~



1 ~~desiring to remain at the facility shall be permitted to do so~~  
2 ~~for as long as that patient may choose, regardless of whether or~~  
3 ~~not the patient has been successfully treated. A patient~~  
4 ~~resident of Kalaupapa desiring to take leave may do so without~~  
5 ~~loss of financial allowance or coverage of health care costs~~  
6 ~~given those who remain at Kalaupapa." ]~~

7 PART III

8 SECTION 24. Section 4-1, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 "**§4-1 Districts, generally.** For election, taxation, city,  
11 county, and all other purposes, the State shall be divided into  
12 the following districts; provided that the establishment of  
13 election districts shall be exclusively governed by article IV  
14 of the constitution of the State of Hawaii and chapter 25:

15 (1) The island and county of Hawaii shall be divided into  
16 nine districts as follows:

17 (A) Puna, to be styled the Puna district;

18 (B) From the Hakalau stream to the boundary of South  
19 Hilo and Puna, to be styled the South Hilo  
20 district;



- 1 (C) From the boundary of Hamakua and North Hilo to
- 2 the Hakalau stream, to be styled the North Hilo
- 3 district;
- 4 (D) Hamakua, to be styled the Hamakua district;
- 5 (E) North Kohala, to be styled the North Kohala
- 6 district;
- 7 (F) South Kohala, to be styled the South Kohala
- 8 district;
- 9 (G) North Kona, to be styled the North Kona district;
- 10 (H) South Kona, to be styled the South Kona district;
- 11 and
- 12 (I) Kau, to be styled the Kau district.
- 13 (2) The islands of Maui, Molokai, Lanai, and Kahoolawe and
- 14 the [~~counties~~] county of Maui [~~and Kalawao~~] shall be
- 15 divided into [~~seven~~] six districts as follows:
- 16 (A) Kahikinui, Kaupo, Kipahulu, Hana, and Koolau, to
- 17 be styled the Hana district;
- 18 (B) Hamakualoa, Hamakuapoko, portion of Kula, and
- 19 Honuaula, the western boundary being a line
- 20 starting from the sea at Kapukaulua on the
- 21 boundary between the ahupuaas of Haliimaile and



1           Wailuku, thence running inland following the  
2           boundary to the mauka side of the Lowrie ditch,  
3           thence following the mauka side of the ditch and  
4           its projected extension to the Waiakoa gulch  
5           which is the boundary between the ahupuaas of  
6           Pulehunui and Waiakoa, thence down along the  
7           boundary to the mauka boundary of the Waiakoa  
8           Homesteads (makai section), thence along the  
9           boundary to the ahupuaa of Kaonoulu, thence  
10          across the ahupuaa of Kaonoulu to the mauka  
11          boundary of the Waiohuli-Keokea Beach Homesteads,  
12          thence along the boundary to the mauka boundary  
13          of the Kamaole Homesteads, thence along the  
14          boundary and the extension thereof to the north  
15          boundary of the ahupuaa of Paeahu, thence along  
16          the boundary to the sea, and including the island  
17          of Kahoolawe, to be styled the Makawao district;  
18          (C) All that portion of central Maui lying east of a  
19          line along the boundary of the ahupuaas of  
20          Kahakuloa and Honokohau to the peak of Eke  
21          crater, thence along the ridge of mountains and



1 down the bottom of Manawainui gulch to the sea,  
2 and west of the boundary of Makawao district, to  
3 be styled Wailuku district;

4 (D) All that portion of Maui lying west of Wailuku  
5 district, to be styled the Lahaina district;

6 (E) The island of Molokai, [~~except that portion of~~  
7 ~~the island known as Kalaupapa, Kalawao, and~~  
8 ~~Waikolu and commonly known or designated as the~~  
9 ~~Settlement for Hansen's disease sufferers,~~] to be  
10 styled the Molokai district; and

11 [~~(F) All that portion of the island of Molokai known~~  
12 ~~as Kalaupapa, Kalawao, and Waikolu forming the~~  
13 ~~county of Kalawao, to be styled the Kalawao~~  
14 ~~district; and~~

15 ~~(G)]~~ (F) The island of Lanai, to be styled the Lanai  
16 district.

17 (3) For judicial purposes, the island of Oahu shall be  
18 divided into seven districts as follows:

19 (A) From Makapuu Head in Maunalua to Moanalua  
20 inclusive, and the islands not included in any



- 1 other district, to be styled the Honolulu  
2 district;
- 3 (B) Ewa, excluding Waikakalaua, Waipio Acres, and  
4 Mililani Town, to be styled the Ewa district;
- 5 (C) Waianae excluding Waianae Uka, to be styled the  
6 Waianae district;
- 7 (D) From Kaena point to and including Waialeale Stream  
8 excluding Wahiaawa, hereinafter described, to be  
9 styled the Waialua district;
- 10 (E) From Waialeale Stream to Lae o ka Oio, to be styled  
11 the Koolauloa district;
- 12 (F) From Lae o ka Oio to Makapuu Head in Waimanalo,  
13 to be styled the Koolaupoko district; and
- 14 (G) Wahiaawa and Waianae Uka, including Waikakalaua,  
15 Waipio Acres, and Mililani Town, lying between  
16 Ewa and Waialua districts and more particularly  
17 described in the following manner: Beginning at  
18 Puu Kaaumakua in the Koolau range and running to  
19 and along the south boundary of Waianae Uka  
20 (which is also the south boundary of Schofield  
21 Barracks Military Reservation) to Puu Hapapa in



1 the Waianae range; thence continuing along  
2 Schofield Barracks Military Reservation northerly  
3 along the Waianae range to Puu Kaala, easterly  
4 along Mokuleia down ridge to Puu Pane, continuing  
5 to Maili Trig. station, and down ridge to  
6 Haleauau stream and down Haleauau stream to  
7 Kaukonahua gulch, and easterly along the gulch to  
8 the west boundary of the ahupuaa of Wahiawa;  
9 thence leaving Schofield Barracks Military  
10 Reservation and following up and along the west  
11 and north boundaries of the ahupuaa of Wahiawa to  
12 the Koolau range; thence along the Koolau range  
13 to the beginning; to be styled the Wahiawa  
14 district.

15 (4) For all purposes except for judicial, the island of  
16 Oahu shall be divided into seven districts as follows:

17 (A) From Makapuu Head in Maunalua to Moanalua  
18 inclusive, and the islands not included in any  
19 other district, to be styled the Honolulu  
20 district;

21 (B) Ewa, to be styled the Ewa district;



- 1 (C) Waianae excluding Waianae Uka, to be styled the  
2 Waianae district;
- 3 (D) From Kaena point to and including the ahupuaa of  
4 Waimea excluding Wahiawa, hereinafter described,  
5 to be styled the Waialua district;
- 6 (E) From Waimea to Lae o ka Oio, to be styled the  
7 Koolauloa district;
- 8 (F) From Lae o ka Oio to Makapuu Head in Waimanalo,  
9 to be styled the Koolaupoko district; and
- 10 (G) Wahiawa and Waianae Uka, lying between Ewa and  
11 Waialua districts and more particularly described  
12 in the following manner: Beginning at Puu  
13 Kaaumakua in the Koolau range and running to and  
14 along the south boundary of Waianae Uka (which is  
15 also the south boundary of Schofield Barracks  
16 Military Reservation) to Puu Hapapa in the  
17 Waianae range; thence continuing along Schofield  
18 Barracks Military Reservation northerly along the  
19 Waianae range to Puu Kaala, easterly along  
20 Mokuleia down ridge to Puu Pane, continuing to  
21 Maili Trig. station, and down ridge to Haleauau



1 stream and down Haleauau stream to Kaukonahua  
2 gulch, and easterly along the gulch to the west  
3 boundary of the ahupuaa of Wahiawa; thence  
4 leaving Schofield Barracks Military Reservation  
5 and following up and along the west and north  
6 boundaries of the ahupuaa of Wahiawa to the  
7 Koolau range; thence along the Koolau range to  
8 the beginning; to be styled the Wahiawa district.

9 (5) The islands of Kauai, Niihau, Kaula, and county of  
10 Kauai, shall be divided into five districts as  
11 follows:

12 (A) From Puanaaiea point to the ili of Eleele,  
13 including the islands of Niihau and Kaula, to be  
14 styled the Waimea district;

15 (B) From and including the ili of Eleele to and  
16 including Mahaulepu, to be styled the Koloa  
17 district;

18 (C) From and including Kipu to the northerly bank of  
19 the north fork and the main Wailua river, to be  
20 styled the Lihue district;



1 (D) From the northerly bank of the north fork and the  
2 main Wailua river to Kealaakaiole, to be styled  
3 the Kawaihau district; and

4 (E) From and including Kealaakaiole to Puanaaiea  
5 point to be styled the Hanalei district."

6 SECTION 25. Section 11-1, Hawaii Revised Statutes, is  
7 amended by amending the definition of "county" to read as  
8 follows:

9 "County" [7] means the counties of Hawaii, Maui, Kauai, and  
10 the city and county of Honolulu, as the context may require.  
11 [~~For the purposes of this title, the county of Kalawao shall be~~  
12 ~~deemed to be included in the county of Maui.~~]"

13 SECTION 26. Section 11-61, Hawaii Revised Statutes, is  
14 amended by amending subsection (a) to read as follows:

15 "(a) The term "political party" means any party which has  
16 qualified as a political party under sections 11-62 and 11-64  
17 and has not been disqualified by this section. A political  
18 party shall be an association of voters united for the purpose  
19 of promoting a common political end or carrying out a particular  
20 line of political policy and which maintains a general  
21 organization throughout the State, including a regularly



1 constituted central committee and county committees in each  
2 county [~~other than Kalawae~~]."

3 SECTION 27. Section 23-81, Hawaii Revised Statutes, is  
4 amended by amending subsection (c) to read as follows:

5 "(c) This section shall apply to the following:

6 (1) Section 237-23(a) (3)--Fraternal benefit societies,  
7 orders, or associations for the payment of benefits to  
8 members;

9 (2) Section 237-23(a) (4)--Corporations, associations,  
10 trusts, or societies:

11 (A) Organized and operated exclusively for religious,  
12 charitable, scientific, or educational purposes;

13 (B) Operating senior citizens housing facilities  
14 qualifying for loans under the United States  
15 Housing Act of 1959, as amended;

16 (C) Operating legal service plans; or

17 (D) Operating or managing homeless facilities or  
18 other programs for the homeless;

19 (3) Section 237-23(a) (5)--Business leagues, chambers of  
20 commerce, boards of trade, civic leagues, agricultural  
21 and horticultural organizations, and organizations



1 operated exclusively for the benefit of the community  
2 or promotion of social welfare, including legal  
3 service plans;

4 (4) Section 237-23(a) (6)--Hospitals, infirmaries, and  
5 sanitararia;

6 (5) Section 237-23(a) (7)--Tax-exempt potable water  
7 companies serving residential communities lacking  
8 access to public utility water services;

9 (6) Section 237-23(a) (8)--Agricultural cooperative  
10 associations incorporated under state or federal law;

11 [~~(7)~~] ~~Section 237-23(a) (9)--Persons affected with Hansen's~~  
12 ~~disease and kokuas with respect to business within the~~  
13 ~~county of Kalawao;~~

14 ~~(8)]~~ (7) Section 237-23(a) (10)--Corporations, companies,  
15 associations, or trusts organized for cemeteries; and

16 [~~(9)~~] (8) Section 237-23(a) (11)--Nonprofit shippers."

17 SECTION 28. Section 101-1, Hawaii Revised Statutes, is  
18 amended by amending the definition of "county" to read as  
19 follows:

20 ""County" means a county [~~(except the county of Kalawao)]~~  
21 and any agency of a county, including the board of water supply



1 thereof, duly authorized to exercise the power of eminent  
2 domain."

3 SECTION 29. Section 127A-2, Hawaii Revised Statutes, is  
4 amended by amending the definition of "county" to read as  
5 follows:

6 ""County" means the city and county of Honolulu, and the  
7 counties of Hawaii, Kauai, and Maui[~~; provided that the county~~  
8 ~~of Maui shall include the county of Kalawao for the purposes of~~  
9 ~~this chapter]."~~

10 SECTION 30. Section 127D-2, Hawaii Revised Statutes, is  
11 amended by amending the definition of "county" to read as  
12 follows:

13 ""County" means the city and county of Honolulu or the  
14 county of Hawaii, Kauai, or Maui[~~; provided that the county of~~  
15 ~~Maui shall include the county of Kalawao for the purposes of~~  
16 ~~this chapter]."~~

17 SECTION 31. Section 128A-2, Hawaii Revised Statutes, is  
18 amended by amending the definition of "county" to read as  
19 follows

20 ""County" means any of the political subdivisions of the  
21 State, including the counties of Hawaii, Maui, and Kauai and the



1 city and county of Honolulu[, ~~but does not include the county of~~  
2 ~~Kalawae~~]."

3 SECTION 32. Section 128E-4, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "[+]§128E-4[+] **Establishment of emergency planning**  
6 **districts.** Each county is designated as an emergency planning  
7 district for the purposes of this chapter[; ~~provided that the~~  
8 ~~department shall be responsible for Kalawae county~~]."

9 SECTION 33. Section 231-2, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 "§231-2 **Taxation districts.** For the purpose of taxation,  
12 the State is divided into the following four districts:

- 13 (1) The city and county of Honolulu, to be called the  
14 first district;
- 15 (2) The [~~counties~~] county of Maui [~~and Kalawae~~], to be  
16 called the second district;
- 17 (3) The county of Hawaii, to be called the third district;  
18 and
- 19 (4) The county of Kauai, to be called the fourth  
20 district."



1 SECTION 34. Section 237-23, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) This chapter shall not apply to the following  
4 persons:

5 (1) Public service companies as that term is defined in  
6 section 239-2, with respect to the gross income,  
7 either actual gross income or gross income estimated  
8 and adjusted, that is included in the measure of the  
9 tax imposed by chapter 239;

10 (2) Public utilities owned and operated by the State or  
11 any county, or other political subdivision thereof;

12 (3) Fraternal benefit societies, orders, or associations,  
13 operating under the lodge system, or for the exclusive  
14 benefit of the members of the fraternity itself,  
15 operating under the lodge system, and providing for  
16 the payment of death, sick, accident, a legal service  
17 plan, or other benefits to the members of the  
18 societies, orders, or associations, and to their  
19 dependents;

20 (4) Corporations, associations, trusts, or societies  
21 organized and operated exclusively for religious,



1 charitable, scientific, or educational purposes, as  
2 well as that of operating senior citizens housing  
3 facilities qualifying for a loan under the laws of the  
4 United States as authorized by section 202 of the  
5 Housing Act of 1959, as amended, as well as that of  
6 operating a legal service plan, as well as that of  
7 operating or managing a homeless facility, or any  
8 other program for the homeless authorized under part  
9 XVII of chapter 346;

10 (5) Business leagues, chambers of commerce, boards of  
11 trade, civic leagues, agricultural and horticultural  
12 organizations, and organizations operated exclusively  
13 for the benefit of the community and for the promotion  
14 of social welfare that shall include the operation of  
15 a legal service plan, and from which no profit inures  
16 to the benefit of any private stockholder or  
17 individual;

18 (6) Hospitals, infirmaries, and sanitararia;

19 (7) Companies that provide potable water to residential  
20 communities that lack any access to public utility  
21 water services and are tax exempt under section



1           501(c)(12) of the Internal Revenue Code of 1986, as  
2           amended;

3           (8) Cooperative associations incorporated under chapter  
4           421 or Code section 521 cooperatives which fully meet  
5           the requirements of section 421-23, except Code  
6           section 521 cooperatives need not be organized in  
7           Hawaii; provided that:

8           (A) The exemption shall apply only to the gross  
9           income derived from activities that are pursuant  
10          to purposes and powers authorized by chapter 421,  
11          except those provisions pertaining to or  
12          requiring corporate organization in Hawaii do not  
13          apply to Code section 521 cooperatives;

14          (B) The exemption shall not relieve any person who  
15          receives any proceeds of sale from the  
16          association of the duty of returning and paying  
17          the tax on the total gross proceeds of the sales  
18          on account of which the payment was made, in the  
19          same amount and at the same rate as would apply  
20          thereto had the sales been made directly by the



1 person, and all those persons shall be so  
2 taxable; and  
3 (C) As used in this paragraph, "Code section 521  
4 cooperatives" mean associations that qualify as a  
5 cooperative under section 521 (with respect to  
6 exemption of farmers' cooperatives from tax) of  
7 the Internal Revenue Code of 1986, as amended;  
8 ~~[-(9) Persons affected with Hansen's disease and kokuas,~~  
9 ~~with respect to business within the county of Kalawao;~~  
10 ~~-(10)]~~ (9) Corporations, companies, associations, or trusts  
11 organized for the establishment and conduct of  
12 cemeteries no part of the net earnings of which inures  
13 to the financial benefit of any private stockholder or  
14 individual; provided that the exemption shall apply  
15 only to the activities of those persons in the conduct  
16 of cemeteries and shall not apply to any activity the  
17 primary purpose of which is to produce income, even  
18 though the income is to be used for or in the  
19 furtherance of the exempt activities of those persons;  
20 and



1       ~~(11)~~ (10) Nonprofit shippers associations operating under  
2                   part 296 of the Civil Aeronautics Board Economic  
3                   Regulations."

4           SECTION 35. Section 243-4, Hawaii Revised Statutes, is  
5 amended to read as follows:

6           "**§243-4 License taxes.** (a) Every distributor shall, in  
7 addition to any other taxes provided by law, pay a license tax  
8 to the department of taxation for each gallon of liquid fuel  
9 refined, manufactured, produced, or compounded by the  
10 distributor and sold or used by the distributor in the State or  
11 imported by the distributor, or acquired by the distributor from  
12 persons who are not licensed distributors, and sold or used by  
13 the distributor in the State. Any person who sells or uses any  
14 liquid fuel, knowing that the distributor from whom it was  
15 originally purchased has not paid and is not paying the tax  
16 thereon, shall pay such tax as would have applied to such sale  
17 or use by the distributor. The rates of tax imposed are as  
18 follows:

- 19           (1) For each gallon of diesel oil, 1 cent;  
20           (2) For each gallon of gasoline or other aviation fuel  
21           sold for use in or used for airplanes, 1 cent;



- 1 (3) For each gallon of naphtha sold for use in a power-  
2 generating facility, 2 cents;
- 3 (4) For each gallon of liquid fuel, other than fuel  
4 mentioned in paragraphs (1), (2), and (3), and other  
5 than an alternative fuel, sold or used in the city and  
6 county of Honolulu, or sold in any county for ultimate  
7 use in the city and county of Honolulu, 16 cents state  
8 tax, and in addition thereto an amount, to be known as  
9 the "city and county of Honolulu fuel tax", as shall  
10 be levied pursuant to section 243-5;
- 11 (5) For each gallon of liquid fuel, other than fuel  
12 mentioned in paragraphs (1), (2), and (3), and other  
13 than an alternative fuel, sold or used in the county  
14 of Hawaii, or sold in any county for ultimate use in  
15 the county of Hawaii, 16 cents state tax, and in  
16 addition thereto an amount, to be known as the "county  
17 of Hawaii fuel tax", as shall be levied pursuant to  
18 section 243-5;
- 19 (6) For each gallon of liquid fuel, other than fuel  
20 mentioned in paragraphs (1), (2), and (3), and other  
21 than an alternative fuel, sold or used in the county



1 of Maui, or sold in any county for ultimate use in the  
2 county of Maui, 16 cents state tax, and in addition  
3 thereto an amount, to be known as the "county of Maui  
4 fuel tax", as shall be levied pursuant to section 243-  
5 5; and

6 (7) For each gallon of liquid fuel, other than fuel  
7 mentioned in paragraphs (1), (2), and (3), and other  
8 than an alternative fuel, sold or used in the county  
9 of Kauai, or sold in any county for ultimate use in  
10 the county of Kauai, 16 cents state tax, and in  
11 addition thereto an amount, to be known as the "county  
12 of Kauai fuel tax", as shall be levied pursuant to  
13 section 243-5.

14 If it is shown to the satisfaction of the department, based  
15 upon proper records and from any other evidence as the  
16 department may require, that liquid fuel, other than fuel  
17 mentioned in paragraphs (1), (2), and (3), is used for  
18 agricultural equipment that does not operate upon the public  
19 highways of the State, the user thereof may obtain a refund of  
20 all taxes thereon imposed by this section in excess of 1 cent



1 per gallon. The department shall adopt rules to administer such  
2 refunds.

3 (b) Every distributor of diesel oil, in addition to the  
4 tax required by subsection (a), shall pay a license tax to the  
5 department for each gallon of diesel oil sold or used by the  
6 distributor for operating a motor vehicle or motor vehicles upon  
7 public highways of the State. The rates of the additional tax  
8 imposed are as follows:

9 (1) For each gallon of diesel oil sold or used in the city  
10 and county of Honolulu, or sold in any other county  
11 for ultimate use in the city and county of Honolulu,  
12 15 cents state tax, and in addition thereto an amount,  
13 to be known as the "city and county of Honolulu fuel  
14 tax", as shall be levied pursuant to section 243-5;

15 (2) For each gallon of diesel oil sold or used in the  
16 county of Hawaii, or sold in any other county for  
17 ultimate use in the county of Hawaii, 15 cents state  
18 tax, and in addition thereto an amount, to be known as  
19 the "county of Hawaii fuel tax", as shall be levied  
20 pursuant to section 243-5;



1           (3) For each gallon of diesel oil sold or used in the  
2           county of Maui, or sold in any other county for  
3           ultimate use in the county of Maui, 15 cents state  
4           tax, and in addition thereto an amount, to be known as  
5           the "county of Maui fuel tax", as shall be levied  
6           pursuant to section 243-5; and

7           (4) For each gallon of diesel oil sold or used in the  
8           county of Kauai, or sold in any other county for  
9           ultimate use in the county of Kauai, 15 cents state  
10          tax, and in addition thereto an amount, to be known as  
11          the "county of Kauai fuel tax", as shall be levied  
12          pursuant to section 243-5.

13          If any user of diesel oil furnishes a certificate, in a  
14          form that the department shall prescribe, to the distributor or  
15          if the distributor who uses diesel oil signs the certificate,  
16          certifying that the diesel oil is for use in operating a motor  
17          vehicle or motor vehicles in areas other than upon the public  
18          highways of the State, the tax as provided in paragraphs (1) to  
19          (4) shall not be applicable. If a certificate is not or cannot  
20          be furnished and the diesel oil is in fact for use for operating  
21          a motor vehicle or motor vehicles in areas other than upon



1 public highways of the State, the user thereof may obtain a  
2 refund of all taxes thereon imposed by the foregoing paragraphs.  
3 The department shall adopt rules to administer the refunding of  
4 such taxes.

5 (c) The tax shall not be collected in respect to any  
6 benzol, benzene, toluol, xylol, or alternative fuel sold for use  
7 other than for operating internal combustion engines. With  
8 respect to these products, other than alternative fuels, the  
9 department, by rule, shall provide for the reporting and payment  
10 of the tax and for the keeping of records in such a manner as to  
11 collect, for each gallon of each product sold for use in  
12 internal combustion engines for the generation of power, or so  
13 used, the same tax or taxes as apply to each gallon of diesel  
14 oil. With respect to alternative fuels, the only tax collected  
15 shall be that provided in paragraphs (1), (2), and (3) of this  
16 subsection. This subsection shall not apply to aviation fuel  
17 sold for use in or used for airplanes.

18 (1) Every distributor of any alternative fuel for  
19 operation of an internal combustion engine shall pay a  
20 license tax to the department of one-quarter of 1 cent



1 for each gallon of alternative fuel sold or used by  
2 the distributor;

3 (2) Every distributor, in addition to the tax required  
4 under paragraph (1) of this subsection, shall pay a  
5 license tax to the department for each gallon of  
6 alternative fuel sold or used by the distributor for  
7 operating a motor vehicle or motor vehicles upon the  
8 public highways of the State at a rate proportional to  
9 that of the rates applicable to diesel oil in  
10 subsection (b), rounded to the nearest one-tenth of a  
11 cent, as follows:

12 (A) Ethanol, 0.145 times the rate for diesel;

13 (B) Methanol, 0.11 times the rate for diesel;

14 (C) Biodiesel, 0.25 times the rate for diesel;

15 (D) Liquefied petroleum gas, 0.33 times the rate for  
16 diesel; and

17 (E) For other alternative fuels, the rate shall be  
18 based on the energy content of the fuels as  
19 compared to diesel fuel, using a lower heating  
20 value of one hundred thirty thousand British  
21 thermal units per gallon as a standard for



1 diesel, so that the tax rate, on an energy  
2 content basis, is equal to one-quarter the rate  
3 for diesel fuel.

4 The taxes so paid shall be paid into the state  
5 treasury and deposited in special funds or paid over  
6 in the same manner as provided in subsection (b) in  
7 respect of the tax on diesel oil;

8 (3) If any user of alternative fuel furnishes to the  
9 distributor a certificate, in a form that the  
10 department shall prescribe or if the distributor who  
11 uses alternative fuel signs the certificate,  
12 certifying that the alternative fuel is for use in  
13 operating a motor vehicle or motor vehicles in areas  
14 other than upon the public highways of the State, the  
15 tax as provided by paragraphs (1) and (2) of this  
16 subsection shall not be applicable; provided that no  
17 certificate shall be required if the alternative fuel  
18 is used for fuel and heating purposes in the home. If  
19 a certificate is not or cannot be furnished and the  
20 alternative fuel is in fact used for operating an  
21 internal combustion engine or operating a motor



1           vehicle or motor vehicles in areas other than upon the  
2           public highways of the State, the user thereof may  
3           obtain a refund of all taxes thereon imposed by the  
4           foregoing paragraphs. The department shall adopt  
5           rules to administer the refunding of these taxes.

6           ~~[(d) No tax shall be collected in respect to any liquid  
7           fuel, including diesel oil and liquefied petroleum gas, shown to  
8           the satisfaction of the department to have been sold for use in  
9           and actually delivered to, or sold in, the county of Kalawao.]"~~

10          SECTION 36. Section 281-1, Hawaii Revised Statutes, is  
11          amended by amending the definition of "county" to read as  
12          follows:

13          ""County" means the county in respect of which each  
14          commission has jurisdiction under this chapter~~;~~ ~~provided that  
15          in the county of Kalawao liquor may be sold only by such persons  
16          and only under such conditions as may be permitted or prescribed  
17          from time to time by the department of health]."~~

18          SECTION 37. Section 329D-2, Hawaii Revised Statutes, is  
19          amended by amending subsection (d) to read as follows:

20          "(d) The department shall issue eight dispensary licenses  
21          statewide; provided that three dispensary licenses shall be



1 issued for the city and county of Honolulu, two dispensary  
2 licenses each shall be issued for the county of Hawaii and the  
3 county of Maui, and one dispensary license shall be issued for  
4 the county of Kauai[; ~~provided further that no dispensary~~  
5 ~~license shall be issued for the county of Kalawae]."~~

6 SECTION 38. Section 431:10C-119, Hawaii Revised Statutes,  
7 is amended by amending subsection (a) to read as follows:

8 "(a) Prior to licensing an insurer to transact a motor  
9 vehicle insurance business in this State, the commissioner:

10 (1) Shall effect a thorough examination of the insurer's  
11 business experience, financial soundness, and general  
12 reputation as an insurer in this and other states. In  
13 the discretion of the commissioner, this examination  
14 may include an examination of any or all of the  
15 business records of the insurer, and an audit of all  
16 or any part of the insurer's motor vehicle insurance  
17 business, each to be performed by the commissioner's  
18 staff or by independent consultants. No license shall  
19 be issued until the commissioner is satisfied as to  
20 the business experience, financial solvency, and the  
21 economic soundness of the insurer;



- 1           (2) Except for a member-owned reciprocal insurer and its  
2 wholly owned insurer subsidiaries, as specified in  
3 subsection (c), shall require of each insurer, and  
4 determine that satisfactory arrangements have been  
5 made for, the provision of a complete sales and claims  
6 service office in the State; provided that the  
7 establishment and maintenance of an office by licensed  
8 producers of an insurer in every county the insurer  
9 does business shall meet the requirements of this  
10 paragraph[; ~~provided further that the preceding shall~~  
11 ~~not be required for the county of Kalawao~~]; and
- 12           (3) Notwithstanding any other requirements of this section  
13 or of the insurance code, may require a bond in a  
14 reasonable amount and with deposits or sureties  
15 determined in the commissioner's discretion of any  
16 applicant for a license hereunder. The commissioner  
17 may, at any time, make and enforce such a requirement  
18 of any licensed insurer or self-insurer."

19           SECTION 39. Section 445-13, Hawaii Revised Statutes, is  
20 amended to read as follows:



1           "**§445-13 License inspectors.** [~~The deputy sheriff of~~  
2 ~~Kalawao, any~~] Any police officer[~~7~~] or any authorized  
3 representative of the county director of finance duly authorized  
4 by a chief of police shall be ex officio license inspectors of  
5 the counties for which they are appointed or authorized, and as  
6 such, they shall from time to time report to the county director  
7 of finance the names of all persons within the county who are  
8 liable for the payment of license fees."

9           SECTION 40. Section 804-5, Hawaii Revised Statutes, is  
10 amended to read as follows:

11           "**§804-5 By whom allowed.** In cases where the punishment  
12 for the offense charged may be imprisonment for life not subject  
13 to parole, or imprisonment for a term more than ten years with  
14 or without fine, a judge or justice of a court of record,  
15 including a district judge, shall be competent to admit the  
16 accused to bail, in conformity with sections 804-3 to 804-6. In  
17 all other cases, the accused may be so admitted to bail by any  
18 judge or justice of a court of record, including a district  
19 judge, and in cases, except under section 712-1207, where the  
20 punishment for the offense charged may not exceed two years'  
21 imprisonment with or without fine, the sheriff, the sheriff's



1 deputy, or the chief of police or any person named by the chief  
2 of police, [~~or the sheriff of Kalawao,~~] regardless of the  
3 circuit within which the alleged offense was committed, may  
4 admit the accused person to bail. The court shall impose  
5 conditions of release or bail that are the least restrictive  
6 conditions required to ensure the accused's appearance and to  
7 protect the public."

8 PART IV

9 SECTION 41. Upon the passing of the last full- or  
10 part-time patient resident of Kalaupapa, the director of health  
11 shall notify the governor, who shall issue a proclamation to  
12 affirm the date of passing. The governor shall also immediately  
13 deliver a copy of the proclamation to the revisor of statutes.

14 SECTION 42. Upon parts II and III of this Act taking  
15 effect, and subject to the approval of the director of health,  
16 the county of Maui may request funding from the State for costs  
17 associated with the transfer of jurisdiction, powers, duties,  
18 and responsibilities under this Act; provided that any funds  
19 granted shall be subject to legislative appropriation.

20 SECTION 43. Future planning for the permanent transfer of  
21 the powers and duties of the department of health and any other



1 state agency over Kalaupapa Settlement to other governmental or  
2 qualified non-governmental entities shall include a community  
3 organization in the county of Kalawao that is designated in P.L.  
4 111-11, title VII, section 7108, and a topside community  
5 organization from Molokai. The topside community shall be  
6 selected in consultation with the Molokai community. For  
7 purposes of this section, "topside community organization from  
8 Molokai" means a community of Molokai outside of the county of  
9 Kalawao.

10 SECTION 44. For the purposes of this Act, "full- or  
11 part-time patient resident of Kalaupapa" means a person who was  
12 institutionalized for segregation by order of the department of  
13 health because of Hansen's disease and who chose to remain at  
14 Kalaupapa or Hale Mohalu after June 30, 1969.

15 SECTION 45. Nothing in this Act shall be construed to  
16 prevent the legislature from establishing a new county  
17 encompassing the island of Molokai in the future or to limit the  
18 ability of the residents of Molokai to pursue self-governance  
19 through the creation of such a county.

20 SECTION 46. If any provision of this Act, or the  
21 application thereof to any person or circumstance, is held



1 invalid, the invalidity does not affect other provisions or  
2 applications of the Act that can be given effect without the  
3 invalid provision or application, and to this end the provisions  
4 of this Act are severable.

5 SECTION 47. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 48. This Act shall take effect on July 1, 3000;  
8 provided that:

9 (1) Parts II and III of this Act shall take effect on the  
10 date two years after the passing of the last full- or  
11 part-time patient resident of Kalaupapa as affirmed in  
12 the governor's proclamation, as described in section  
13 41 of this Act; and

14 (2) Sections 42 and 43 of this Act shall be repealed two  
15 years after parts II and III of this Act take effect.



**Report Title:**

DOH; Hansen's Disease; Kalaupapa Settlement; Expenses; Rules;  
Annual Report; Transfer to the County of Maui

**Description:**

Authorizes the Department of Health to continue providing services statewide to Hansen's disease patients living in the community. Repeals sections of Chapter 326, HRS, to take effect upon the two-year anniversary of the passing of the last patient resident of Kalaupapa, as affirmed in a Governor's proclamation. Requires future planning for the Kalaupapa Settlement to include community organizations, including one selected in consultation with the Molokai community. Effective 7/1/3000. (HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

