

## SCRep. 339      Employment Opportunities and Labor Relations on H. B. No. 213

The purpose of this bill is to amend Section 3887, Hawaii Revised Statutes, to clarify the word "breakage", to prohibit the employer from recovering certain kinds of losses from the employee, and to prohibit the employer from deducting cash shortages from the employees wages when an employee in sole control situation is not allowed to account for the total amount received at the beginning of a shift and to later account for the total amount turned in at the end of a shift.

The present law prohibits unauthorized deductions from employees wages and lists certain deductions that are considered illegal even if authorized in writing by an employee. The provision is meant to protect employees from deductions or collections for losses over which employees have no control, for which employees have no direct responsibility, or which were purely accidental. Some employers have attempted to circumvent the law by requesting that the employees make "voluntary" payments for the cost of damages or losses. The bill would make it illegal for an employee to bear the cost of any item which falls in the category of illegal deductions.

In situations in which an employee is not allowed to account for monies at the start and end of a shift, the bill prohibits the employer from recovering cash shortages from the employee.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. 213 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Stanley.

## SCRep. 340      Employment Opportunities and Labor Relations on H. B. No. 332

The purpose of this bill is to amend Part II of the Employment Practices Law to make it clear that the law applies to employees and to prospective employees. This bill also adds a provision making it unlawful for an employee or prospective employee to sign a waiver allowing himself to be subject to a polygraph or lie detector test and changes the language and format of the penalty provision.

This bill adds a penalty provision to Section 378-21. This penalty provision is fining not more than \$1,000 or imprisonment of not more than one year, or both. The previous penalty provision which was Section 378-22 is repealed.

The Department of Labor and Industrial Relations recommends that consideration should be given to include not only signed waivers as illegal but also situations in which an employee or prospective employee orally volunteers to submit to such tests. The department suggest that the provision be amended to make it illegal for an employer or his agent to administer any polygraph or lie detector tests to an employee or prospective employee. Your Committee has amended this bill by adding the suggested recommendations of the Department of Labor and Industrial Relations into Section 378-21 (a).

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 332, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

## SCRep. 341      Health and Public Assistance and Human Services on H. B. No. 1283

The purpose of this bill is to fund increased payments to operators of adult boarding and care homes for their services to public assistance recipients.

Your Committees find that while adult boarding and care homes provide valuable services to many elderly and disabled public assistance recipients, their compensation for such services does not adequately reflect the quality of care provided nor the impact of inflation.

Your Committees have amended this bill by adding an appropriation of \$612,000 to carry out the purposes of this Act. This sum will accomodate a \$25 per month increase

for each payment level for fiscal year 197778 raising the maximum Level I payment to the maximum an individual living alone can obtain for his shelter and basic needs allowance. The Department of Social Services and Housing supports this increase as one of their options in improving the compensation schedule for adult boarding and care homes.

Your Committees on Health and Public Assistance and Human Services are in accord with the intent and purpose of H.B. No. 1283, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1283, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 342      Higher Education on H. B. No. 420

The purpose of this bill is to provide funds for the men's and women's intercollegiate athletic programs at the University of Hawaii, Manoa and Hilo campuses.

Your Committee is aware that since 1973 financial constraints have affected the morale of coaches and athletes in men's and women's athletics and, if this continues, the entire program might seriously be affected. Historically, the University athletic programs have been centered around football and basketball while the other sports have been programmed in a "piece-meal" fashion. It appears that there is currently a lack of commitment to non-income generating sports both in terms of funds and facilities. Your Committee is disturbed by this and feels that a well-balanced athletic program which is responsive to the varied needs of all student athletes should be provided. Consequently, your Committee feels that a master plan for the fiscal and program management of inter-collegiate athletics should be formulated to insure that student needs are met and to enable the University, as well as the Legislature, to better plan for future funding requirements.

Your Committee has amended this bill to clarify which athletic programs and sports are to be funded by inserting \$1,013,000 for the fiscal biennium 1977-79 and specifying the following: 1) \$563,930 for the men's athletic program at Manoa campus, with a special provision for the wrestling program of \$115,017; 2) \$349,070 for the women's athletic program at Manoa campus, including three positions for an athletic director, trainer and secretary; 3) \$100,000 for the men's and women's athletic programs at Hilo campus, including one position for a basketball coach.

A specific provision was made for wrestling since your Committee believes that Hawaii can excel in intercollegiate wrestling in view of the increasingly popular high school wrestling program which consists of 500 wrestlers from 31 high schools in the State. The University of Hawaii wrestling program could conceivably produce potential olympic wrestlers if given proper funding support.

Your Committee intends that funds appropriated in this bill shall be expended only for those sports listed and not for other athletic purposes.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 420, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 343      Education on H. B. Nos. 1106, 1115, 1117, 1121, 1169, 1227, 1229, 1230, 1231, 1320, 1339, 1340, 1341, 1242, 1378, 1391, 1462, 1521, 1549, 1550, 1552, 1553, 1585, 1586, 1587, 1588, 1589, 1590, 1591, 1737 and 1551

The purpose of these bills are to appropriate monies for capital improvement projects as described in their titles.

Your Committee on Education is in accord with the intent and purposes expressed in the aforementioned bills and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 344 Youth and Elderly Affairs on H. B. No. 759

The purpose of this Act is to provide funds for land acquisition and construction of a Leeward Oahu Senior Citizens Center.

Your Committee finds that a need exists in Leeward Oahu for a senior citizens center. Testimonies received by your Committee revealed that special services for the elderly, such as information and referral, transportation, health, educational, and outreach services are lacking in Leeward Oahu.

Your Committee further finds that a senior citizens center in Leeward Oahu conforms to the State Policy on Senior Centers, as developed by the Ad Hoc Committee on Senior Citizens Center.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.B. NO. 759, and recommends that it pass second reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 345 Youth and Elderly Affairs on H. B. No. 100

The purpose of this bill is to improve child care services in the State of Hawaii through effective and adequate means of preventing and treating child abuse and neglect.

Your Committee believes that the area of child abuse and neglect requires particular attention and that preventive and follow-up services, as well as treatment should receive equal emphasis in this area. Serious physical and emotional damage which result from child abuse and neglect, and its documentation as a cyclical problem in which abusive parents often are found to have been themselves victims of abuse as children, warrant program emphasis on preventive as well as treatment services.

Your Committee finds that intervention in instances of potential abuse can break the cycle of child abuse and prevent such abuse from occurring. Therefore, programs that emphasize the prevention of child abuse constitute an integral factor in minimizing child abuse and neglect. The Hawaii Family Stress Center of the Kauaikeolani Children's Hospital presently serves as the only resource and community support agency to individual professionals or agencies dealing directly with child abuse and neglect cases. The center is in agreement on the need for the development and implementation of programs that will provide for the prevention, early identification, and follow-up of child abuse and neglect cases on Oahu and the neighbor islands and, plans to gradually phase in programs emphasizing prevention, high risk identification screening, and follow-up on identified child abuse cases. These programs, however, are contingent upon state and federal funding.

Your Committee recognizes the need to support the Stress Center in its efforts to develop and implement prevention programs as well as follow-up activities. Therefore, your Committee has amended the bill as follows:

1. The purpose of the bill has been amended to appropriate funds to the Office of Children and Youth for the development and implementation of a statewide program emphasizing the prevention, treatment, and follow-up of child abuse and neglect.
2. A sum of \$60,862 is appropriated for fiscal year 1977-1978 to be expended by the Office of Children and Youth, provided that the Office of Children and Youth contract with the Hawaii Family Stress Center for the development and implementation of preventive, follow-up and other necessary services to minimize child abuse and neglect; and provide that said sum shall be proportionately reduced in accordance with any reduction of projected federal funds for fiscal year 1977-1978.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 100, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 346 Youth and Elderly Affairs on H. B. No. 96 (Maj.)

The purpose of this bill is to protect Hawaii's children from all forms of child abuse by amending the child abuse law and to allocate additional resources for the purpose of child protective services.

Your Committee believes that Hawaii's child abuse law can be strengthened and clarified by expanding the definition of "child abuse" and requiring certain professionals not presently included in the law to report suspected cases of child abuse. In 1975, the Legislature amended the child abuse law to include mental injury in the definition of child abuse. However, public awareness of child abuse still remains limited to physical abuse and reporting of suspected non-physical abuse or neglect cases has been minimal. According to testimonies presented by the Department of Social Services and Housing and the Family Court, First Circuit, the term "mental injury" seems to be too limited in its application. Therefore, it has been suggested that the term "psychological abuse and neglect" be utilized since it functions as a more inclusive term than "mental injury" by covering the whole range of non-physical maltreatment. Your Committee also believes that the director of social services and housing should be authorized to further define the specific forms of child abuse and neglect as established in Section 350-1, Hawaii Revised Statutes. This would clarify the law and facilitate its implementation.

Your Committee finds that Chapter 350, Hawaii Revised Statutes, requires all coroners to report suspected instances of child abuse. However, some counties utilize the term "medical examiners" rather than "coroner" and these officials are not covered under the reporting requirements of Chapter 350. Your Committee believes that Chapter 350 should include references to medical examiners to fill this gap in Hawaii's child abuse reporting law.

Your Committee also feels all police officers should be required to report suspected instances of child abuse. Although police officers come in direct contact with situations which may involve child abuse, under present law they are not required to report such situations to the Department of Social Services and Housing. Your Committee believes that including police officers as a reporting source would further insure that suspected cases of child abuse are being identified.

Your Committee therefore has amended the bill as follows:

1. The definition of abuse in Section 350-1, Hawaii Revised Statutes, has been amended to include the term "psychological abuse and neglect".
2. The director of social services and housing is allowed to adopt, amend, or repeal rules to further define the specific forms of child abuse and neglect as mentioned in Section 350-1, Hawaii Revised Statutes.
3. Medical examiners and police officers have been included as persons required to report suspected cases of child abuse.
4. The section relating to appropriations has been deleted since your Committee feels that additional funds are not necessary to carry out the intent of the proposed amendments to the bill.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 96, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 96, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representative Sutton did not concur).

SCRep. 347 Youth and Elderly Affairs on H. B. No. 95

The purpose of this Act is to develop and implement a pre-retirement education program that shall:



- 1) establish a program of pre-retirement counseling for employees of the public and private sector who do not have access to such a program; and
- 2) train counselors and educators in the private and public sectors in the relevant aspects and curricula of, and the necessary skills relating to, pre-retirement counseling.

Your Committee received testimony under two bills, H.B. 95 and H.B. 502. After hearing testimony from the Department of Education, the County of Maui, the Hawaii County Pre-Retirement Advisory Committee, ILWU Local 142 and others, your Committee finds that there is a need for assistance to the citizens of our State in education and training toward using their time and resources wisely after retirement.

Hawaii's people are living longer. The longevity of our citizens means that one-fourth to one-third of the average resident's life could be spent in retirement years. Our citizens need to be educated and trained long before retirement, in how to plan their retirement incomes to prevent the necessity of welfare assistance, and in how to live within their reduced income status without drastically lowering their standards of living. They must be made aware of, and be encouraged to, utilize the many resources available to them as retirees. Training is also needed in planning realistically for leisure time.

Currently, pre-retirement education programs are virtually non-existent for citizens employed in small business, the self-employed, and citizens not in the conventionally recognized workforce, such as housewives. Existing pre-retirement education offered to employees in large companies are limited to financial counseling provided by the company's personnel officer.

Furthermore, because there has been no central and truly identifiable source of support and funding for a comprehensive pre-retirement education program in the past, continuity to gain program stability, to improve operations and standards, and to maintain public support has been lacking. Pre-retirement planning has therefore been sporadic, depending on availability of funds. For these purposes state general revenues are requested for the appropriation; however, in the event that federal or non-federal funds are made available, the state funds shall be reduced proportionally upon receipt of those funds.

Your Committee has amended the bill to include legislative findings on the State's workforce, specify what the program shall encompass with the addition of a third subsection under Section 1, and name the Office on Aging in the Office of the Governor as the expending agency who will contract for the development and implementation of the program.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 95 as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance, in the form attached hereto as H.B. 95, H.D. 1.

Signed by all members of the Committee.

SCRep. 348      Health on H. B. No. 642

The purpose of this Act is to appropriate \$45,436 to Honokaa Hospital to secure the services of a Medical Records Technician II and an X-Ray Technician II for the fiscal biennium 1977-1979.

It is intended that the Medical Records Technician II and the X-Ray Technician II will also render services to the Kohala Hospital in order that the latter institution may comply with Federal Medicaid and Medicare Standards.

Your Committee feels the hiring of a Medical Records Technician II and an X-Ray Technician II is necessary for the efficient rendition of quality health care to those residents utilizing the services of Honokaa Hospital.

Your Committee is in accord with the intent and purpose of H.B. No. 642 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 349      Health on H. B. No. 951

The legislature finds that the area of North Kohala, Hawaii, is experiencing a critical shortage of physicians, resulting in a serious threat to the health and well being of the residents,

Furthermore, the federal guidelines for physicians in rural areas are that there be one physician for every 1,500 people. At present, one physician serves a population of 3,100. Federal guidelines also recommend that 20 miles is an excessive distance to travel for medical services. Presently, the distance traveled is approximately 22 to 32 miles.

The purpose of this Bill is to provide \$36,000 for the extension of the community physician program and secure the services of a physician under this program.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 951 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ueoka.

SCRep. 350      Health on HB Nos. 993, 994, 1131, 1311 and 1325

The purpose of these Bills is to appropriate funds to each of the respective hospitals for the planning, construction, and equipping of new health facilities, as well as the modernization of existing facilities.

H.B. No. 993 appropriates to Queen's Medical Center the sum of \$250,000 for the planning, construction, and equipping of a five-bed surgical intensive care unit.

H.B. No. 994 appropriates to Kuakini Medical Center the sum of \$500,000 for the planning, construction, and equipping of the Progressive Health Care Building which will house a 150-bed care home for the elderly, a day care center for 100 elderly people, and a 100-bed intermediate care facility.

H.B. No. 1131 appropriates to Saint Francis Hospital the sum of \$500,000 for the planning, construction, and modernization of patient units and other related facilities.

H.B. No. 1311 appropriates \$100,000 for the renovation of Maui Memorial Hospital.

H.B. No. 1325 appropriates to Kapiolani Hospital the sum of \$750,000 for the planning, construction and equipment for the extension of facilities.

Your Committee on Health is in accord with the intent and purpose of H.B. Nos. 993, 994, 1131, 1311, and 1325, and recommends that these bills pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 351      Health on H. B. No. 1099

The purpose of this Bill is to appropriate the sum of \$200,000 for the planning and construction of facilities for the Easter Seal Society for Crippled Children and Adults of Hawaii County.

The Hawaii County Easter Seal Society began providing physical therapy services to Big Island residents in the late 1940's. Presently, the program services approximately 200 patients ranging in age from 3 months to 77 years, and their families, relatives and friends.

Your Committee finds that the Easter Seal Society, Hawaii County has acquired an approval by the Department of Land and Natural Resources to lease the land on which their treatment center presently exists.

Under the new State lease, the Easter Seal Society will be able to embark upon a long awaited building program, to replace the existing treatment center.

Due to inadequate and poor building conditions, the Committee realizes the need to construct new facilities to house the existing Easter Seal program, to meet Commission for Accreditation of Rehabilitation Facilities (CARF) accreditation, and to eliminate existing architectural barriers.

As a result, your Committee appropriates the sum of \$200,000 for the planning and construction of facilities for the Easter Seal Society for Crippled Children and Adults of Hawaii County.

Your Committee on Health is in accord with the intent and purpose of H.B. 1099 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 352      Health on H. B. No. 1100

The purpose of this Bill is to provide an alternative to hospitalization for mentally disturbed persons on the island of Hawaii by making an appropriation to provide for the development of a diagnostic and crisis intervention program.

Your Committee recognizes that a definite need exists to adequately accommodate the specific needs of the mentally disturbed from a program and facility that could provide these services in a setting other than a hospital. The implementation of such measures would better facilitate the rehabilitation of such persons back into society and also possibly ease hospitalization costs.

Your Committee has therefor amended this Bill by appropriating the sum of \$50,000 to provide for the development of a diagnostic and crisis intervention program which shall also include a halfway house in the Hilo, Hawaii, area for mentally disturbed persons.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1100, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 353      Health on H. B. No. 1156

The purpose of this Bill is to exempt state hospitals and private hospitals regulated by the Department of Health from competitive bidding requirements in providing emergency ambulance service.

Under the present law, ambulance contracts are required to be put out to bid on an annual basis by the county governments. Having to renegotiate annually poses many internal problems to hospitals.

Your Committee recognized that exempting counties from competitive bidding for emergency ambulance service would assist private hospitals in securing negotiated contracts for emergency ambulance service which is a vital adjunct to normal hospital services.

Your Committee further recognizes that if competitive bidding was not required, private hospitals would realize substantial benefits in the form of job security for ambulance personnel, development of long-range plans for better trained ambulance personnel, and investment in better equipment. Hospitals could also use trained ambulance personnel to assist hospital attendants and nurses during the time that they are not on a mission, thereby improving the overall service being rendered by the institution.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1156 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 354      Health on H. B. No. 1297

The purpose of this Bill is to modify the Governor's Committee on the Employment of the Handicapped to broaden its scope to address the broaden needs of handicapped persons.

The legislature finds that handicapped residents of the State of Hawaii have many needs which have gone unaddressed, and which require appropriate attention and action. The Governor's presently existing Committee on the Employment of the Handicapped addresses some of the matters of crucial importance to handicapped citizens of the State. However, the limited scope of that committee restricts the fuller confrontation of the problems of the handicapped, which are otherwise presently not systematically nor comprehensively considered.

By virtue of this Act, the Committee on the Employment of the Handicapped, which was established by executive order, is redesigned as the Commission on the Handicapped and shall assume the functions prescribed by this Act.

The functions of the Commission on the Handicapped will include but shall not be limited to:

1. Reviewing and assessing the problems and needs, and the availability, of adequate services and resources for the handicapped in the State of Hawaii with regard but not limited to employment, education, health, social services, recreation, civil rights, public facilities, housing, vocational training, and rehabilitation.
2. Advising and making recommendations to the State and the counties on matters relating to the handicapped and on matters which affect the handicapped, including legislative matters.
3. Develop short- and long-term goals in fulfilling the the needs of the handicapped, to be indertaken by the Commission in facilitating the coordination of services and programs for the handicapped.
4. Educating the public on the problems, needs, potentials, and rights of the handicapped through affirmative public education programs.
5. Seeking and receiving funds and other forms of assistance from public and private sources to be used in providing improved circumstances for the handicapped in Hawaii.

The intent of this Act is not to jeopardize the receipt of any federal aid nor to impair the obligation of the State or any agency thereof to the holders of any bond issued by the State or by any such agency.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1297 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 355      Health on H. B. No. 1523

The purpose of this Bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$170,000 to the Hawaii Medical Library, Oahu, for books, journals, and associated operating costs for the library.

The library, which is located at Kinau Hale, is frequently used by the Department of Health, physicians, and students of the Schools of Medicine and Nursing.

Your Committee finds that the Hawaii Medical Library is an essential resource for medical information and data.

Therefore, your Committee has appropriated funds for the purposes of this Act.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1523 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ueoka.

SCRep. 356 Health on HB Nos. 1581 and 1582

The purpose of these Bills is to allocate funds in order to renovate, modernize, and develop a facilities master plan for Leahi Hospital.

Your Committee finds that, at the present time, virtually all of Leahi Hospital's revenues are derived from medicare and medicaid reimbursements for skilled nursing and intermediate care cost. The continuation of these federal revenues is contingent on the hospital's ability to comply with medicare and medicaid standards.

H.B. No. 1581 calls for the appropriation of \$3,250,000 from moneys received from general obligation bond funds for the renovation and modernization of Leahi Hospital to comply with applicable state and federal standards and regulations.

The purpose of H.B. No. 1582 is to appropriate \$200,000 from moneys received from the general obligation bond funds for the development of a facilities master plan by the Department of Health for Leahi Hospital.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1581 and H.B. No. 1582 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 357 Water, Land Use, Development and Hawaiian Homes on H. B. No. 1173

The purpose of this bill is to 1) consolidate funds by function and source; 2) standardize terms; 3) add two new funds as a depository for interest charges and borrowed money; 4) define parameters for use; and 5) increase the guarantee amount from \$8 million to \$13 million.

These changes will facilitate efforts to maintain order and accurate accounting; establish a frame work for sustained mortgage financing without cost to the State; pursue private monies; and enable maximum use of all money on hand.

Section 1. Present usage of Hawaiian Loan Fund is limited to: a) loans to lessees, their successors, and to agricultural cooperatives; b) advances paid by the Department for appraised value of improvements by lessees at time of death, surrender or cancellation; c) transfer of annual cane and water receipts to the Development Fund; and, d) loans to Hawaiian Home-Operating Fund.

The maximum that the Hawaiian Home Loan Fund receives is \$5,000,000. Receipts from State sugar cane leases and water licenses over and above this present ceiling were deposited in the Additional distribution and use of the monies for the Additional Receipts Development and Loan Funds. The maximum receipts now allowed in this account is \$5,000,000.

There are over 5,000 applicants on the waiting list for residential, farm or pastoral leases and loans. More than 4,500 of these applicants have applied for residential lots. At the authorized mortgage loan of \$35,000, mortgage monies totaling approximately \$157,500,000 will be needed to satisfy the existing applicants for residential lots alone.

The restrictions placed on the Hawaiian Home Loan Fund and Additional Receipts do not allow the Department to realize the maximum potential use of these funds to meet the existing and increasing client needs and demands. Currently, the applicant waiting list is increasing at the rate of 15% per year. Based on Department projections for the ten-year period from 1975-1985, a conservative estimate of \$270,000,000 will be needed for loans and site development in order to meet the Department's General Plan Housing and Agricultural goals and objectives. Your Committee feels that the authorized expenditures from all funds should be broadened to allow the Department to use these funds for loan guarantee.

Various loan funds currently exist for home construction and replacement in specific areas. For greater administrative efficiency, the Department proposes to consolidate these funds with a general home loan fund and State-wide replacement loan fund. Any monies placed in these funds, if appropriated for specific purpose or location, shall be initially used for the purposes specified and revolve to general use.

Currently, one of the permitted uses of the Department's Development Fund is for consultant engineering and architectural planning services. This limitation on the use of this fund for only these consultant services prohibits the Department from providing other needed services to the beneficiaries as prescribed under the Hawaiian Homes Commission Act, in such areas as housing, land use planning and development, land valuation and financing. Based on the demand for services, the limited resources available and the established goals and objectives of the Department, it is proposed that additional contractual services be authorized under this fund.

Existing provisions and conditions for the use of Hawaiian Homes administration account remain basically the same with minor changes to delete archaic budget provisions. Any money in this account in excess of the approved budget amount for any fiscal period may be transferred to the Hawaiian Homes Development Fund.

Two new funds have been created to accommodate interest payments and disbursements, and all monies borrowed from public and private sources.

Interest payments received in the Hawaiian Home Loan-Interest Fund will be used to supplement available sources of funding for the Home Loan Fund, the Development Fund, and the Operating Fund.

Further consolidation of funds is accomplished through the creation of the Borrowed Money Fund in which will be deposited all loans made to the Department from governmental agencies and private lending institutions.

Section 2 of this proposal outlines the purposes and authorized uses of the loans established in Section 1. Much of Section 2 represents a re-organization of related existing sections of the Hawaiian Homes Commission Act to provide better continuity and maximum potential use of funds.

Under present authority contained in the Hawaiian Homes Commission Act, the Department may guarantee loans involving State liability up to \$8,000,000. Based on existing CIP appropriations for development of 1,300 additional homesites, it is requested that the liability ceiling be increased to \$13,000,000.

To assist lessees to assume financial responsibility and to provide needed services with limited resources, Section 2 of this proposal also authorizes the Department to use existing private institutions to service lessee loan accounts (i.e., billing and collection) with the nominal service fees to be assumed by the lessee.

Amendments under Section 3 of this proposal are housecleaning in nature. Under the present definition, the term "livestock" does not include other animals such as swine, poultry or fowl. Since lessees currently make loans to acquire such animals, these animals have been included in this section. The existing reference to appraisal and payments due in case of cancellation and foreclosure has been deleted since such procedures are covered in a separate proposal.

Section 4 of this submission is also housecleaning in nature. Proposed for deletion are provisions presented under other proposals.

Section 5 includes provisions to increase the potential revenue of various funds. Currently, the Hawaiian home-operating fund is the only fund authorized to receive interest and other earnings arising from the loan fund investments. The proposed amendment would permit such revenues to be credited and deposited to the specific fund from which the investment was made.

Section 6 proposes deletion of various existing conditions of loans to eliminate conflict with new provisions contained in Section 2 of this submittal. Also, the requirement for lessees of agricultural/pastoral lands to plant and maintain trees would be deleted, and farms and ranches would be protected from residential encroachment by limiting the construction of structures on such lots.

Under present conditions of leases contained in Section 208 of the Hawaiian Homes Commission Act, Hawaiian Homes lessees of agricultural/pastoral lands are required to plant and maintain a specified number of trees per acre, per year. In addition, the Department is required to furnish such trees free of charge.

The tree planting activities on Hawaiian Home Lands were initiated as part of a reforestation effort with the assistance of the Civilian Conservation Corps (CCC) prior to 1937. Later, in 1941, the Hawaiian Homes Commission Act was amended to require tree planting by lessees to provide windbreaks, landscape beautification and to prevent soil erosion. Today, however, other methods and vegetation are used to serve similar functions. For example, due to their rapid growth, wild cane and corn are used as windbreaks and for conservation in some areas. Given the varying conditions and needs of lessees, as well as a lack of staff resources to monitor compliance, the tree planting provision is viewed as inapplicable and unenforceable.

Requests for surrender of portions of farm lots by lessees generally involve the surrender of the agricultural portion of the lot only, with the lessee retaining a portion of the lot as a permanent residence. Such surrenders involve an appraisal of the agricultural lot, including improvements, and the payment of the agreed appraisal value (less any outstanding indebtedness) from Department funds. The amount of the payment is then assumed by the new lessee. In addition to this financial obligation imposed on the new lessee, the new lessee may be burdened with improvements which do not meet his specific needs and requirements. Besides these problems and costs to the new lessee, the Department is required to survey, subdivide and install utilities for the surrendered portion of the lot before it can be awarded to a new lessee. These development costs, absorbed by the Department, range between \$15,000 to \$45,000 for farm lots and average \$80,000 for ranch lots. By limiting the construction and use of structures on farm and ranch lots, the Department seeks to encourage agricultural/pastoral pursuits by qualified applicants, since those desiring residence lots only, may apply under the housing program. Through this means, the Department also seeks to reduce the need and costs incurred for surveying, subdividing, and installing utilities.

Your Committee has amended the Bill by reinstating the Act IV educational purpose and intent.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1173, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldito.

SCRep. 358      Energy and Transportation on H. B. No. 1001

The purpose of this bill is to amend Section 243-6, Hawaii Revised Statutes, so as to clarify that bikeways are included in the category "public highways", and therefore qualify for the expenditure of fuel tax revenues deposited in the State and County Highway Funds Accounts. In addition, Section 6 of this bill amends Section 265-63, Hawaii Revised Statutes, to provide that no vehicle shall go upon a bicycle lane or bicycle path except for certain specified reasons.

Your Committee finds that motorists and bicyclists alike benefit from the construction or designation of separate lanes and other facilities for bikes, which result in increased safety and improved traffic flow. The modification of statutory language of 243-6 in this bill authorizes the continuation of existing bikeway funding practice in order to accomplish these ends.

The State Department of Transportation, in testimony in support of this bill, made the following recommendations which have been adopted by your Committee in amending Section 6 of this bill as follows:

- (1) a new subsection (1) has been added, providing that a vehicle may be driven in a bicycle lane or path for the purpose of executing a legal turn;
- (2) subsections 1 and 2 have been renumbered 2 and 3, respectively;
- (3) a new subsection 4 has been added, making an explicit exception for stalled or broken vehicles;
- (4) subsequent subsections have been renumbered accordingly.



Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 1001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1001, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 359      Culture and the Arts on H. B. No. 1347

The purpose of this bill is to provide for the continued operation of the Waianae Hawaiian Heritage Cultural Center.

The Waianae Hawaiian Heritage Cultural Center has provided cultural, recreational and educational opportunities to the residents of the Waianae Coast for the past two years through Model Cities funds.

Although Model Cities funding is no longer available, your Committee finds that there is a continuing need for these opportunities and has therefore amended this bill to read as follows:

SECTION 2. Appropriation. There is appropriated out of the general revenues of the State of Hawaii the sum of \$36,000 for the 1977-78 fiscal year to continue operation of the Waianae Hawaiian Heritage Cultural Center. The sum appropriated shall be expended by the department of budget and finance.

For purposes of consistency, your Committee has further amended this bill as follows:

Renumbering sections 1 (a) and 4 to 1 and 3, respectively.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.S. No. 1347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1347, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 360      Culture and the Arts on H. B. No. 1398 (Majority)

The purpose of this bill is to provide a grant in aid to the Honolulu Symphony for educational programs.

In 1970-71 the Symphony received a state grant of \$200,000 to provide educational services to Hawaii's youth. Through this grant, the Symphony was able to provide services to the Neighbor Islands and expand its educational presentations. The 1974-75 grant of \$50,000 forced a curtailment to one-third of the 1970-71 presentations and an appropriation of \$37,500 appropriated in 1975-76 resulted in the elimination of tours to the Islands of Hawaii, Lanai and Molokai.

While your Committee recognizes that the geographical divisions within our state make it more costly to provide these services, your Committee believes that every child should have the opportunity to pursue and develop his or her own musical preferences by providing as many choices as is available through state support whenever feasible.

Your Committee has therefore amended this bill to provide \$60,000 as a grant in aid to the Honolulu Symphony for educational programs.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1398, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representative Abercrombie did not concur).

SCRep. 361      Culture and the Arts on H. B. No. 1226

The purpose of this bill is to establish a 75th anniversary commission on Filipinos coming to Hawaii under the Progressive Neighborhood Program within the Office of the Governor until December 31, 1981, at which time, the commission shall expire.

This bill places the commission in charge of all arrangements for the commemoration of the 75th anniversary celebrating the arrival of Filipinos to Hawaii.

According to testimony presented to your Committee by Bienvenido Junasa, Director of the State Immigrant Services Center, the establishment of such a commission would facilitate the following:

- 1) Documentation and publication of materials on the life and experience of Filipinos in Hawaii;
- 2) Evaluation of cultural value systems enabling a smoother integration into Hawaii's multi-ethnic community; and
- 3) Promotion of better understanding among all residents.

Mr. Jake Manegdeg, president of the United Filipino Council of Hawaii, assured your Committee that funds necessary for the celebration would be obtained through private donations and community support, as provided in Section 5 of H.B. No. 1226.

Your Committee has amended Section 5 by creating a special fund within the Office of Budget and Finance to carry out the purposes of this section. The amendment shall read as follows:

Section 5. Funds and donations. The Commission may seek grants from public and private resources and accept donations to finance the projects, program, and activities of the 75th anniversary celebration. There is created within the office of budget and finance a special fund to be known as the 75th Anniversary Commission Fund, into which all monies donated or awarded through grants to the commission shall be deposited and from which the expenses of the commission to carry out the purpose of this section shall be paid. Disbursement of such money shall be by state warrants issued in accordance with applicable laws and regulations and based on vouchers signed by the chairman of the commission.

All property acquired by the commission shall be deposited for preservation in the state library system, museums, public archives, or otherwise disposed of as directed by the commission.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1226, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 362      Culture and the Arts on H. B. No. 1354

The purpose of this bill is to provide monies for a commission to develop plans by June 11, 1978, to construct and maintain a permanent memorial to mark the birth site of Kamehameha the Great.

Kamehameha the Great was a warrior-statesman and Hawaii's first "alii-nui" to successfully unify all of the islands in the Hawaiian archipelago. Under his just and wise rule, the people of Hawaii found an example of wisdom, courage and a deep respect for and service to mankind, which transcended all boundaries of national origin, creed and color.

In 1883, statues honoring him were placed in Honolulu and Kohala, the district of his birth, and in 1969, the people of Hawaii selected him as one of our State's two most outstanding persons to be forever commemorated in the National Statuary Hall in the Rotunda of our nation's capitol in Washington, D.C.

Your Committee received testimony from Mr. Russell Apple, Pacific Historian of the National Park Service, Department of the Interior, Mr. Fred Cachola, representing the State Association of Hawaiian Civic Clubs, and Mr. Richard Lyman, Trustee of the Kamehameha Schools, Bernice Pauahi Bishop Estate. Each attested to the neglect and decay of Kamehameha's birth site at Kapakai, Kokoiki, Kohala and urged passage of H.B. No. 1354.

Your Committee believes that state support in the preservation and protection of this historical landmark is essential because of its tremendous significance as physical evidence of Hawaii's past history and culture.

Your Committee finds that the birth site of Kamehameha is situated on property now owned by the heirs of Mrs. Maluhi Keawe Puhi. According to Mr. Cachola, negotiations with Mrs. Puhi's heirs have not yet begun.

As suggested by Mr. Cachola, your Committee has amended this bill to provide for the purchase of the property as a pre-requisite to the development and construction of a memorial.

This bill has been further amended to establish a commission responsible for developing the plans for the construction and maintenance of the memorial. Included in the commission are Hawaiian kupuna, who are uniquely qualified to research, identify and relate the site's significance to oral traditions.

The \$100,000 appropriated by your Committee includes monies for the purchase of the land.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1354, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 363      Culture and the Arts on H. B. No. 1129

The purpose of this bill is to continue historical and archaeological research on the Island of Kaho'olawe by providing an appropriation of \$50,000 for that purpose.

Your Committee recognizes the unique, cultural resource that the Island of Kaho'olawe offers for historical and archaeological investigations into the life of ancient Hawai'i. Preliminary discoveries include a large stone adze quarry and workshop complex, the largest obsidian quarry and workshop found in the islands. In addition, small habitation and specific task sites and at least one large permanent village site have also been discovered.

Research of the island seems to point towards Kaho'olawe being an important fishing and farming settlement. The oral tradition of the Hawaiian elders maintain that the Island of Kaho'olawe has legendary importance.

Your Committee is aware that the Department of Land and Natural Resources' historic preservation office has begun historic studies of the island. In its February 10, 1977 report, the office noted that after spending 24 days on the island surveying 4,100 acres, or 14% of the total land area, 28 archaeological sites were recorded. Of the 28, 27 sites are eligible for the National Register of Historic Places.

Your Committee feels that continued historical and archaeological investigations of Kaho'olawe should be supported in light of preliminary findings. Your Committee has therefore amended H.B. No. 1129 by increasing the amount of the appropriation for historical and archaeological investigations from \$50,000 to \$100,000. In addition, provision for two kamaaina witnesses to assist investigators in their work has been included. These kamaaina witnesses will act as resources for the oral history and tradition which accompanies the artifacts and historic sites on Kaho'olawe.

Your Committee has also added a purpose clause to H.B. No. 1129 to emphasize the importance of this project.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1129 as amended herein and recommends it pass Second Reading in the form attached hereto as H.B. No. 1129, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 364      Culture and the Arts on H. B. No. 1573

The purpose of this bill is to provide \$50,000 for the 1977-79 biennium to the Ensemble Players Guild. Monies are to be expended by the Department of Budget and Finance.

The Ensemble Players Guild is a non-profit organization that provides educational and public ensemble programs at schools, hospitals and to the general public on a year-round basis. The Ensemble Players Guild has also been able to provide orchestral performances to communities throughout the state that are too small or remote to accommodate larger orchestras.

The Ensemble Players Guild currently receives \$10,000 per fiscal year from the Foundation on Culture and the Arts. This bill provides the Ensemble Players Guild with \$25,000 per fiscal year, a raise of \$15,000 per fiscal year.

Your Committee recognizes the value of the programs of the Ensemble Players Guild. However, your Committee feels that an expanded program of the Ensemble Players Guild would duplicate services provided by the Honolulu Symphony. Your Committee has therefore amended this bill to maintain funding at the current level of \$10,000 for the fiscal year 1977-78. Such amendment would be as follows:

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$10,000 for the fiscal year 1977-78 to the Ensemble Players Guild.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1573, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 365      Energy and Transportation on H. B. No. 898 (Majority)

The purpose of this bill is to increase the tax rate levied upon each airline (including the school group incentive rate schedule), motor carrier, common carrier by water, and contract carrier other than a motor carrier by 1 percent.

Your committee finds current revenues derived from the public service tax on airlines, motor carriers, common carriers by water, and contract carriers other than motor carriers, insufficient.

Your committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 898 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives  
Evans and Medeiros.  
(Representative Kunimura did not concur).

SCRep. 366      Agriculture on H. B. No. 1243

The purpose of this bill is to appropriate \$15,000 for papaya pesticide research to allow the pesticides to be registered with the Environmental Protection Agency.

Your Committee finds there are many EPA-registered pesticide products on the market which have clearance for use on major crops, but which are not cleared for use on papaya. One of the major reasons is the reluctance on the part of pesticide manufacturers

to expend considerable sums of monies to obtain full EPA registration where the usage of the product is known to be comparatively small, such as on papaya.

Your Committee finds the College of Tropical Agriculture has the technical staff to conduct such experiments to allow for the registration of pesticides with the EPA, and should be the contracted research agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1243 and recommends it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 367      Agriculture on H. B. No. 976

The purpose of this bill is to appropriate \$1,000,000 for the support of research programs of the Experiment Station of the Hawaii Sugar Planters' Association for a two year period.

Your Committee finds the self-supported research efforts of the Hawaii Sugar Planters' Association for the last 82 years has been a significant factor making Hawaii one of the leading sugar producing areas in the world, and has made the HSPA Experiment Station one of the world-recognized sugar research centers.

Your Committee finds the research in new cane varieties, weed and pest control, irrigation, and fertilization, performed by the HSPA has given the Hawaiian sugar companies the ability to produce high-yield varieties of cane and react effectively against the threat of disease or pest.

Since the HSPA was organized in 1895, the research activities have been totally supported by the Hawaii sugar growers. In recent years there has been some assistance from the federal government and cooperation from the Experiment Station of the College of Tropical Agriculture of the University of Hawaii. Basic support and operating funds, however, are still provided by the members of the association.

Your Committee finds results of the HSPA's research are reported to member companies and independent sugar cane growers, and published in the experiment station's own journal. New varieties developed by the HSPA experiment station are available to all sugar cane producers in the state, including independents.

Your Committee finds one of the most basic and important programs of the experiment station has been the development of new sugar cane varieties. The breeding of sugar cane varieties and the selection of superior progenies, followed by thorough testing, has succeeded in producing the high-yielding varieties adapted to the many different conditions under which sugar cane is grown in Hawaii.

Most recently, the work at the experiment station has resulted in assisting the rapid and efficient mechanization of the entire sugar cane growing and milling operation. Hawaii leads the world in reducing the amount of manpower required to produce a ton of sugar and still leads. Hawaii also has the highest yields of sugar cane in the world.

Your Committee finds the 1977 research budget of the HSPA has been reduced about 20 per cent below the 1976 funding level. To maintain the level of research necessary to keep the Hawaii sugar growing industry in a competitive position, your Committee finds temporary supplemental financial help from the State is in the best interest of the entire agricultural program of Hawaii.

Your Committee finds that the Hawaiian sugar industry, as a whole, lost approximately \$15 million last year, primarily as the result of additional competition from foreign growers who moved into the domestic United States market following the expiration of the Federal Sugar Act in 1974. Although indications are that the United States Department of Agriculture and the Congress may in the near future provide relief for the domestic sugar producers, it will still take several years for the Hawaii producers to regain its once stable economic position.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 976 and recommends it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

## SCRep. 368      Agriculture on H. B. No. 973

The purpose of this bill is to appropriate \$20,000 to defray expenses involved in the sponsorship of the Pan Pacific Agricultural Conference in Hawaii.

Your Committee finds that the Hawaii Farm Bureau Federation, the Department of Agriculture, the College of Tropical Agriculture and the Department of Planning and Economic Development initiated planning for the first annual Pan Pacific Conference in 1976; the conference will be held in conjunction with the annual State Farm Fair.

Your Committee finds that the countries of Japan, the Philippines, Taiwan and South Korea have agreed to participate in the conference, the theme of which will be "Partnership in Agricultural Cooperatives and Government."

The conference will bring experts on agricultural cooperatives from various Asian countries as well as the continental United States, and will provide Hawaiian farmers with the opportunity to discuss the methods and operations that have made cooperatives such an important marketing tool in participating Asian countries.

Your Committee recommends, considering the importance of such a conference to expanding the knowledge and marketing opportunities for Hawaiian agricultural products, the following amendment, which reads as follows:

- (2)      Section 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$20,000, or so much thereof as may be necessary for defraying various expenses related to the sponsorship of the Pan Pacific Agricultural Conference.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 973, as amended, and recommends it pass Second Reading, in the form attached hereto as H.B. No. 973, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

## SCRep. 369      Judiciary on H. B. No. 1693

The purpose of this bill is to amend present law relating to expenses of witnesses in criminal proceedings by requiring the public prosecutors or county attorneys and the public defender to submit a budget request for the amount required for each fiscal year for expenses of witnesses to be included in the department of budget and finance's request for each fiscal biennium. The bill also clarifies the procedure for payment of witnesses. Your Committee was informed that although Act 131, Session Laws of 1976, had relieved the Judiciary of the responsibility for maintaining a fund for witness expenses, adequate provisions for budgetary procedures for such funds had not been provided for.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1693 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

## SCRep. 370      Judiciary on H. B. No. 1616 (Majority)

The purpose of this bill is to provide for the payment of a cash bonus to veterans of the Vietnam conflict. The bill sets up requirements for qualifying for the bonus, and for payments to survivors of the veteran if he dies before receiving his bonus. The department of budget and finance would administer this bill and would be authorized to make rules and regulations to carry out its purposes.

Your Committee believes that veterans of the Vietnam conflict are deserving of such a bonus in recognition of their service to their country.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1616 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fong.  
(Representative Blair did not concur).

SCRep. 371      Judiciary on H. B. No. 1447

The purpose of this bill is to provide for compensation of Campaign Spending Commission members in instances where performance of commission duties results in a member losing compensation from his permanent employment. The bill provides for compensation at the rate of \$50 a day for each day that the commissioner is actually engaged in carrying out his duties.

Your Committee was informed that the duties of a commissioner entail a great deal of time. The commission usually meets about four times a month and each meeting lasts about five hours. A neighbor island commissioner loses a minimum of a full day's work for each meeting. No reduction in the demands for commissioner's time is anticipated. Approximately 1,200 reports from candidates, committees, and parties must be reviewed this year. Your Committee believes that this bill would help to create financial parity among commissioners and reduce the burden of work time loss for those who may be employed on an hourly basis.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1447 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fong.

SCRep. 372      Judiciary on H. B. No. 915 (Majority)

The purpose of this bill is to provide for the continued operation of the Legal Aid Society of Hawaii through the appropriation of \$708,750 from the general revenues of the State of Hawaii through June 30, 1978.

This bill will enable Legal Aid Society to bring up staff salaries so as not to lose valuable experienced attorneys and to serve 1,000 more clients in the fiscal year 1978 than this year. In addition, this bill will enable the return to normal operation the Legal Aid office in Kona, on the island of Hawaii, and the possible re-opening of the Legal Aid office in Kaneohe.

Your Committee feels strongly that legal representation and services should be available to the poor who cannot afford the price of retaining an attorney. Though testimony was given which stated that 95% of Legal Aid's caseload represented individual cases and 5% represented class actions, your Committee is aware that the time spent on these individual cases is not indicative of the 95%-5% ratio. Your Committee is concerned with the fact that the Legal Aid individual services are de-emphasized, resulting in a substantial amount of time being channeled to litigation of class action suits. Thus your Committee recommends that the time spent on individual cases and services be proportional to the caseload reflection.

Your Committee also heard testimonies of the lack of cooperation between the State and Legal Aid Society which resulted in heavy expenditure of State funds for unnecessary litigation. Your Committee was informed by the Legal Aid Society that it would report all status and efforts of negotiations back to the Legislature during the next legislative session.

Your Committee amended this bill by deleting lines 7 through 12 on page 1. The deleted provision made this appropriation contingent upon the Legal Services Corporation appropriating, in 1980-81 fiscal year, the minimum sum of the amount appropriated by this bill. Your Committee decided to delete this proviso in the interest of clarity and also because it would be futile to condition an appropriation to be granted in 1977 upon a condition to happen in 1980.

Your Committee further amended this bill by deleting the provision which would exempt this appropriation from Chapter 37, Hawaii Revised Statutes. The amendment will conform this appropriation to general budgetary practice.



Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 915, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.  
(Representative Nakamura did not concur).

SCRep. 373      Judiciary on H. B. No. 446

The purpose of this bill is to authorize the director of transportation to submit rules, directives, orders or authorizations established under the Statewide Traffic Code to the counties for possible adoption by ordinance. The bill provides that if the counties do not adopt such ordinances, the rules, directives, orders or authorizations not adopted would retain their authority and validity, statewide. The bill also requires the director to certify and maintain a list of all such rules, etc. not adopted. Your Committee finds that this bill will provide the director with effective means for the proper operation of our highway facilities.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 446 and recommends that it pass Second Reading and be referred to the Committee on Energy and Transportation.

Signed by all members of the Committee.

SCRep. 374      Judiciary on H. B. No. 28

The purpose of this bill is to provide for:

- (1) The time of holding a constitutional convention;
- (2) The districts and the number of convention delegates to be elected from such districts;
- (3) The place at which the convention will meet;
- (4) The powers of the convention;
- (5) The immunities of the convention delegates;
- (6) The salaries and allowances for the delegates;
- (7) The staffing of the convention;
- (8) The moneys necessary to hold the elections for convention delegates, for any preparation for the convention, and for staffing and other expenses of the convention; and
- (9) Any other provisions necessary to have a constitutional convention.

Your Committee held public hearings and meetings on Oahu, Hawaii and Maui, in an effort to obtain as much public input as possible. Your Committee heard and received testimony from various individuals and groups, including Citizens for Con Con, a coalition of over thirty organizations, Ka Ohana, the Retail Merchants of Hawaii, and the Women's Legislative Coalition. Your Committee also held an open committee meeting for the purpose of discussing the various proposals and suggestions which had been elicited. Your Committee then held an open decision-making meeting, at which time the following amendments to the bill were agreed upon.

Your Committee decided that the Constitutional Convention should convene on July 5, 1978, following a special election to select convention delegates to be held on May 20, 1978. The filing deadline for candidates would be on April 20, 1978, 30 days prior to the election. Each candidate would pay a \$25 filing fee and would need to file nomination papers signed by at least fifteen qualified electors of the district in which he is a candidate. Your Committee provided that the Legislature is to decide next year as to the site of the convention, and if the Legislature fails to designate a site by April 15, 1978, the governor is to designate the site.

Your Committee also decided that there should be a total of 105 delegates. The basis on which the delegates will be selected will be the current representative districts. There will be double the number of current representatives with the exception of Maui and Kauai. In single representative districts, there will be two delegates selected at large, and in multi-member districts, the district will be subdivided and there will be two delegates elected in each of the subdivided districts. Your Committee felt that the uniqueness of each island community and the desire to obtain maximum participation by all of our island communities, required that each island be represented. Thus Lanai,

Molokai, and Niihau would each have one delegate.

Your Committee decided that the delegate salary would be \$7,000 payable in three increments; one-third to be paid within one week after the election; one-third to be paid at the convening of the convention; and one-third to be paid 30 days after the convention begins plus per diem. Oahu delegates would get a \$10 per diem, while neighbor island delegates would receive a per diem of \$30. Your Committee also decided that State or County employees who are elected as delegates would be allowed to take a leave of absence without pay.

Your Committee also provided for powers of the convention and limited immunity for the delegates.

With respect to appropriations, your Committee provided that the matter of appropriating funds for defraying pre-session, session, and post-session expenses of the convention should be deferred until the 1978 legislative session. Your Committee provided appropriations for conducting the election and for the legislative reference bureau for the expenses of providing necessary services and assistance to the convention.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 28, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 28, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fong.

SCRep. 375      Judiciary on H. B. No. 250 (Majority)

The purpose of this bill is to amend the present law to allow for the fingerprinting and photographing of juveniles by the police when the juvenile commits an act which, if committed by an adult, would be a felony.

Your Committee heard testimony that in 1975, juveniles accounted for 62% of all persons arrested for the offense of burglary indicating that juveniles are considered responsible for a great majority of the burglary offenses. Burglary is one of the offenses in which fingerprints are found at the scene of the crime. Since the persons responsible are often repeaters, the fingerprinting of these juveniles would be instrumental in the identification of responsible persons.

At the present time, juveniles cannot be fingerprinted nor photographed without the permission of the family court. Only in instances where there exists an emergency requiring immediate action for the safety of the child or the community and a family court judge is not reasonably available can the juveniles be fingerprinted or photographed. In such instances, however, the police must report to the family court on such actions.

This bill would amend the present law by removing the family court's restrictive rules and allowing the police to fingerprint and photograph a juvenile arrested upon probable cause that a felony was committed.

Your Committee is aware that there are philosophical differences in the need to protect against the stigmatization of juveniles and the need to protect society from the rising rate of juvenile crimes. Your Committee did allow time for police and the family court to get together and develop a workable arrangement but such meeting proved fruitless. Thus the need arose for your Committee to set the legislative policy of protecting society from the rising rate of juvenile crimes while indicating that fingerprints and photographs of juveniles acquitted of the charge are to be expunged which is the present practice.

Your Committee further felt that the family court should continue to set up standards of investigating and questioning and thus amended this bill to allow such practice to continue.

Your Committee further amended this bill by adding a new Section 2 which amends section 571-84, Hawaii Revised Statutes, bringing it into conformity with the intent of this bill. However, your Committee believes restrictions as set up by the Family Court on the use or circulation of a child's photographs or fingerprints should be maintained.

Your Committee further amended this bill by renumbering the sections for purposes of conformity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 250, H.D. 1, and be referred to the Committee on Youth and Elderly Affairs.

Signed by all members of the Committee except Representative Fong,  
(Representatives Baker, Naito, Ueoka and Uwaine did not concur).

SCRep. 376      Agriculture on H. B. No. 952

The purpose of this bill is to appropriate \$50,000 to the Department of Agriculture for the operation of a statewide young farmers program, Cooperative Extension Service of the College of Tropical Agriculture, under contract to the agriculture department, has conducted 11 classes with a total enrollment of 253 young farmers on the Islands of Maui, Kauai, Oahu and Hawaii, and is currently organizing five other classes with a projected enrollment of 175. Topics of the certificated courses range from farm management to fruit tree plant propagation to farm structure carpentry.

Your Committee finds the average age of the Hawaiian farmer engaged in diversified agriculture is 53 years. The statewide organization of certificated courses for young farmers, your Committee finds, is an excellent means of interesting and helping young farmers to make a commitment to the industry and to bring with them expertise, and new techniques and methodologies of farming.

Your Committee finds that in the next biennium, the financial requirements to continue the program will be \$50,000 for each fiscal year, or a total of \$100,000. Your Committee recommends an amendment for the purpose of appropriating the additional funds necessary to carry out the purposes of this bill. Such amendments would be as follows:

(a) SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary, to continue the operations of the young farmers program.

Your Committee on Agriculture is in accord with the intent and purposes of H.B. No. 952, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 952, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 377      Health on H. B. No. 1003

The Vision and Hearing Screening Program which was established in the Department of Education was transferred to the Department of Health in 1976.

The program provides hearing and vision testing to children in schools in order to detect sensory deficiencies.

Your Committee finds that vision and hearing are the two most vital senses an individual needs in the learning process. Children with impaired hearing and vision are often unaware of their handicap and even parents and teachers have difficulty in detecting these deficiencies.

Your Committee further recognized that impaired vision or hearing in children can seriously impede learning and contribute to the development of emotional and behavior problems.

Data in past years indicate that about one in twenty students are referred for failing the vision and hearing screening exam. From this, seventy-five percent of referred children were identified with a deficit in need of some form of further medical treatment.

Testimony submitted by the Department of Health, Department of Education, parents, and supporting organizations, indicate the importance and need in providing vision and hearing screening services to the children throughout the State.

Your Committee also agrees that there should be a coordinated effort between the vision and hearing screening program and the school health services program whereby the health aides will render assistance to the audiologist and screening technicians in providing the vision and hearing screening program.

For this purpose, your Committee has amended H.B. No. 1003 and appropriate \$251,260 to fund the hearing and vision screening program.

Your Committee on Health is in accord with the intent and purposes of H.B. No. 1003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1003, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ueoka.

SCRep. 378      Health on H. B. No. 481

The purpose of this Bill is to provide a grant-in-aid to the Kauaikeolani Children's Hospital for funding of the Poison Information Center, including staffing, program development, supplies, and other expenses.

Your Committee, based on testimony, finds that the Poison Information Center has provided maintenance of current and comprehensive sources of information concerning poisons. In addition, they have been providing 24-hour, seven-day-a-week services and recommending treatment of poison ingestion for physicians, hospitals and other health care facilities.

Your Committee further finds that this very important and necessary service has been afforded not only to the entire State of Hawaii but also to the Pacific Basin and Trust territory. In addition, the Bill would ensure preventive effort through an educational program to best protect the people of Hawaii from serious harm or death from contacts with poisonous substances.

Your Committee on Health has amended H.B. No. 481 to read as follows:

"Section 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$64,000, or so much thereof as may be necessary, to provide a grant-in-aid to the Kauaikeolani Children's Hospital for funding of the Poison Information Center, including staffing, program development, supplies, and other expenses. The function of the Center shall include but not be limited to the following:

- (1) Providing a 24hour "hot line" telephone service.
- (2) Conducting educational workshops and conferences.
- (3) Compiling statistical reports.
- (4) Providing professional consultation for the medical community."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 481, H.D. 1, and be referred to the Committee on Finance.

Signed by all **members** of the Committee except Representative Ueoka.

SCRep. 379      Health on H. B. No. 1098

The purpose of this bill is to establish an advocacy system to protect the rights of persons with developmental disabilities.

Public Law 94-102 enacted by Congress provided a bill of rights for persons with developmental disabilities which established standards to assure the humane care, treatment, habilitation and protection of mentally retarded and other developmentally disabled individuals receiving services from residential and community facilities and agencies. In its findings, Congress stated that the developmentally disabled have the right to appropriate treatment, services, and habilitation; that such treatment services and habilitation should be designed to maximize the developmental potential of such persons; and that the federal government and the states have an obligation to assure that public funds are not utilized in programs which do not provide appropriate treatment,

services, and habilitation or do not meet minimum standards of care.

To ensure the rights of the developmentally disabled, Congress required as a condition for a state to receive an allotment of federal funds, that a system to protect and advocate the rights of persons with developmental disabilities be in effect and that such a system have authority to pursue legal, administrative, and other appropriate remedies. House Bill 1098 establishes such a system in compliance with federal requirements.

Your Committee has amended H.B. No. 1098 to include the following:

- (1) The governor is authorized to designate a public or private agency as an advocate agency and along with the designated advocate agency, to comply with the requirements of federal law relating to the rights of the developmentally disabled.
- (2) The rights of the developmentally disabled are stated as being the same legal rights guaranteed under federal and state constitution and laws. Such rights include but are not limited to the right to treatment, services, and habilitation; the right to dignity, privacy and humane care; the right to participate in appropriate programs; the right to prompt medical care; the right to religious freedom and practice; the right to social interaction and participation in community activities; the right to economic and social security, employment, protection against exploitation; and the right to live in a normal residential environment with adequate community support services.
- (3) After July 1, 1978, all service agencies receiving funds from or through the State or any county are required to have an agency fair hearing procedure for resolving conflicts between the agency and the consumers. All fair hearing procedures shall meet minimum standards as set forth in the law and be adopted in accordance with Chapter 92, the Hawaii Administrative Procedures Act.
- (4) A \$70,000 appropriation for the purpose of establishing an advocate and protective system for the developmentally disabled is provided.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1098, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1098, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 380      Health on H. B. No. 884

The purpose of this Bill is to make an appropriation out of the general revenues to provide first aid training to coaches of organized sports programs in Hawaii.

Your Committee finds that health safety and the general welfare of the young athletes of our State should be upgraded by ensuring that the coaches of organized sports have basic knowledge in first aid training. This training would better enable the coaches to provide emergency medical care on the field.

Furthermore, your Committee finds that there should be appropriated the amended sum of \$20,000 for the purpose of this Act.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 884, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 381      Health on H. B. No. 876

The purpose of this Bill is to provide a grant-in-aid to Kahuku Hospital for operations.

Your Committee finds that the grant-in-aid will better facilitate the cost effect on operations by employing plans for greater utilization of staff and facilities in maintaining the quality of care and needs of the community at Kahuku Hospital.

Malpractice insurance laws and cost, changing methods of practice by physicians, and increasing health care regulations have made it difficult for Kahuku Hospital to maintain standards for staffing, utilization review, infection control, safety, in-service education, staff development and nine separate medical staff committee functions to operate effectively in regards to cost.

Your Committee has therefor amended this Bill by appropriating the sum of \$219,000 to provide a grant-in-aid to Kahuku Hospital.

Your Committee has further amended H.B. No. 876 to read as follows:

"SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$219,000, or so much thereof as may be necessary, to provide a grant-in-aid to Kahuku Hospital for operations, provided that the department of health shall monitor, review and recommend any changes regarding the operation and management of Kahuku Hospital in order to provide efficient management of the hospital facilities."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 876, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 382      Health on H. B. No. 482

Your Committee finds that chief risks to health stems from a culturally modified environment and from various forms of behavior that expose individuals to potential health dangers. Increasing alcohol and drug problems, among others, involve complex interactions between individuals, their lifestyles and their environment.

Currently, Health and Medical Care Services are delivered by private professional individuals and organizations, state facilities and a variety of non-governmental health organizations, who are voluntary, non-profit services and agencies dealing with specific diseases and problems, which focus services on prevention, treatment, rehabilitation and education.

Programs currently funded through legislative appropriations represent private, non-profit service providers in our community whose major programmatic efforts are directed to treatment and rehabilitation.

Your Committee further finds that during fiscal year 1975 and 1976, provisions for services to substance abusers have been provided for in part through appropriations granted by the Legislature. Such appropriations were allocated on the basis of providing matching funding for federal funds available through the Oahu Coordinated Drug Treatment Services System Program for drug abuse, the Kalihi-Palama Staffing Grant Program for alcoholism, purchase of services agreements under Title XX, and for direct services.

Services provided by drug abuse and alcoholism programs as provided for by appropriations, have submitted its legislative requests by the Oahu Drug Abuse Coalition and Oahu Alcoholism Coalition.

Your Committee recognizes the increased incidence of substance abuse problems and the need to provide treatment and rehabilitative services.

For this purpose, your Committee has amended H.B. No. 482 in order to provide \$1,437,048 for 1978 and \$1,533,652 for 1979 to the Oahu Drug Abuse Coalition and Oahu Alcoholism Coalition to provide treatment and rehabilitative services.

Allocations have been reflected in the following manner:

<u>Alcohol</u>	<u>FY '78 TOTAL</u>	<u>FY '79 TOTAL</u>	<u>'78-'79 BIENNIUM TOTAL</u>
Hawaii Alcoholism Foundation, SIHWH	44,464	45,001	89,465
Hawaii Committee on Alcoholism	96,239	45,001	201,555

Hina Mauka/HSB	30,349	31,867	62,216
Lanakila Rehab	34,652	39,743	74,395
St. Francis Hospital Halfway House	70,194	89,114	159,308
Salvation Army ATF	189,504	195,094	384,598
Salvation Army 806 Social Services	13,853	14,544	28,397
Kauai Outreach	12,301	12,891	25,192
Big Island Council on Addiction	48,314	50,730	99,044

Drug

Addiction Treatment Facility (S.A.)	69,254	72,740	141,994
Alternatives for Youth (KP YMCA)	91,913	104,158	196,071
Awareness House	37,801	39,976	77,777
DASH	122,401	135,520	257,921
Habilitat	231,869	233,362	465,231
Hale O'Ulu	49,000	49,000	98,000
Kauai Outreach	4,200	5,250	9,450
Maui No Ka Oi	21,900	23,000	44,900
Palama Settlement	35,032	37,822	72,854
Teen Challenge	62,357	62,357	124,714
Waianae Rap Center	75,970	92,933	168,903
YMCA Detached Counselors	92,481	93,234	185,715

Your Committee on Health is in accord with the intent and purpose of H.B. No. 482, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 482, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 383      Health and Youth and Elderly Affairs on H.B. No. 505

The purpose of this Act is to establish an eleven member Nursing and Care Home Advisory Council within the Department of Health.

This Act proposes important considerations that are essential to the Department of Health in execution of its duties relative to licensing, control, development, and enforcement of rules and regulations pertinent to nursing homes and care homes.

Your Committees are in agreement with the desirability and need for the establishment of a nursing and care home advisory council as demonstrated by the testimonies and as a result of the recommendations by the 1976 Ad Hoc Advisory Council.

Your Committees recommend an amendment that requires two of the council members



to be non-providers since the Department of Health believes that consumer input is desirable.

Your Joint Committee on Health and Committee on Youth and Elderly Affairs are in accord with the intent and purpose of H.B. 505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 505, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 384      Judiciary on H. B. No. 1688

The purpose of this bill is to provide for the establishment and operation of the State Law Enforcement Planning Agency by State law as required by the Federal Crime Control Act of 1976.

The Omnibus Crime Control and Safe Streets Act of 1968, Public Law 90-351, as amended by Section 105 of the Crime Control Act of 1976, Public Law 94-503, requires, as a condition to participating in the federal Law Enforcement Assistance Administration (LEAA) program, that the Legislature of the State of Hawaii pass a law by December 31, 1978, to create or designate a state law enforcement planning agency with responsibilities to, among other things, develop and implement a comprehensive law enforcement plan for the State of Hawaii to reduce crime and juvenile delinquency and administer the LEAA program in Hawaii.

This bill will comply with the requirements of the Crime Control Act of 1976 and will insure the continued federal funding of the LEAA program in Hawaii.

Your Committee amended this bill to insure that the civil service employees presently employed by the State Law Enforcement and Planning Agency shall not lose any of their benefits or status of civil servants in the transfer. Your Committee further amended this bill to insure that those employees, who do not have a civil service status, will not lose their present benefits. These amendments do not indicate any intention of your Committee to give civil service status to any non-civil service employees. The amendments merely maintain and insure that the present benefits of the employees are not lost in the transfer.

Your Committee has also amended this bill by providing that the comprehensive law enforcement plan be submitted to the Legislature, or a designated body of the Legislature, for an advisory review in conformance to the Crime Control Act of 1976.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1688, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 385      Judiciary on H. B. No. 456 (Majority)

The purpose of this bill is to allow members of police departments to engage in political activity, except when on duty or when acting in their official capacities. The bill also provides for granting a leave of absence without pay to any member of a police department who becomes a candidate for elective office.

Your Committee concurs with the findings of the Committee on Public Employment and Government Operations in Standing Committee Report No. 174-77.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 456, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Medeiros.  
(Representative Nakamura did not concur).

## SCRep. 386      Judiciary on H. B. No. 700 (Majority)

The purpose of this bill is to provide for conducting a plebiscite at the general election of 1978 on the questions of constructing and financing a fixed guideway system for the island of Oahu.

Your Committee concurs with the findings of the Committee on Energy and Transportation in Standing Committee Report No. 95-77.

However, your Committee would like to make it clear that approval of this bill is not meant to serve as a precedent for future use of such extraordinary measures, and in no way should this be interpreted as being in the nature of a referendum.

Your Committee believes that the sheer magnitude of the financial burden which would be involved with such a system requires that the public's sentiment, particularly with regard to how the project should be financed, should be ascertained.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 700, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Medeiros.  
(Representatives Nakamura and Uechi did not concur).

## SCRep. 387      Tourism on H. B. No. 469

The purpose of this bill is to provide that in any case where a crime has been committed upon a tourist, trial shall be advanced to a date set by the court to permit the tourist to testify without extraordinary hardship on himself.

Your Committee understands the importance of a swift trial. Experience has shown that perpetrators of crimes against tourists are seldom apprehended and prosecuted as the victims are unable or unwilling to return to our State to offer testimony in court. In as much as the average visitor remains in Hawaii for only 10 days, it may be difficult even under the best of circumstances to allow a case to come to trial in this time. Today's perpetrators are knowledgeable and well aware of the foregoing dilemma faced by both police and prosecution. Therefore, they feel safe in continuing their criminal activities against tourists.

Your Committee agrees with the purpose of this bill but feels that, since it concerns the judicial process, it would best be handled by your committee in this subject area.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 469 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

## SCRep. 388      Youth and Elderly Affairs on H. B. NO. 484

The purpose of this Act is to make an appropriation to ensure the availability of alternative shelter facility and programs in the County of Hawaii.

The shelter facility in the County of Hawaii serves youth offenders and those having behavior problems as they attempt to reenter and become responsible members of the community. It also assists the resident or agency concerned with their welfare to work out tenable and appropriate alternatives for their future disposition. The major objective is to provide a high quality shelter care facility for the youth of Hawaii County needing placement.

Your Committee finds that the concepts of this Act are in keeping with the proposals contained in the Juvenile Correctional Master Plan. Programs of this nature, whether they are programs with a private agency or State supported, are considered to be essential in carrying out the programs within the juvenile justice systems.

A sum of \$60,000 is appropriated out of the general revenues of the State of Hawaii;

however, in the event that federal or nonfederal funds are made available, the State funds shall be reduced proportionally upon receipt of those funds.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 484 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 389      Youth and Elderly Affairs on H. B. No. 771

The purpose of this bill is to amend Section 571-21, Hawaii Revised Statutes, to allow a citation to be issued against a minor when provided for by law or ordinance.

Presently, the Family Court Act allows the issuance of citations to juveniles only for violations involving the operation of the motor vehicle. This amendment will broaden the provisions of the Family Court Act by including other laws or ordinances involving a citation or summons.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 771 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 390      Youth and Elderly Affairs on H. B. No. 821

The purpose of this bill is to provide \$203,345 for the continuing operation of the Alternatives for Youth Project associated with the Kalihi Branch of the YMCA.

The Alternatives for Youth Program has served as a model for other outreach programs such as the Waianae Rap Center and is essentially a "street based" outreach program serving Hawaii's youth between the ages of 11 and 18. It offers individual, group and family counseling, recreation, vocational referrals, educational services and a work apprenticeship program.

Your Committee finds that the Alternatives for Youth Program provides an important service in the community in reaching intermediate age youth, especially those having difficulty in school or trouble with the law, and favors its continuation.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 821 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 391      Energy and Transportation on H. B. No. 408

The purpose of this bill is to repeal funds appropriated for the establishment of a Statewide Transportation Planning Program and a Statewide Transportation Council.

During the hearing of H.B. No. 408, Admiral E. Alvey Wright, Director of the Department of Transportation, stated that the DOT had no objections to the elimination of these funds as of January, 1978. Further, your committee has found that the Statewide Transportation Planning Program and the Statewide Transportation Council to be an unnecessary expense to the State.

Your committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 408 and recommends that it pass Second Reading and be referred to the Committee on State General Planning.

Signed by all members of the Committee except Representatives Evans and Medeiros.

## SCRep. 392      Energy and Transportation on H. B. No. 514

The purpose of this bill is to exempt persons operating pickup trucks for noncommercial purposes from truck fees.

When an operator submits proof of the noncommercial use of his/her pickup truck, your committee finds the payment of truck fees unnecessary. Your committee has also noted that there were no objections from the different counties to this bill.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.B. No. 514 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives  
Evans and Medeiros.

## SCRep. 393      Higher Education on H. B. No. 1075

The purpose of this bill is to provide tuition waivers for national guardsmen attending any campus of the University of Hawaii as an incentive to join the Hawaii National Guard.

Testimonies before your Committee indicated that the Hawaii National Guard faces the danger of losing much needed unit and personnel space authorizations if it is not able to recruit additional personnel to maintain its authorized strength. Economically, a reduction in units or personnel spaces could have an impact on the income to the State through the loss of federal pay which members receive for participation and National Guard training and, even worse, the loss of full-time technician jobs which are federally funded. Presently, there are 21 states in the union which provide some kind of educational assistance program for its National Guard and your Committee feels that the incentive of a tuition waiver would greatly aid the recruitment efforts of the National Guard.

Your Committee has amended this bill by limiting tuition waivers to guardsmen who: 1) are enlisted personnel; 2) are not receiving G.I. bill benefits; and 3) who intend to be full-time undergraduate students of any campus of the University. Tuition for night school and summer sessions are not covered by this bill.

In addition, your Committee has amended this bill to require a certification by the Hawaii National Guard in order to qualify a guardsman for a tuition waiver. It is the understanding of your Committee that the Hawaii National Guard will oversee the progress of their guardsmen who attend the University on a tuition waiver to prevent any abuse of this privilege.

Your Committee has further amended this bill by including a provision which stipulates that the tuition waivers provided by this bill shall be in addition to any other tuition waivers authorized by law. In addition, a provision has been included to indicate that if the U.S. Congress enacts a similar law, such law shall preempt this measure.

The appropriation section has been deleted from this bill since no appropriation is required to carry out the purpose of this bill.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1075, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 1075, H.D. 1.

Signed by all members of the Committee.

## SCRep. 394      Health on H. B. No. 1171

The original purpose of this Bill was to clarify Section 27-23, Hawaii Revised Statutes, and to provide purposes for expenditure of Special Funds.

Your Committee finds that the County/State Hospital facilities plays an integral part in providing medical health care services to the State.

In order to maintain and improve health care services, your Committee feels that there is a need to upgrade and provide staff support at facilities which are faced with

particular needs and requirements.

This improvement in County/State Hospital facilities will not only improve health care services but will enable facilities to meet federal medicare and medicaid standards as well as state standards.

Your Committee further finds that there are present plans to review and adjust County/State Hospital rates.

If and when rate adjustments are implemented, additional revenues are expected.

Therefore, your Committee has amended H.B. No. 1171 in order to add a new section to chapter 27. This new section provides for the establishment of a County/State Hospital Special Fund.

This special fund will consist of an amount from revenues collected or acquired, not to exceed 3 percent of the facility's total actual operating requirements, in excess of the allocated Special Funds provided in the Executive Budget. This fund shall not exceed \$1,000,000.

By creating this County/State Special Fund, this would allow the Department of Health to utilize this Special Fund for lawful expenditures such as the acquisition and replacement of equipment and/or the renovation or modernization of hospital facilities necessitated by technological advances, obsolescence, or the need to comply with various certification requirements.

Furthermore, the amendment requires a detailed annual accounting report of deposits and expenditures to be submitted to the Legislature through the Governor no later than December 31 of each calendar year.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1171, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 395      Ocean and Marine Resources on H. B. No. 1285

The purpose of this bill is to provide support for the Law of the Sea Institute.

Your Committee finds that the Law of the Sea Institute is a vital international forum for the discussion of ocean law, especially as it applies to the distribution of the world's marine resources. There is a need to focus on the Pacific basin area, and the establishment of the Law of the Sea Institute at the University of Hawaii provides this focus.

Your Committee notes that support of this Institute by the State Legislature further legitimizes our official recognition that Hawaii is intimately involved with Law of the Sea issues.

Your Committee finds there is a need for financial support to secure the success of the Law of the Sea Institute in Hawaii.

There is appropriated out of the general revenues of the State of Hawaii the sum of \$46,000, or so much thereof as may be necessary, to be expended by the University of Hawaii Office of Marine Programs for the Law of the Sea Institute.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1285, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 396      Judiciary on H. B. No. 1061

The purpose of this bill is to provide that in actions to quiet title, the State may be joined as a defendant only when it is an adjoining property owner and the same is alleged by the plaintiff or if the party asserting the claim can show by way of a title search that the State has a clear and specific interest in the subject matter of the suit, adverse to the plaintiff's claim.

Your Committee finds that in such cases, the State is usually joined as a defendant for the reason that the State may claim an interest in the property and that very often the State is joined whether it has an interest or not.

Your Committee further finds that the State is often required to expend funds and time merely to determine that the State has no interest. Your Committee believes that the bill would clarify the State's position in quiet title actions and to eliminate unnecessary expenditures where the State has no interest.

The bill would waive the State's sovereign immunity in the two instances provided for.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1061, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 397      Agriculture on H. B. No. 1037

The purpose of this bill is to provide for price support payments for a period of two years to Hawaii's independent sugar cane growers who receive a net return of less than \$80 per ton of raw sugar.

Your Committee finds there are approximately 500 independent sugar cane growers in Hawaii who, because of depressed sugar prices, lost an estimated \$2.3 million in 1976. Because the independent farmers are small, it is this segment of the industry that is in the most imminent danger of collapse, especially those farmers in Puna and along the Hilo Coast who do not have large financial reserves.

Independent growers who are members of the Hilo Coast Processing Cooperative, representing approximately 75 per cent of the total acreage of independent growers, received in 1976 about \$30 a ton while expenses were estimated between \$80 and \$100 per ton. The return for HCPC members in 1977 is estimated at less than \$25 per ton.

Your Committee finds price support payments will not insure independent growers a profit, but would help protect independent growers from disastrous losses which would result in land being taken out of production.

The Department of Agriculture and sugar cane growers suggested in testimony before your Committee that a limitation be made on production per individual grower per calendar year.

The Department of Agriculture and sugar cane growers suggested in testimony before your Committee that a limitation on payments be placed on individual growers on production in excess of 3,000 tons of raw sugar per year, and that a two year time limit be placed on price support payments to allow for re-evaluation of the support program by the Legislature.

The agriculture department estimated price supports for 1977, will cost an estimated \$2.5 million.

Your Committee recommends the following amendments, which should read as follows:

- (a)      **SECTION 2. Payments to sugar cane growers.** The department of agriculture is authorized and directed to make payments to sugar cane growers of the State on their production of sugar cane of such amounts which, when added to the proceeds received therefore after deduction of all harvesting, transportation,

processing and marketing costs, will provide a net return to such grower of \$80 per ton. Such payments shall be in addition to and not substitution for any other payments authorized by federal law. The term, "grower" as used herein shall not include any producer of sugar who processes his own sugar cane, but shall include any producer who is a member of a processing cooperative.

Notwithstanding any provisions of this section, no such payments shall be made on production per individual grower per calendar year which is in excess of 3,000 tons of raw sugar.

- (b) SECTION 3. Appropriation. There is hereby appropriated out of the general revenues of the State of Hawaii, the sum of \$2,500,000, or so much thereof as may be necessary, to be expended by the department of agriculture for the purpose of this Act.
- (c) SECTION 4. Retroactive Effect. This Act shall be effective with respect to the payment to be made for any sugar cane processed after January 1, 1977, and before December 31, 1978.

Your Committee is in accord with the intent and purpose of H.B. No. 1047, as herein amended, and recommends it pass Second Reading in the form attached hereto as H.B. No. 1047, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 398      Agriculture on H. B. No. 1174

The purpose of this bill is to amend Section 155-9, Hawaii Revised Statutes, to increase the ceilings on Class A farm ownership and improvement loans and Class C farm operating loans from \$100,000 to \$125,000 and from \$75,000 to \$100,000 respectively.

Your Committee finds that loan ceilings under the farm loan program have not been adjusted since 1969. Since then, there has been a dramatic increase in costs for operating and capital expenditures with continuing emphasis on specialized equipment and facilities. As a result, loan requirements of farmers have increased substantially.

While the Hawaii Farm Credit System, which includes the Federal Land Bank of Sacramento, the Federal Intermediate Credit Bank of Berkely (through the Hawaii Production Credit Association) and the Berkely Bank of Cooperatives, has made significant contributions in providing agricultural credit, there still exists a great demand for the type of credit and services provided by the Department of Agriculture.

While current loan requirements of the larger cooperative exceed the present ceilings of \$250,000 for facility costs and \$150,000 for operating expenses, the department has been able to provide the necessary financing since private lenders have provided the major portion of funds. It is expected that this will continue for the foreseeable future.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1174 and recommends it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 399      Agriculture on H. B. No. 1086

The purpose of this bill is to provide for a feasibility study which shall contain findings and recommendations concerning site selection, facility design, resource requirements and other considerations relating to the establishment and operation of a centralized egg processing facility.

Your Committee finds that Hawaii's egg industry produces 90% of the shell egg needs of the State. At this rate of self-sufficiency there are periods of surplus production which place an additional burden on producers to store large inventories under refrigeration. Some producers rent refrigeration space because their facilities are inadequate to handle a large volume of surplus eggs.



Your Committee further finds that an optimum industry-wide inventory at any given time is 3,500 cases (30 dozen/ case). During the past few years, egg inventories on Oahu have built up to 9,000 cases during April to October.

Your Committee also finds that under local conditions, shell eggs begin to deteriorate rapidly in quality after three months of storage under refrigeration. Primarily because of high feed costs, locally produced eggs cannot compete in the export market. Under this situation, Hawaii's egg producers would lose their marketing advantage and flexibility.

The term "processing" in this bill includes the cleaning, breaking, pasteurizing, separating and packaging of shell egg including Grade B eggs and certain restricted shell eggs currently prohibited from sale through normal marketing channels. Such Grade B egg products may be frozen, kept liquid under refrigeration or dried. These "B" eggs are generally referred to as "breakers" in the trade and produce egg products used primarily by bakeries.

Your Committee finds that approximately 60,000 cases of "breakers" are produced on Oahu each year and these are sold directly to consumers at the various egg farms. These eggs could yield about two million pounds of egg products (yolks, whites, etc.) roughly equivalent to the amount imported each year.

Your Committee finds that all egg processing plants come under the Federal Egg Products Inspection Act of 1970. Under this Federal Act the centralized egg processing plant referred to in this bill would require continuous inspection during operation by a federal or state inspector.

Your Committee believes the feasibility study requested in this bill is a necessary prerequisite to the detailed planning and construction of an egg processing plant on Oahu. The study should include: (1) a thorough discussion with all major egg producers; (2) site selection on Oahu with respect to availability and cost of land; (3) general design and estimated cost of an egg processing facility; and (4) estimated operational cost based on the available number of "breakers."

Your Committee has amended Section 2 by increasing the appropriation for the feasibility study to \$30,000.

Your Committee on Agriculture 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, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 400      Agriculture on H. B. No. 916

The purpose of this bill is to appropriate \$250,000 to increase the existing capacity of the vacuum cooling plant in Kamuela, Hawaii, through the purchase of new equipment and construction of additional facilities.

Your Committee finds the existing plant was constructed 11 years ago with State funds and is being operated by the Kamuela Vacuum Cooling Cooperative, which was organized in 1966. At that time the military agreed to purchase local produce if it was vacuum cooled. In its initial year of operation, 1.2 million tons of produce was processed at the plant.

Your Committee finds that by 1970, the advantages of vacuum cooling for certain vegetable crops were recognized by other purchasers in the Hawaiian market and since then the tonnage at the Kamuela plant has increased five-fold, to over 8 million tons last year, exceeding current capacity.

Your Committee finds the requested appropriation would be used to increase the cooling capacity of the plant by four-tons an hour; present capacity is two-tons an hour; retaining the present plant as a backup system and to process smaller loads of produce.

Your Committee finds additional cooling capacity would enable farmers in the Kamuela area to increase their production and, hopefully, gain a larger share of the local market.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No.

916 and recommends it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 401      Agriculture on H. B. No. 105

The purpose of this bill is to appropriate funds to provide needed governmental support to revitalize and strengthen the working effectiveness of the State's agricultural cooperatives and associations, including technical assistance, education programs, and various types of financial aid.

Your Committee conducted three workshops on agriculture commodities and finds agricultural cooperatives in the United States have made a stunning growth in the 1970's. Agricultural cooperatives have emerged as the most important force in the U.S. agribusiness--a \$165 billion business that encompasses the crops that farmers sell as well as the machinery and supplies they buy. Currently, there are some 7,500 farmers cooperatives in the United States.

In Hawaii there are 41 cooperatives organized under Chapter 421, Hawaii Revised Statutes, operating with varying degrees of success. There are approximately 3,500 diversified crop farmers in Hawaii. The majority of these farms are from two to five acres in size and, by mainland standards, little more than large backyard gardens. Your Committee finds this is also true of many of the state's nurseries and flower growers.

Your Committee finds that State assistance in the areas of market research, product promotion and financial assistance, particularly in terms of product research, support facilities, and developmental loans, will be of minimal help unless farmers are encouraged to approach production and marketing on a cooperative basis. Farmers in Hawaii have historically been "price takers" for the machinery and supplies they buy and the products they produce. Your Committee finds that only through group actions to improve their collective position at the market place can Hawaii's farmers become "price makers".

Your Committee also finds many state-supported marketing and promotional efforts are rendered ineffective because farmers fail to produce and market on a cooperative basis. Such competition only leads to price-cutting practices which tend to undermine the economic strength of various commodities.

Your Committee finds that the lack of strong marketing cooperatives or associations, either by specific commodities or on a multi-commodity basis, prevents farmers from taking full advantage of either local or potential export markets because wholesalers, importers and retailers are not assured of a reliable source of local produce.

Your Committee finds that a comprehensive study is needed to identify specific problem areas of cooperatives already in existence; to formulate recommendations for strengthening the producing, processing and marketing capabilities of these cooperatives or associations; to find means for encouraging greater membership participation; and to encourage the organization of new cooperatives.

Such a study should encompass, but not be limited to, the following areas of concern:

A.      MARKETING

It should be determined if the economic position of the Hawaii producers relative to imported agricultural commodities could be substantially enhanced by the organization of a statewide marketing commodity cooperative. In addition, it should be determined:

1.      How the State can encourage greater participation in existing cooperatives.
2.      How the State can encourage the organization of new cooperatives.
3.      What type of direct marketing assistance can the State provide in terms of potential harvest projections, market development and expansion, and in reducing the farm-retail price differential.
4.      Which provisions of Chapter 421, Hawaii Revised Statutes, should be amended to further assist in the formation of agricultural production and marketing cooperatives.

B. TAX INCENTIVES

It should be determined:

1. If there is economic value to the State in providing real property or other types of tax exemptions to agricultural cooperatives or associations as an incentive to the formulation of new cooperatives or to strengthen existing cooperatives.
2. If such tax incentives should be applied only to cooperatives and their members, or if they should encompass other firms which service commodity farmers, such as transporters and suppliers.

C. EDUCATIONAL PROGRAMS

It should be determined if the State should play a more active role in providing educational programs necessary to improve membership participation in agricultural cooperatives, and to upgrade the managerial competency and expertise of cooperative directors, officers and staff personnel.

D. PROMOTIONAL PROGRAMS

It should be determined how the State can best assist in the promotion and advertising of commodities, both for the local and overseas markets. Guidelines should be established to determine whether the State should fully fund such promotional efforts or whether they should be undertaken on a cost-sharing basis between the State and cooperatives.

E. GOVERNMENT SUPPORT

It should be determined if an Office of Agricultural Cooperatives should be established within the College of Tropical Agriculture, or other state agency, to directly assist in all aspects of organizing and the operation of cooperatives and associations, and to monitor and evaluate their performance and needs on an ongoing basis.

F. FARMERS MARKET

It should be determined:

1. If a centralized Farmers Market on Oahu, with satellites on the neighbor islands, should be established near existing transportation terminals as a focal distribution point for local wholesalers and supermarkets.
2. If the Honolulu market could be the assembly and shipping point for overseas markets.

G. GOVERNMENTAL SUPPORT, PRIORITIES

Priorities should be established in terms of direct government support to the diversified commodity cooperatives, including levels of assured funding, research, loan assistance and construction and maintenance of support facilities.

A policy determination should be made as to whether the State should provide complete financing of agricultural cooperative capital improvement facilities, or whether the various commodity cooperatives should amortize the cost of these facilities as part of normal operating costs.

Your Committee finds such a study would be a major step towards strengthening diversified agriculture in the State, and in assisting in the development of a master plan for the future of agriculture as a viable part of Hawaii's future economy.

Your Committee finds that the State needs to conduct such a study before a comprehensive plan to support Hawaii's growing agriculture commodity industry can be undertaken.

Your Committee has amended Section 2 to read as follows:

There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary, to review the State's agricultural cooperatives and associations and develop recommendations to promote their development.

Your Committee has also amended Section 3 to read as follows:

The sum appropriated shall be expended by the Governor's Agriculture Coordinating Committee for the purposes of this bill, including the contracting of services by public and private agencies.

Your Committee is in accord with the intent and purpose of H.B. No. 105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 105, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 402      Agriculture on H. B. No. 1246 (Majority)

The purpose of this bill is to appropriate \$5,000 for a study to determine the need, type of facility, and location of a hog slaughterhouse on Oahu.

Your Committee finds the present hog slaughterhouse on Oahu is privately owned and in an urban area; the present owner is considering construction of a new building which would not include a slaughterhouse.

Your Committee finds the present slaughter facility can only accomodate animals under 450 pounds, which serves as a limiting factor to hog production. Sixty per cent of the pork marketed in the State is produced on Oahu, and the loss of the present facility could prove disastrous.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1246 and recommends it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.  
(Representative Carroll did not concur).

SCRep. 403      Agriculture on H. B. No. 423

The purpose of this bill is to appropriate \$91,600 to complete a research project being conducted by the College of Tropical Agriculture, University of Hawaii, to induce uniform ripening of the coffee cherry.

Your Committee finds the continued economic viability of the Kona Coffee industry depends in large part on being able to improve the highly labor-intensive harvesting techniques. In its natural state, coffee ripens over a three to four month period, thus the harvesting must be done by hand over this extended period for two crops per year. Consequently, harvest labor accounts for more than 50 per cent of the crops total cost.

Your Committee finds that in 1975, the college began a six-year experimental program to induce uniform ripening of the coffee cherry. Initial experiments involved the application of a chemical which occurs naturally in the coffee tree; simultaneous ripening did occur allowing pickers to "strip" the tree, increasing the per picker harvest volume by four times.

However, on completion of roasting, the quality of the chemically-induced ripened coffee was judged to be of a lower quality than non-treated coffee cherries. Research is now directed toward cultural practices: pruning, growth regulator application, fertilizer application and irrigation to induce uniform flowering of the plant. Uniform flowering could possibly make chemically induced ripening practical and could also possibly allow for partial mechanization of coffee harvesting by utilization of a "tree shaker" developed several years ago by the college.

Your Committee finds the total dollar value of the Kona Coffee industry has doubled in the last two years, due to world market conditions, and industry experts predict prices should remain high for several years, tending to stabilize production at present levels, and might increase production.

Your Committee finds that if the college could develop practical methods of inducing uniform ripening of coffee cherries, the economic viability of the coffee industry would be substantially increased and would allow coffee farmers, freed from long harvesting

periods, time to diversify into other crops.

Your Committee finds initial Legislative funding of the Kona coffee research project in 1974 was appropriated to the Department of Agriculture, and at the recommendation of the college, recommends Section 4 be amended to read as follows:

- (a) SECTION 4. The sum appropriated shall be expended by the Department of Agriculture, provided the Department may contract with the College of Tropical Agriculture, for the purpose of this Act.

Your Committee is in accord with the intent and purpose of H.B. No. 423, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 423, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 404      Culture and the Arts and Higher Education on H. B. No. 1161

The purpose of this bill is to establish the Pacific and Asian Affairs Council as a program within the Department of Budget and Finance.

The Pacific and Asian Affairs Council (PAAC) first began in 1925 as the Institute for Pacific Relations. A world affairs program devoted to promoting international understanding and mutual respect, it involves high school students on weekends and after school in statewide conferences and workshops which address problems of international scope.

Before 1967, PAAC was funded entirely through private gifts from individuals, corporations, trusts and foundations. However, private support could not keep up with the phenomenal growth of the program and in 1967, PAAC turned to the legislature for assistance.

Since 1967, PAAC has received legislative support of funds allocated first through the Department of Education; later through the community college systems; and most recently, through the University of Hawaii's College of Continuing Education and Community Service. However, there have been several instances where these funds have been denied by the administrative unit through which the monies were channeled.

Your Committees have amended this bill to provide guidelines of responsibility for each of the positions under Section 4 of the bill. The amendment shall read as follows:

SECTION 4. Personnel (a) Executive Director.

The principle function shall be to initiate, direct and coordinate the activities sponsored by the Pacific and Asian Affairs Council and to maintain, on behalf of the Council, the community relations necessary for the effective operations of the program. Duties of the Executive Director shall include the fiscal and budgetary management of the Pacific and Asian Affairs Council.

(b) Program Coordinator. The principle function shall be to coordinate and function shall be to coordinate and implement programs under the Pacific and Asian Affairs Council including the preparation and development of program materials; the development of program resources; and assisting with the administration of the Pacific and Asian Affairs Council activities.'

(c) Administrative Secretary. The principle function shall be to provide office assistance and clerical services to the Pacific and Asian Affairs Council including but not limited to the maintenance of financial statements and accounting procedures; the maintenance of all records and files of the Pacific and Asian Affairs Council activities.

Additional amendments made by your Committees are to correct typographical errors contained within the bill. Your Committees have provided \$85,000 for the 1977-79 biennium for the operation of the Council.

Your joint Committees on Culture and the Arts and Higher Education are in accord with the intent and purpose of H.B. No. 1161, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1161, H.D. 1, and be

referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 405 Health and Youth and Elderly Affairs on H. B. No. 1015

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new chapter to protect the rights and interests of persons living in facilities for the elderly.

Requirements for licensing must be met by agencies wishing to operate a facility for elderly. The facility must be adequate in terms of sanitation, safety, economics, personnel, physical components, and such other standards as required by rule. The facility shall also maintain a reserve in sufficient amounts to cover all obligations under the leases to lessees and maintain a surety bond for itself executed for the benefit of the lessees.

There shall be a facility audit and inspections and citations to the facility to insure that the standards of adequacy and other standards required for licensing are maintained. Upon the finding of a violation of the standards of adequacy or any other licensing requirement required to be maintained, the department shall issue a written citation to the head of the facility.

Your Committees have amended this bill to read as follows:

- 1) Page 2, sec. 4, line 21:  
"Be granted only if a fee which is established by the department. . ."
- 2) Page 4, sec. 4 - Licensing requirement - sub-paragraph (5), Line 19:  
"Three members of the board of directors or comparable body operating the facility shall be residents of the facility and at least two members or twenty-five per cent, whichever is more, shall be residents of that facility. At least one resident member shall be a member of any committee or sub-committee of the board."
- 3) Add a new sub-paragraph (6), as follows:  
"(6) The resident members shall be appointed by the facility from a list of nominees nominated by the lessees duly organized association. Such list to include at least two nominees for each seat on the board."
- 4) Section 6 - Inspection and citations - add sub-section (i) to read:  
"(i) Any penalty assessed against the facility by the department shall be payable only from the capital funds and shall not be chargeable to the operating funds of the facility."

Your Committees on Health and Youth and Elderly Affairs are in accord with the intent and purpose of H.B. No. 1015, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1015, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 406 Higher Education on H.B. Nos. 724, 1028, 1507, 1508, 1509, 1510, 1511, 1511 and 1528 (Majority)

The purpose of these bills are to appropriate monies for capital improvement projects as described in their titles.

Your Committee on Higher Education is in accord with the intent and purpose expressed in the aforementioned bills and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representative Abercrombie did not concur)

SCRep. 407      Health on H. B. No. 673

The purpose of this Bill is to provide authority for police officers to take persons threatening or attempting suicide into custody and deliver them to a psychiatric facility for emergency examination and hospitalization, to allow physicians to arrange transportation for patients to a licensed psychiatric facility for further evaluation and possible emergency hospitalization, to protect the privacy of citizens, and to simplify and clarify procedures.

Under the present law, a police officer is not allowed to transport a suicidal person to a psychiatric facility unless that person is committing an offense. The proposed amendment would allow a police officer to take into custody and transport to any facility any person threatening or attempting suicide upon making an application for examination, observation and diagnosis of the person in custody.

Under the present law, a physician who has examined a person and finds him to meet the criteria for emergency hospitalization, but has no admitting privileges at a psychiatric facility or has no available bed at the facility where he has admitting privileges has no way of getting the patient to a psychiatric facility if the patient is unable to consent or refuses to be hospitalized except by way of an ex parte order of a judge. The proposed amendment allows any licensed physician who has, upon examination, reason to believe that a person is mentally ill or suffering from substance abuse, and is imminently dangerous to self, to others, or to property, and is in need of care, may direct transportation, by ambulance, by police, or other suitable means, to a licensed psychiatric facility for further evaluation and possible emergency hospitalization and may administer such treatment as is necessary for the person's safe transportation.

Under present law, a person who is admitted to a psychiatric facility on an emergency basis has no right to request that his guardian or family not be notified of his emergency admission. The proposed amendment would allow such a person to request that there be no notification to guardian or family when such person is an adult. Such an amendment would protect the privacy of such persons admitted to a psychiatric facility on an emergency basis.

The present law allows a psychiatric facility to detain a subject for a period of time ordered by the court which may not exceed ninety days from the date of admission. At the end of that period, a subject must be discharged automatically, unless before expiration of the period, the psychiatric facility obtains a court order for his recommitment. Such recommitment may not exceed ninety days and may not be ordered unless the court determines that the criteria for involuntary hospitalization continues to exist. The proposed amendment relating to recommitment allows the court to order recommitment, for a period not to exceed 180 days, if at the end of the initial recommitment period the court finds that the criteria for involuntary hospitalization continue to exist and are likely to continue beyond ninety days.

This Bill further amends the present law to eliminate the requirement that petitions for involuntary hospitalization be notarized. Such petitions must be executed subject to the penalties of perjury and this is recognized as sufficient to insure that the petitioner truthfully believes the allegations of the petitions.

Other amendments to the present law relate to the use of an administrator's certificate in lieu of a physician's certificate in support of a petition for involuntary hospitalization, the use of service of notice of the petition for involuntary hospitalization by certified mail to those entitled to receive notice, instead of personal service, and the waiver of notice of a petition for involuntary hospitalization by the subject, where he is an adult. These amendments are proposed to simplify procedures, for involuntary commitments, in areas where the rights of the subject will not be compromised as a result of such amendments.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 673, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 673, H.D. 1.

Signed by all members of the Committee.



SCRep. 408      Health on H. B. No. 1522

The purpose of this Bill is to appropriate out of the general revenues the sum of \$19,500,000 for the planning and construction of an acute surgical hospital in Hilo, Hawaii.

Your Committee finds that, Hilo Hospital, the only major Hospital Facility on the Big Island, which maintains a large target population, is in desperate need of such a facility to further provide improved quality health care and fulfill the needs of the community.

Due to the large amount necessary for the completion of the hospital, we have amended the Bill to require incremental funding by phases to complete the project. Prior appropriations balances are still available to go into design upon completion of the Complex Development Report. It is intended by this Committee that the present amended appropriated sum shall be the incremental funding necessary to enter and complete the next phase level of the project. Furthermore, any delay in funding may seriously affect the quality of medical care to patients.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1522, H. D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 409      Health on H. B. No. 1694

The purposes of this Bill are:

(1) To ensure the pragmatic health planning of the State by providing a permanent vehicle for citizen input into the health planning process so that the total health services plan of the State will be based on informed decision making. Under the concept of the new federal statute and the purpose of the legislature, local input into health planning would be generated through the designation of subareas in which subarea health planning councils are established.

Since the health care provider is one of the most important participants in the health care delivery system, the planning process must address the legitimate needs and concerns of the public and private providers if it is to achieve meaningful results. Therefore, the State should develop and use a variety of methods to ensure consumer and provider input. Thus, the State Health Plan would be an integration and coordination of local needs within State guidelines. Accompanying the health plan will be a State Medical Facilities Plan which will establish facilities development priorities, and an annual implementation plan, both based on the State Health Plan.

(2) To amend State law to conform with the requirements for federal funding in health planning and resources development under Public Law 93641.

Your Committee recommends amendments to H.B. No. 1694 to facilitate the implementation in carrying out the purposes of this Bill.

- (1) To add subarea councils in reviewing and revision of the State Health Plan.
- (2) Limit the number of public elect officials and representatives of government authorities.
- (3) Approve State Medical Facilities Plan.
- (4) Review State Plan.
- (5) Review and comment upon the following actions by the State agency: (a) The establishment, annual review and amendment of the annual implementation plan. (b) The development and publication of specific plans and programs for achieving the objectives established in the annual implementation plan. (c)

The making of grants and contracts from the area health services fund pursuant to section 1640 of Public Law 93-641. (d) The making of findings as to the need for new institutional health services proposed to be offered in the state and applications for certificate of need. (e) The making of findings as to the appropriateness of existing institutional health services being offered in the state, pursuant to section 1523 (a) (6) of Public Law 93-641. (f) The approval or disapproval of each proposed use of federal funds within the state, pursuant to section 1513 (c) of Public Law 93-641.

- (6) Require information of health care providers.
- (7) Advise the state agency in the administration of the certificate of need program for their respective subareas.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1694, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 1694, H.D. 1.

Signed by all members of the Committee except Representatives  
Narvaes, Sutton, Ushijima and D. Yamada.

SCRep. 410      Energy and Transportation and Consumer Protection and Commerce on  
H. B. No. 1685

The purpose of this bill is to transfer the responsibility for administering motor carrier safety functions and activities from the Public Utilities Commission to the Department of Transportation.

Your Committee found that the proposed transfer of motor carrier safety regulation resulted from the recommendation of the legislative auditor in Audit Report No. 75-6, entitled "Management Audit of the Public Utilities Program, Vol. III, December, 1975. The Legislative Auditor found that the current organization and administration of motor carrier safety regulation under the Public Utilities Commission was ineffective, inefficient and in "a state of shambles." (Vol. III, p. 91)

Your Committees heard testimony from various witnesses including the Department of Transportation, the Public Utilities Commission, Department of Regulatory Agencies, Hawaiian Electric Company and the Hawaii Trucking Association all stating general approval of the bill.

Your Committees also found that the purpose of the bill is also in concert with the findings of the Report to the Ninth State Legislature, State of Hawaii, of the Commission on Organization of Government, dated February, 1977.

Your Committees note that the Hawaii Trucking Association voiced opposition and concern to the new fee schedule contained in the bill.

Your Committees find that the new fee schedule is justified to permit the Public Utilities to continue to administer and support the economic regulation of motor carriers.

Your Committees adopted the recommendation of the Department of Transportation by amending Section 2 of the bill with the addition of section 271-5(16) which would exempt van pool drivers from the provisions of chapter 271 of the Hawaii Revised Statutes. Your Committees find that this exemption is necessary to permit the Department of Transportation to implement a van pool pilot project designed to help alleviate traffic congestion.

Your Committees on Energy and Transportation and Consumer Protection and Commerce and in accord with the intent and purpose of H.B. No. 1685, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1685, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives  
Evans, Fong, Peters and Uechi.

SCRep. 411      Energy and Transportation on H.B. Nos. 407, 417, 418, 638, 639, 640, 872, 893, 997, 1051, 1123, 1126, 1135, 1128, 1266, 1267, 1272, 1307, 1308, 1309, 1312, 1316, 1348, 1379, 1380, 1383, 1397, 1464, 1494, 1498, 1515 and 1534

The purpose of these bills are to appropriate funds for the construction of a sidewalk along Puunene Avenue, Maui.

Your Committee on Energy and Transportation is in accord with the intent and purpose expressed in the aforementioned bills and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 412      Youth and Elderly Affairs on H. B. No. 98

The purpose of this Act is to provide tax exemptions to persons age 60 and over on the purchases of prescription drugs.

Your Committee received testimony under two bills, H.B. 98 and H.B. 266. The majority of the target group this Act addresses itself to are retirees on low fixed incomes. In accordance with the Master Plan for the Elderly developed by Gordon Associates and adopted by the State, there is a significant drop in income at age 60 and over. Your Committee finds that a tax exemption on prescription drugs would enhance the elderly's already fragile incomes.

To identify a person age 60 and over, your Committee is in agreement that presentation of a driver's license, birth certificate, or a State or county identification card is sufficient and acceptable. Therefore, your Committee recommends an amendment which eliminates the use of a medicare card for identification purposes.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 98, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 98, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 413      Agriculture on H. B. No. 1373

The purpose of this bill is to provide for an appropriation to enable the development and implementation of a comprehensive master plan for diversified agriculture in Hawaii. It is intended that the master plan shall include, but not limited to:

- (1) The identification of the various commodities and industries currently comprising Hawaii's diversified agricultural industry as well as those commodities and industries not now commercially active in Hawaii but which can and should be developed;
- (2) The evaluation of each of the commodities/industries so identified and using appropriate economic criteria such as growth potential, current economic value, comparative advantages for Hawaii, to prioritize each commodity/industry and subcategories, therein;
- (3) The identification, documentation, and evaluation of the transportation systems currently utilized for the movement of the various commodities with a view toward recommending an integrated system built around an efficient and effective master system for shipping both intrastate and outbound commodities;
- (4) Recommendations as to the feasibility of establishing a statewide cooperative mechanism to enhance the strategic programming of production, handling, and marketing activities of the various diversified agricultural commodities;
- (5) With respect to paragraphs (3) and (4), identification and description of the resource requirements necessary to develop and implement the recommendations; and
- (6) Other pertinent findings and recommendations including recommendations of a statutory nature.

Testimony received at a public hearing was strongly and unanimously in favor of

the bill, and recommended that the \$100,000 appropriation be increased to \$230,000. Your Committee has amended the bill accordingly.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1373, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 414      Culture and the Arts on H. B. No. 1355

The purpose of this bill is to establish a twenty-six week Labor Television Program entitled "Rice and Roses" at the Hawaii Public Broadcasting Authority with a full-time staff.

"Rice and Roses", a labor education series, was first introduced on television in 1971 with a series of 13 programs.

Since then, Legislative support for program expansion from 13 to 26 programs a year have not been met because of funding uncertainties and red-tape delays among the administering agencies.

Your Committee received testimony from representatives of organized labor wholeheartedly in support of the bill. Each attested to the program's uniqueness and value.

Your Committee believes that the "Rice and Roses" series provides opportunity to not only express labor viewpoints, but also the positive activities carried out by labor organizations.

The importance of the perspectual alternatives offered by this series cannot be overlooked.

Your Committee has amended the bill to allow for input by representatives of organized labor.

Other amendments made reflect your Committee's intent to have "Rice and Roses" become an on-going series; funding and red-tape delays cannot be justified.

Your Committee adopted the recommendation of the Hawaii Public Broadcasting Authority by changing the amount appropriated from \$170,000 to \$150,000. Existing production equipment precludes the necessity for the additional \$20,000.

Your Committee is in accord with the intent and purpose of H.B. No. 1355 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1355, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abercrombie, Campbell, Kawakami, Mizuguchi, Carrol and Evans.

SCRep. 415      Legislative Management

Your Committee on Legislative begs leave to report that the following House Resolution Nos. 466 to 473 and Standing Committee Report Nos. 269 to 414, 416 to 434, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 416      Finance on H. B. No. 14

The purpose of this bill is to increase the five per cent surcharge paid from the airport revenue fund to the State general fund.

Your Committee made the following amendments to the bill:

1. On lines 5 through 7, deleted the phrase "for the purpose of defraying

the prorated estimate of central service expenses of government in relation to the airport revenue fund five" and adding the word "eight".

2. On lines 11 and 12, deleted the phrase ", from which receipts or deposits no deduction of five per cent has previously been made" to clarify the statute.

Your Committee on Finance is in accord with the intent and purpose of H.B.No. 14, as amended herein, and recommends that it pass Third Reading in the form attached as H.B. No. 14, H.D. 1.

Signed by all members of the Committee.

SCRep. 417      Finance on H. B. No. 11

The purpose of this bill is to appropriate moneys out of the general revenues of the State and to compensate persons pursuant to chapter 351, Hawaii Revised Statutes, the Criminal Injuries Compensation Law.

This bill will compensate 162 victims, 33 attorneys, 37 doctors, hospitals and a funeral home and the total amount required is \$223,847.13.

Your Committee approves the list of claims submitted by the criminal injuries compensation commission as reviewed by the Committee on Judiciary. (See Standing Committee Report No. 158).

Your Committee has amended section 2 and 3 of this bill to read:

"SECTION 2. The sums appropriated in section 1 of this Act shall be deposited into the criminal injuries compensation fund to be applied to making payments as authorized by the criminal injuries compensation commission.

SECTION 3. All unexpended and unencumbered balances of the appropriations made by this Act as of the close of business on June 30, 1978, shall lapse into the general fund of the State."

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 11, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 11, H.D. 2.

Signed by all members of the Committee.

SCRep. 418      Energy and Transportation on H. B. No. 160 (Majority)

Your Committee finds that the growth in general aviation activities at Honolulu International Airport (HIA) has resulted in a dangerous mix of light aircraft with much heavier jet aircraft in an airport environment where traffic levels are approaching the airports runway capacity. This is not a desirable situation from an airport safety standpoint. Thus, your Committee, mindful of the threat to safety resulting from the present situation at HIA, has amended H.B. No. 160 to designate Barbers Point NAS as the site for a general aviation airport.

Your Committee after reviewing the "Site Selection Report" prepared by Kentron (the DOT's consultant) and following three hearings at which much testimony was presented, concluded that Barbers Point NAS was the most logical of the sixteen (16) sites screened by Kentron, and subsequently narrowed to the five most appropriate (Barbers Point NAS, Waipio Peninsula, Kunia A, Kunia B and Ewa B).

More importantly, Barbers Point NAS was ranked first in air safety among the sixteen (16) sites, with Waipio ranked 6th, Kunia B, 9th, Ewa B, 10th, and Kunia A, 12th.

In addition to air safety, your committee was especially concerned about the land use planning considerations, and in particular the impact on agriculture. Again, of

the sixteen (16) possible sites Barbers Point NAS was ranked first. More importantly, Barbers Point NAS, of the top five (5) sites, was the only one that will not require the taking of prime agricultural land. In this regard, testimony by the Oahu Sugar Company, Ltd. revealed that a loss of sugarcane acreage would result in higher operating costs which would hurt the sugar industry.

The Kentron Study in summarizing the Barbers Point NAS site also noted that "with respect to environmental considerations, it ranked very high among all sites, primarily because the added impact of a General Aviation facility would be minimal relative to the impact of existing military operations". The study also noted no probable significant adverse impacts would be expected should a joint use airport become operational at Barbers Point NAS.

Your Committee mindful of the State's existing fiscal constraints finds that the Barbers Point NAS would require approximately \$4,000,000 to develop, whereas the next lowest of the five (5) most appropriate, Waipio Peninsula, would cost about 2-3/4 times more or about \$11,000,000.

Two other factors weighed heavily in your committee's recommendation of Barbers Point NAS as the site for a general aviation airport. The first was the relief that Barbers Point NAS would provide to HIA. Your committee noted that while the Kentron Study did not rate Barbers Point NAS high in this regard, the Study failed to take into account the possibility and indeed the desirability of providing economic incentives to encourage the use of Barbers Point NAS or for that matter any site other than HIA. Testimony revealed that a nominal 50\$ landing fee is supposed to be levied at HIA, but that in practice no such fee is collected because the costs of collection would exceed the revenues derived. As a result, general aviation pilots are encouraged to utilize HIA since they incur no costs for utilizing the airport runways. Your committee finds that should more reasonable fees be levied at HIA for use of the runways and should these significantly exceed those levied at the proposed general aviation site, there would be a strong incentive for those presently utilizing HIA to move to the new site. As a result, your committee finds that among the five (5) most appropriate sites there would be little if any difference in terms of utilization and relief to HIA should reasonable economic incentives be present.

Capacity and future expansion possibilities of a new general aviation airport were also considered by your committee. While the Kentron Study did not rate Barbers Point NAS high in this regard, the study did not take into consideration the fact that Barbers Point NAS actually has the largest operational capacity, 590,000 annual operations per year, compared to an average capacity of 550,000 per year at the other most appropriate sites.

Your Committee on Energy and Transportation 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, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Abercrombie.  
(Representative Peters did not concur).

SCRep. 419      Water, Land Use, Development and Hawaiian Homes on H. B. NO. 1068

The purpose of this Bill is to amend Section 187-16 of the Hawaii Revised Statutes to provide for mandatory forfeiture of any fishing and hunting gear used or possessed in violation of fish and game laws.

Under the present law, upon the conviction of a violator, the disposition of the seized fishing or hunting gear used or possessed in the violation is left to the discretion of the court. They may be forfeited to the State or returned to the violator.

In the course of hearing this Bill, testimony was presented to your Committee strengthening the need for stricter fish and game penalties for poachers. However, the courts have not been responding accordingly. The one major deterrent has been the court's interpretation of the term "may". Your Committee feels there has been too much permissiveness allowed by the courts.

The poaching problem must be curtailed, and your Committee feels the most useful deterrent would be the mandatory confiscation of all fishing and hunting gear used or possessed in the violation. Poachers, faced with the possible loss of their hunting dogs,

rifles, shotguns, knives and ammunition, face the consequences of equipment loss.

Your Committee must reiterate its concern for the judicial permissiveness so far displayed towards those who knowingly break the laws, and who also know that even if they are caught, they would receive a suspended or partially suspended sentence or fine. Your Committee feels the mandatory confiscation of hunting or fishing equipment will serve as a sufficient deterrent to those who flaunt Hawaii's fish and game laws.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1068, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 420      Water, Land Use, Development and Hawaiian Homes on H. B. No. 833

The purpose of this Act is to add a new section to Chapter 188, Part II, Hawaii Revised Statutes, to prohibit persons engaged in net fishing from holding fish within nets underwater for more than 24 hours, and to provide for penalties for any violations thereof.

Testimony heard by your Committee pointed out that mortality of netted fish occurs during the process of concentrating the fish into the "bag" portion of the seine just prior to removal to the receiving ship and not while kept within the encircling net. It was also stated that in many instances, the removal of fish from the holding net usually takes longer than 24 hours, in accordance with the right conditions of weather and current that makes it possible to prevent unnecessary mortality.

Therefore, your Committee has amended this Bill to specify the type of net employed in the netting of fish by inserting the descriptive word "gill" in the bill (Lines 3 and 4) to distinguish the act of removal, which employs this type of net, from the process of encircling or holding the fish prior to removal. Fines have also been increased.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 833, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 421      Water, Land Use, Development and Hawaiian Homes on H. B. No. 1221

The purpose of this bill is to amend Section 188-57, Hawaii Revised Statutes to: 1) establish a closed season during the months of June, July and August for the taking of kona crab; 2) allow for the sale, during the closed season of kona crab lawfully caught during the open season; and 3) increase the fine for violators of this section.

Prohibiting the taking of kona crab during the months of June, July and August provides a management measure that will enhance the reproductive potential of this heavily fished marine resource.

Results of other studies that were conducted by graduate students at the University of Hawaii in the vicinity of Penguin Banks off Molokai found that female kona crabs were primarily berried (carrying external eggs) during June, July and August. Your Committee feels this bill will provide maximum protection to the spawning stock of kona crabs as well as insure the least disturbance during their impregnated stage.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1221 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.



SCRep. 422      Employment Opportunities and Labor Relations and Health on  
H. B. No. 215

The purpose of this Bill is to amend Section 393-33, Hawaii Revised Statutes in order to assure health care benefits to employees who require medical and/or hospital care.

Your Committees find that penalties notwithstanding, there are still employers who continue to disregard the health coverage requirements of the law.

Furthermore, the assessment of penalties does not seem to deter employers who apparently choose not to comply with the law.

As a result, your Committees find the need to provide an enforcement measure in order to insure compliance to the law.

The Bill allows the department to enjoin a defaulting employer from continuing his business for as long as he fails to provide health care coverage.

Your Committees on Employment Opportunities and Labor Relations and Health has amended the Bill to read:

"(c) Any employer who fails to initiate compliance with the coverage requirements of section 393-11 for a period of thirty days, may be enjoined by the circuit court of the circuit in which his principal place of business is located from carrying on his business any place in the State so long as the default continues, such action for injunction to be prosecuted by the attorney general or any county attorney if so requested by the director."

Your Committees on Employment Opportunities and Labor Relations and Health are in accord with the intent and purpose of H.B. No. 215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 215, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ueoka.

SCRep. 423      Health and Employment Opportunities and Labor Relations on  
H. B. No. 599 (Majority)

The purpose of this Act is to insure that the health care benefits provided to employees in a collective bargaining agreement are as favorable as the benefits provided by the Prepaid Health Care Law.

Under the present law, employees are free to bargain collectively for different prepaid health care coverage. However, there are no provisions to guarantee that the protection provided by the negotiated plan will be equivalent to or more favorable than the protection provided by the present Prepaid Health Care Law standards.

Testimony of the Department of Labor and Industrial Relations indicates that a number of collectively bargained health care plans are deficient in areas such as (1) providing less than the stipulated 120 days of hospital confinement; (2) excluding from coverage or provide less than adequate coverage with respect to room accommodations, use of operating rooms, surgical supplies, anaesthesia services and supplies, drugs, etc.; (3) not paying from the first visit; or (4) excluding maternal benefits.

Your Committee on Health and your Committee on Employment Opportunities and Labor Relations are in agreement that upgrading health care plans will work significantly to alleviate the employee's financial burden of meeting the spiraling costs of hospital and medical care.

Your Committees recommends that the following amendments be made:

- (a)      SECTION 1. . . provided that presently existing collective bargaining agreements shall not be effected by the provisions of this section.
- (b)      SECTION 3. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this

end the provision of this Act are severable.

- (c) Sections 3, and 4 be changed to Section 4, and 5 respectively.

Your Committee on Health and your Committee on Employment Opportunities and Labor Relations are in accord with the intent and purpose of H.B. No. 599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 599, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ueoka.  
(Representative Ikeda did not concur).

SCRep. 424 Ecology and Environmental Protection on H. B. No. 199

The purpose of this Act is to amend sections 1, 7, 8, 19, 31, and 33 of Chapter 342 of the Hawaii Revised Statutes. These amendments include:

- (1) A redefinition of the terms "permit" and "variance." These changes distinguish between the two definitions making "permit" a written authorization to pollute within applicable standards and "variance" a special written authorization to pollute in excess of applicable standards. These definitions are more general than the present definitions and allow the director of the department of health more discretion in the issuance of permits and variances.
- (2) The addition of the provisions for public participation and notification in cases of variance applications to Section 342-7.
- (3) Giving the director of the department of health discretionary authority to call a contested case hearing in accordance with Chapter 91 of the Hawaii Revised Statutes, in relation to the issuance, renewal, or modification of a variance.
- (4) Giving the director authority to hold a public hearing after review of comments received from the public in relation to variance applications.
- (5) Giving the director a definition of the "public interest" in dealing with the issuing of variances.
- (6) Giving the director authority to impose the penalties authorized by Section 342-11 (c).
- (7) Delegating to the counties authority to administer their own regulations dealing with private sewerage systems, as they presently regulate most other phases of development. (Provided that their regulations are equal to or more stringent than those of the department of health)
- (8) Adding the new definition "pollutnat" to Section 342-31 of the Hawaii Revised Statutes. This definition specifically defines the types of materials which are polluting agents and confines the department of health to regulate only those pollutants which it can reasonably monitor.
- (9) Adding the definition of "waste" to Section 342-31.
- (10) Changing prohibited actions which relate to water pollution to prohibit the entry of pollutants into State waters. The present statute requires that the department first show that State waters have become polluted before they can prosecute violators.

Your Committee finds that these amendments to sections 1, 7, 8, 19, 31, and 33 of Chapter 342 of the Hawaii Revised Statutes improve the effectiveness of water pollution control, foster better public participation, and allow the counties to administer their own regulations in relation to private sewerage systems, and is in agreement with testimony in support of these amendments.

Your Committee is in accord with the intent and purpose of H.B. No. 199 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 425      State General Planning on H. B. No. 995

The purpose of this bill is to establish landscaped open space requirements for development of all public and quasi-public buildings under appropriate county authority.

Testimony received from the office of environmental quality control was in full support of H.B. No. 995.

Upon further consideration, your Committee finds that establishing minimum requirements of landscaping or open areas for all public and quasi-public facilities will help preserve the natural resources and beauty of Hawaii. By perpetuating Hawaii's natural assets of colorful flowers and foliage, we can not only enhance the buildings which these plants adorn, but also maintain a uniquely Hawaiian character and environment.

Your Committee on State General Planning is in accord with the intent and purpose of H.B. No. 995 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 426      Agriculture on H. B. No. 176

The purpose of this bill is to provide for more effective administration and enforcement of the Department of Agriculture's inspection and quarantine of plants and non-domestic animals by amending Chapter 150A, Hawaii Revised Statutes. This measure authorizes the Department of Agriculture to provide interim services necessary to certify and treat nursery stock export shipments and promulgate interim rules relating to such.

Your Committee finds that the nursery industry in Hawaii is expanding and provisions to certify and treat nursery stock for export will enhance the orderly and sustained growth of this industry.

Your Committee finds that this bill provides for the importation of animals held in captivity for one year prior to introduction. This will ease the situation where applicants have possessed animals as pets for several years. Under the existing statute only animals that are progenies of captive populations can be imported into the State. Further, Department of Agriculture regulations provide for the examination and certification of animals to insure their freedom from disease. The bill also clarifies the provisions of transporting plant products within the State.

Your Committee, however, finds that provisions in Section I of the bill relating to Interim Rules may be in conflict with Chapter 91, Hawaii Revised Statutes, and consequently recommends deletion of Section I in its entirety.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 176 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 176, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 427      Consumer Protection and Commerce on H. B. No. 49

The purpose of this bill is to assure public representation on all regulatory boards and commissions in the Department of Regulatory Agencies.

Presently, of the thirty-two boards and commissions within the Department of Regulatory Agencies, seventeen provide for public members and fifteen are comprised solely of members representing the regulated professions. Under this proposal, every board and commission will have a certain number of members engaged in the profession regulated and the remaining members shall be laymen.

Your Committee recommends an amendment to delete the proposed provisions for Sec. 453-5, relating to the Board of Medical Examiners, because public participation on this board was provided for in Act 219, Session Laws of Hawaii, 1976.

Based on the recommendation of the Department of Regulatory Agencies, your committee has amended this bill to increase the membership of certain boards and commissions, and also to specify the number of public members on each board or commission.

The purpose of these amendments is to insure the same level of effectiveness and efficiency, while specifically providing for lay membership.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 49 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 49, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 428      Consumer Protection and Commerce on H. B. No. 929

The purpose of this bill is to include in the definition of "consumer commodities," meat and poultry products sold at retail in stores and restaurants. This bill also provides that: (1) regulations adopted by the federal Food and Drug Administration relating to standards for food be adopted by the state Department of Health (2) the provisions whereby the state standards of weights and measures are not affected by the Food, Drug and Cosmetic Act are repealed.

According to testimony by the Department of Health, the department has been checking the quality of meat and poultry standards for many years. The provisions of this bill would clarify its authority to do so. The department also stated that the federal Food and Drug Administration regulations which would be adopted by the Department of Health under this bill are useful, necessary and applicable to the department's everyday inspection of food processing firms.

Your Committee recommends an amendment that meat and poultry products to be included in the definition of "consumer commodities" shall comply with the labeling requirements established by the U.S. Department of Agriculture. The amended form would also separate the tobacco provision from the meat and poultry provisions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 929, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 429      Finance on H. B. No. 6

The purpose of this bill is to appropriate funds to accelerate the State's program of repair and maintenance of public facilities.

Your Committee finds that the protection of the investment in public property requires an intensive program of preventive maintenance. Your Committee further finds that accelerating the program will offer a positive solution to unemployment and will stimulate job opportunities for construction trades affected by high unemployment.

The bill appropriates \$5,000,000 to the department of accounting and general services for the repair and maintenance, and renovation of public facilities. The bill provides that prior to expending any appropriations, the department of accounting and general services shall consult with the department of labor and industrial relations for the purpose of determining the repairs and maintenance projects that can best alleviate the high unemployment condition in the construction industry. The bill also provides that the department of labor and industrial relations shall submit to the legislature a report on the number of jobs created or sustained by the acceleration of the repair and maintenance program.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 6, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 430      Agriculture on H. B. No. 181

The purpose of this bill is to authorize the Department of Agriculture to inspect honeybees, *Apis mellifera*, and beekeeping equipment to prevent the introduction and spread of bee disease; and to provide certification of bees being imported or for export.

Your Committee finds there is a growing demand for Hawaiian queen bees in the continental United States (particularly those that can hula) and a growing demand for Hawaiian honey. Your Committee is in agreement with the agriculture department that inspection regulations are needed to insure the import and export of healthy bees.

However, your Committee feels such regulation should be extended only to the import and export of bees, not to regulating beekeeping within the State, thus discouraging hobbyists.

Your Committee proposes the following amendments which would:

(a)      Under Sec.    -1   Definitions.

1.      Delete the definition for "Apiary" (any place bees are kept).
2.      Delete the definition for "Beekeeper" (any person who owns or is a keeper of bees).
3.      Insert the word "appliances" in the definition of "Beekeeping equipment" (means hives, part of hives, utensils and appliances used in managing bees).
4.      Delete the clause "that may cause an epidemic" from the definition of "Disease" (means American foulbrood or European foul-brood or any other disease, parasite or condition affecting bees or their brood).
5.      For the purpose of consistency appropriately renumber the definitions.

(b)      Under Sec.    -2   Powers of the board and department.

1.      Delete paragraphs b and c to be replaced by a new paragraph b to read as follows:
  - (b)      The department shall have the authority to prohibit the import or export of bees or beekeeping equipment suspected of being contaminated with diseases.

(c)      Under Sec.    -3   Importation of bees.

1.      Amend this section to read as follows:

All bees imported into the State shall be accompanied by a certificate of inspection signed by the State entomologist, State apiary inspector, or an authorized official of the state or country of origin, and shall meet other requirements of the department. Such certificate shall certify as to the apparent freedom of the bees and beekeeping equipment from diseases and be based upon an inspection within a period of sixty days preceding the date of shipment.

(d)      Under Sec.    -4   Certification of export bees.

1.      Amend this section to read as follows:

All bees exported from the State shall be accompanied by a certificate of inspection issued by the State entomologist or his designated inspector. Such certificate shall certify as to the apparent freedom of the bees and beekeeping equipment from disease.

(e) Under Sec. -5 Inspection; access; disease control.

1. Amend this section including the title to read as follows:

Sec. -5 Inspection; access. Upon request to certify bees for export, the department, its inspectors or authorized agents, shall inspect bees and beekeeping equipment to determine whether said bees or equipment are infected or contaminated with disease.

(f) Under Sec. -6 Penalties.

1. Delete this entire section.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 181, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 431 Youth and Elderly Affairs on H. B. No. 1731

The purpose of this bill is to provide \$190,000 for a grant-in-aid to the City and County of Honolulu for planning and construction of a senior citizen center in Kaneohe, Oahu.

Your Committee recognizes that the elderly population of Hawaii have inique individual and group needs involving their physical, socio-cultural and economic well-being and that the State has a responsibility to meet these needs. These needs can be met, in part, by the establishment and operation of elderly programs at senior centers in communities throughout Hawaii. The monies provided by this bill would provide for the planning and construction of a senior center in Kaneohe to meet the elderly needs of Kaneohe.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H. B. No. 1721 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 432 Youth and Elderly Affairs on H. B. No. 1389

The purpose of this bill is to provide a grant-in-aid of \$81,438 to the City and County of Honolulu to continue the operations of the Information and Referral Service System administered under the Honolulu Area Agency on Aging.

Your Committee finds that this Information and Referral Program provides valuable assistance to Oahu's senior citizens in disseminating information and referrals relating to elderly benefits and services. It also provides outreach aides to seek out the isolated and homebound senior citizens who, for various reasons, are not aware of the many benefits and services available to them.

Your Committee finds this program is currently funded by the State through the Commission on Aging by contract with the City and County of Honolulu. Your Committee has therefore amended the bill by designating the State Commission on Aging as the expending agency.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1389, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sutton.

## SCRep. 433 Youth and Elderly Affairs on H. B. No. 1196

The purpose of this bill is to provide funds for the planning and construction of a senior center at Waimanalo, Oahu.

Your Committee recognizes that the elderly population of Hawaii have unique individual and group needs relating to their physical, socio-cultural and economic well-being. Many of these needs can be met by state assistance through the establishment and operation of elderly programs at community based senior centers throughout Hawaii. The monies provided by this bill would allow for the planning and construction of a senior center at Waimanalo to meet the needs of the elderly residents in the Waimanalo community.

Your Committee has amended this bill by adding the specific amount of \$        for the planning and construction of a senior center at Waimanalo.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1196, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sutton.

## SCRep. 434 Youth and Elderly Affairs on H. B. No. 1157

The purpose of this bill is to exempt income received for the care of adults in adult care homes from the general excise tax.

According to testimony presented by the Ad Hoc Committee of Boarding/Care Home Operators, representing approximately 200 boarding and care homes operators on Oahu, the total payments received for the care of a resident in these boarding and care homes should not be considered gross income since almost fifty percent of the amount received goes toward the sustenance of the resident.

Since care homes are licensed by the Department of Health and adult boarding homes are licensed by the Department of Social Services and Housing, your Committee recommends that this bill be amended for clarification. Such an amendment would be as follows:

- "(18) Family and residential care homes licensed by the department of health and adult family boarding homes licensed by the department of social services and housing; provided that the exemption shall apply only to the income received for the care of such adults."

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1157, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sutton.

## SCRep. 435 Youth and Elderly Affairs on H. B. No. 1097 (Majority)

The purpose of this Act is to enable minors to seek "family planning services" without parental consent.

Your committee considered testimony by the Department of Health, the State Health Planning and Development Agency, the Hawaii Medical Association of Hawaii, the Hospital Association of Hawaii, the Health and Community Services Council of Hawaii, the Women's Health Center, and the Child and Family Service among others. Your Committee finds that there are many adolescents sexually active without parental consent and without protection against unwanted pregnancy. In a study entitled Young Parenthood in Hawaii, Lorraine Stringfellow of the University of Hawaii School of Public Health pointed out that the large number of pregnancies and fetal deaths among minors in our state make family planning services for minors essential.

Under the common law in Hawaii and elsewhere, minors have been considered incapable of informed consent. Parental consent has been required before minors may receive



most medical services. Hawaii Statutes do not specifically require parental consent before minors may receive family planning service, but many physicians and clinics will not provide these services for fear of being sued. A 1975 study by the Legislative Reference Bureau indicates that physicians in Hawaii are nonetheless, providing minors with family planning services without parental consent. Most would like to do so. Twenty-six states and the District of Columbia have already enacted laws affirming the right of young people to consent for their own family planning care. It would seem that the time has come to bring the Hawaii law into line with practice and to provide young people with the right to privacy and the right to make responsible decision regarding their reproductive lives. Until physicians are protected by law, many minors will continue to be deprived of ready access to family planning services and their right to privacy and confidentiality. The testimony was clear that many minors do not now seek family planning services because confidentiality and privacy remain uncertain. If the purpose of existing law has been to protect the health and welfare of our citizens, then it would be inconsistent to continue to deny minors the right to seek family planning services without parental consent.

Your committee, to insure consistency with the aforementioned purpose, has amended the bill as follows: first, the word "conception" replaces the misprinted "contraception" on page one line 7; second, Section 577A-3 now provides that the release of any information pertaining to the medical care and services of a minor be left to the discretion of the treating physician after consulting with the minor patient; third, in Section 577A-4 a physician licensed to practice medicine or the physician's designated surrogate is now permitted to provide individual counseling to minors; fourth, a new section is added making minors financially responsible for the family planning services provided to them and exempting parents or guardians from payment so that confidentiality may be maintained.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1097, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1097, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.  
(Representatives Sutton and Ueoka did not concur).

SCRep. 436      Youth and Elderly Affairs on H. R. No. 17

The purpose of this resolution is to request the House Committee on Judiciary to review minors' rights in the general area of health services.

Your Committee recognizes the increasing assertion of the personal identity of minors and the need for adjustments in our legal system, particularly in the area of health services. Minors lack the legal ability to make individual decisions relating to gynecologic, contraceptive, abortifacient, and related health services. Your Committee finds that it is confusing, if not inconsistent, that minor parents can give permission for health care services rendered to their child but cannot give consent for certain health care services for themselves.

Your Committee therefore believes that a review of the rights of minors in the general area of health services can provide the information needed for the improvement and upgrading of health and medical services essential to a minor's well-being and can show whether minors are adequately protected under present laws.

Your Committee concurs with the intent and purpose of H.R. No. 17 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 437      Water, Land Use, Development and Hawaiian Homes on H. R. No. 205

The purpose of this Resolution is to request the State Department of Land and Natural Resources and the State Department of Accounting and General Services to develop and implement a pigeon program to control pigeon droppings and feathers for the State Capitol building and other State buildings. It also requests that the two departments submit a report on the plan and results before the adjournment of the Regular Session of 1977.

According to testimony received by your Committee, prior attempts to alleviate this situation by the State Department of Accounting and General Services proved futile and cost the State approximately \$30,000.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 205 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 438      Legislative Management

Your Committee on Legislative Management begs leave to report that House Resolution Nos. 474 to 482, House Concurrent Resolution Nos. 81 to 87 and Standing Committee Report Nos. 435 to 435 and 439 to 464 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 439      Youth and Elderly Affairs and Judiciary on H. R. No. 212

The purpose of this resolution is to request the Department of Social Services and Housing, in consultation with other public and private agencies and through public hearings to develop definitional guidelines to identify child abuse and neglect. The department is also requested to hold public workshops to disseminate information on the definitional guidelines and to promote public awareness and reporting of child abuse.

Your Committees find that there is a need to provide more specific guidelines to protect abused and neglected children and to implement child protective laws.

Your Joint Committee's on Youth and Elderly Affairs and Judiciary concurs with the intent and purpose of H.R. No. 212, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. 212, H.D. 1.

Signed by all members of the Committee.

SCRep. 440      Youth and Elderly Affairs on H. R. No. 378

The purpose of this resolution is to request a study on the feasibility of establishing additional community day care centers for the elderly.

Your Committee finds that day care centers for Hawaii's elderly offer a viable and effective alternative to providing the level and type of care required by elderly persons who do not require institutionalized care. In 1971, a community day care center demonstration program for the elderly was implemented at the Kuakini Home and Hospital. Since its implementation, the program has received favorable community response and commendation as a means of providing essential services to Hawaii's senior citizens. Recently, with the assistance of state funds, an elderly day care center pilot project was initiated at Wilcox Hospital on Kauai.

Your Committee believes that an evaluation of the Kuakini and Wilcox programs, as well as any other efforts in this area, is needed, and that such an evaluation should be part of an overall study on the feasibility of establishing additional elderly community day care centers throughout the State. Your Committee believes that such a study will serve to ensure proper planning and development of an elderly day care center program.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 378 and recommends its referral to the Committee on Finance. the intent and purpose of H.R. No. 378 and recomends its referral to the Committee on Finance.

Signed by all members of the Committee.

## SCRep. 441      Agriculture on H. B. No. 1060

The purpose of this bill is to change the title of Chapter 155, Hawaii Revised Statutes, from "Farm Loans" to "Agricultural Loans." Your Committee finds the new title more descriptive of the loan program.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1060 and recommends it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 442      Agriculture on H. B. No. 1058

The purpose of this bill is to repeal Chapter 156, Hawaii Revised Statutes, which authorized the establishment of the Farm Advisory Board.

Your Committee finds the board was initially established in 1949, but has not been implemented. The powers, duties and functions of the advisory board are being exercised or performed by either the Board of Agriculture or the Governor's Agriculture Coordinating Committee.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1058 and recommends it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 443      Agriculture on H. B. No. 1247

The purpose of this bill is to amend Chapter 157, Hawaii's Milk Control Act, as amended, in order to effectively administer the State's milk control program, by more clearly delineating the rulemaking and hearing procedure to be followed by the Board of Agriculture in its promulgation of rules and regulations to establish, revise or terminate minimum prices and quotas.

Your Committee finds that milk, unlike most other products, must be produced and delivered daily, is highly perishable, cannot be stored for a long period of time, and the setting or establishment of minimum milk prices paid to dairymen should not be delayed by prolonged, contested-type hearings which would place an unnecessary financial burden on Hawaii's dairymen from which they would not recover. A bankrupt milk industry would be the end result.

Your Committee finds that since inception of the Milk Control Act in 1967 public hearings and rulemaking on minimum prices and quotas have been non-judicial in accordance with Section 91-2 Hawaii Revised Statutes, are proper and should be continued.

Your Committee finds, however, that a clearer delineation of the original intent of the 1967 Legislature is appropriate and submits that this bill accomplishes that purpose by adding the definition of an "Order" to Section 157-1 and amending Section 157-31 by adding a subsection that public hearings shall not constitute a contested case as defined by Sections 157-9 through 14.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. 1247 and recommends it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Garcia.

## SCRep. 444      Water, Land Use, Development and Hawaiian Homes on H. B. No. 1083 (Maj.)

The purpose of this Act is to amend Section 150A-6 (4), Hawaii Revised Statutes, by adding a new paragraph to authorize a government agency to bring into and maintain in the State of Hawaii not more than fifty thousand eels of the order Anguilliformes for experimental or other scientific purposes.

Under present law, there is a general prohibition on the import of Anguilliformes eels. This bill would provide the legal entry of such eels into the State for experimental

or scientific purposes. Additionally, conditions of entry and maintenance would be imposed by the State Board of Agriculture, as necessary.

Your Committee is in agreement that these conditions of entry, maintenance and purpose are sufficient measures to insure the safety and welfare of the environment and public.

Your Committee has amended the bill to delete the phrase "or eels of the order Anguilliformes" on page 1, line 15, to conform in accordance to the purpose of the new proposed paragraph.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1083, as amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1083, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
(Representatives Blair, Larsen and Toguchi did not concur.)

SCRep. 445      Employment Opportunities and Labor Relations on H. B. No. 1066

The purpose of this bill is to add a new section to Chapter 386 to bar the State, its political subdivisions, or any other employer presently not subject to Section 378-32, from discharging or suspending an employee who is unable to work because of a compensable work related injury.

Employers subject to Section 378-32 (Hawaii Fair Employment Practices Law) would be in violation of the law if they were to suspend or discharge an employee solely because the employee has suffered a work injury compensable under Chapter 386 which arose out of and in the course of his employment. A similar discharge initiated by the State, its political subdivision, or any other employer not subject to Section 378-32 would not be considered unlawful as the State and its political subdivisions are not employers as defined in Section 37831 although they are subject to the Workers' Compensation Law. The same prohibition imposed upon employers under Section 378-32 should be applicable to every employer who is subject to the Workers' Compensation Law including the State and its political subdivisions.

Your Committee believes this proposal would remedy the inequity presently found in Section 378-32.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1066 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 446      Employment Opportunities and Labor Relations on H. B. No. 645

The purpose of this bill is to require all plans which entitle employees to temporary disability benefits, whether the plan is extended or modified by a collectively bargained agreement to be at least as favorable as the benefits required by this chapter. This bill also redefines "benefits at least as favorable as the disability benefits required by this chapter", so that no plan would fall within the definition if the duration of the benefit period is less than thirteen weeks or less than eight weeks in the case of full wage continuation.

Under present law, a plan satisfies coverage requirements if the employer provides benefits under a "statutory plan" or an "equivalent plan". The statutory plan requires a seven day waiting period and pays benefits equal to 55% of the employee's average weekly wage not to exceed a prescribed maximum, and for the duration of 26 weeks. The equivalent plan requires a review by the Department of Labor and Industrial Relations to determine whether benefits paid from such plan is at least as favorable as the statutory plan.

The redefinition of "benefits at least as favorable as the disability benefits required by this chapter" proposed under this bill, would prohibit employers from providing benefits under an equivalent plan below certain minimum requirements. Testimony before your Committee indicated that the present equivalency requirements provide adequate temporary disability benefits and the redefinition, while providing better

than adequate benefits, imposes a very heavy cost burden on employers. Your Committee has amended the bill by deleting the proposed redefinition in Section 392-41 (d).

Your Committee on Employment Opportunities and Labor Relations 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, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 447      Judiciary on H. B. No. 777

The purpose of this bill is to amend section 841-3, Hawaii Revised Statutes, which requires the informing of the coroner of persons dying under circumstances defined within this section by adding a penalty provision for violation of this mandate.

Under the present law, a person who becomes aware of the death of any person as a result of violence or as a result of any accident, or by suicide must immediately notify the coroner or deputy coroner of the known facts concerning the time, place, manner, and circumstances of the death. However the present law did not include any penalty provision to cover situations of noncompliance with the law.

This bill would make violation of the law a petty misdemeanor and would better enable the enforcement of the present law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 777 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 448      Judiciary on H. B. No. 780

The purpose of this bill is to amend present law by imposing additional requirements on the transportation of used vehicles between counties or to any place out of State. The bill requires owners of vessels, airplanes or other means of transportation, and their agents or employees to physically inspect and record the vehicle identification number of used vehicles to be transported, and to maintain a record of the transporting of the vehicle together with its description and vehicle identification number for not less than three years. The records are to be available for inspection by Federal, State or County Police agencies during normal business hours.

Your Committee was informed that this bill will provide a valuable tool to law enforcement agencies to help facilitate investigations of thefts of motor vehicles which have been shipped between counties or away from the State.

Your Committee amended this bill by making technical changes to conform to the present statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 780, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 449      Judiciary on H. B. No. 805

The purpose of this bill is to amend the Uniform Parentage Act by expressly providing that trials of civil actions under the chapter shall be by the court without a jury. An additional purpose of the bill is to provide for repeal of the section dealing with the right to counsel and for free transcripts on appeal.

Your Committee was informed that although section 584-14 is entitled "Civil action; jury.", the section does not contain any language providing for a jury trial in proceedings under the Uniform Parentage Act. The model act expressly provides for trial by the court without a jury. However, the provision was omitted from Act 66, Session Laws

of Hawaii 1975. Your Committee concurs with the National Conference of Commissioners on Uniform State Laws that use of a jury is not desirable in the emotional atmosphere of cases of this nature. Your Committee has amended the bill by deleting the word "jury" from the title of Section 584-14.

Your Committee concurs with the Board of Family Court Judges that repeal of section 584-19 is desirable because the absence of any standards or criteria makes it difficult for the court to exercise discretion in appointing counsel or in providing free transcripts on appeal for indigent parties.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 805, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 450      Judiciary on H. B. No. 253

The purpose of this bill is to amend present law by providing for tolling of the period of probation or suspension of sentence whenever a motion to revoke a probation or suspended sentence is filed or a motion to increase the requirements imposed is filed. The period of probation or suspended sentence is to be tolled pending the hearing upon the motion and the decision of the court. Your Committee was informed that under present law it is possible for a person's period of probation or suspended sentence to run out pending a revocation hearing, thus making him a free man, even though he may have committed acts justifying revocation of probation or suspended sentence. Your Committee believes that this bill will prevent such situations from occurring.

Your Committee amended this bill to make nonsubstantive technical and grammatical changes which do not affect the intent, purpose, or content of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 253, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 451      Judiciary on H. B. No. 269 (Majority)

The purpose of this bill is to amend the present law by reducing the residency requirement of one year to six months for divorce.

Your Committee believes that six months is a reasonable time of residency prior to the application for divorce. Your Committee further believes that the reduction of the residency time period will not establish Hawaii as a divorce mecca and it is not the intention of this bill to do so.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 269 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
(Representatives Blair and Nakamura did not concur).

SCRep. 452      Judiciary on H. B.No. 776

The purpose of this bill is to provide a penalty for the removal, disturbance, or disposal of a corpse or remains of a human body which appears to have come to death under circumstances set forth in section 841-3, Hawaii Revised Statutes, that is, as a result of violence, accident, suicide, or suddenly when in apparent health, or unattended by a physician, or in prison, or in a suspicious or unusual manner, or within 24 hours after admission to a hospital or institution. The bill makes a violation of the section a petty misdemeanor.

Your Committee heard testimony to the effect that under present law, no penalty is provided, and there is no way to enforce the present section without first obtaining

a court order. Your Committee was also informed that several cases have occurred where bodies have been moved, resulting in lengthy, complicated criminal investigations which finally resulted in a determination that the subjects had died of natural causes, accident or self-induced drugs.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 776 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 453      Water, Land Use, Development and Hawaiian Homes on H. B. No. 778

The purpose of this bill, as amended, is to make it unlawful for any person to have in his possession any speared fish smaller than the minimum size specified in Section 188-40, Hawaii Revised Statutes.

Your Committee has amended the bill by deleting the term "knowingly", as it would be most difficult to prove that a person "knowingly" has in his possession speared fish that are smaller than the minimum size allowed by law. With the change, the proposed amendment would clearly make it unlawful for any persons to take and/or possess any speared fish smaller than the minimum size specified in Section 188-40, Hawaii Revised Statutes.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. NO. 778, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 454      Judiciary on H. B. No. 182

The purpose of this bill is to provide for more effective enforcement of the Hawaii Pesticide Law by amending Chapter 149A, Hawaii Revised Statutes, to conform its provisions with the penalty provisions of the Federal Insecticide, Fungicide, Rodenticide Act (FIFRA) of 1972, as amended.

Federal Administrators of FIFRA have warned the state department of agriculture that its current pesticide program may not be certified by the federal Environmental Protection Agency if penalties in Hawaii's statutes do not conform with FIFRA. Non-conformity may result in federal takeover and enforcement of Hawaii pesticide program.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 182, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 455      Judiciary on H. B. No. 730

The purpose of this bill is to provide the State with the right to immediate appeal to the supreme court from an order of the district or circuit courts denying a request by the State for a protective order for nondisclosure of witnesses for their personal safety under Rule 16(e)(4) of the Hawaii Rules of Penal Procedure. The Act also provides for giving priority to such an appeal and for staying the order pending outcome of the appeal.

Your Committee received testimony to the effect that such a measure is needed because of the reluctance of some witnesses to testify before the grand jury for fear of retaliation and possibly serious bodily injury or death. In such cases, the safety of the witnesses is of great concern, and means for immediate appeal should be provided.

Your Committee has made technical changes to the bill to conform to the existing statutory provisions.



Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 730, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 456      Corrections and Rehabilitation and Judiciary on H. B. No. 533

The purpose of this Bill is to amend section 701-711, Hawaii Revised Statutes, to include the intentional infliction of bodily harm to a correctional worker within the definition of the offense of assault in the second degree.

Presently, there is no specific statute relating to assault of a correctional worker. However, the statutes do provide felony penalties for the specific offense of intimidating a correctional worker. This bill will correct that contradiction.

Therefore, your Committees on Corrections and Rehabilitation, and Judiciary are in accord with the intent and purpose of H.B. No. 533 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 457      Health on H. B. No. 206

The original purpose of this Bill was to give to the Department of Health the authority to establish state standards and criteria for the arrangement of personnel, facilities, and equipment in state and county Emergency Medical Service Systems, and to administer all federal and state funds which might become available for the implementation of the statewide Emergency Medical Services Systems Plan.

Presently, the agency responsible for the improvement of emergency medical services on Oahu has been the Hawaii Medical Association - Emergency Medical Services Program operating under a subcontract from the City and County of Honolulu. This program has utilized federal funds granted to the City and County of Honolulu for the establishment and improvement of Oahu's system of Emergency Patient Care.

Testimony submitted to the committee indicates that if the original purpose of this Bill was to be implemented, it would offer no flexibility to the counties in terms of the use of State and Federal dollars for Emergency Medical Services improvements. Therefore, the Bill has been amended to exclude those provisions authorizing the Department of Health to establish standards for the arrangement of personnel, facilities, and equipment in state and county Emergency Medical Services Systems and to administer all federal and state funds available for the implementation of the statewide Emergency Medical Services Systems Plan.

Your Committee further amends this Bill to authorize the Director of the Department of Health to assess and collect reasonable fees for carrying out the regulatory provisions of the Emergency Medical Services laws relating to ambulance certification fees and extends the Department of Health's authority to allow for the coordination of statewide Emergency Medical Services Systems.

Your Committee feels that the proposed amendments will further aid the Department of Health in its efforts to coordinate a comprehensive statewide Emergency Medical Services Program.

Your Committee on Health is in accord with the intent and purposes of H.B. No. 206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 206, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 458      Water, Land Use, Development and Hawaiian Homes on H. B. NO. 1069

The purpose of this Bill is to discourage persons from violating fish and game laws by increasing the fines in the penalty sections of Chapters 187, 188, 189, 190, 191, 192, 195 and 195D, Hawaii Revised Statutes.

The primary purpose of fish and game laws is to provide for the protection of the State's fish and wildlife resources and their habitats and to regulate the consumptive and nonconsumptive uses of these resources. The penalties established under these laws serve to punish violators of these measures as well as to deter potential violators.

However, the penalties imposed by the courts under current laws are not severe enough to discourage persons from violating our fish and game laws and regulations. From experience, the maximum fines established under existing fish and game laws are seldomly imposed by the courts, if at all. Your Committee is distressed at these findings of fact, many times letting violators off with a mere slap of the wrist.

The amendments proposed in this bill establish mandatory minimum fines ranging from \$25 to \$100 and maximum fines ranging from \$500 to \$1000. Your Committee has amended the Bill by reinstating the jail terms to be served.

Your Committee has also amended the bill by including the amendments to section 188-25 proposed by H.B. No. 515 and H.B. NO. 778.

Your Committee stresses the need for the courts to begin approaching the situation of penalties more seriously. If the current trend towards leniency is not altered, violators will be successful in depleting fish and game resources. The laws are supposed to serve as deterrents to violators and potential violators, but with the case of our fish and game resources, it has not. Violators, with the aid of the courts, have made a mockery of our fish and game rules and regulations and have had a deleterious effect on our enforcement officers of fish and game. Your Committee hopes this trend will be reversed.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1069, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 459      Water, Land Use, Development and Hawaiian Homes on H. B. No. 515

The purpose of this bill is to amend Section 188-25, subsection (c) of the Hawaii Revised Statutes to lift the restriction on the sale of fish taken or killed with a spear.

Your Committee has amended the bill to allow for only certain types of fish taken by spear to be sold. They are u'u, uhu, and kumu.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 515, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 515, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 460      Public Assistance and Human Services on H. B. No. 879

The purpose of this bill is to clarify the existing statute relating to fraud by public welfare recipients and penalties for fraud.

Your Committee finds the current statute pertaining to fraud ambiguous. The Department of Social Services and Housing concurs with the bill in its amended form.

Amendments have been made to conform the penalties section with the penal code and enable the DSSH to utilize other provisions of the penal code. This amendment is reflected in the underscored material in lines 8 through 10 on page 3. The addition of the words "food stamps" is made where appropriate to broaden the definition of the term "welfare recipient" to include those who receive food stamps only.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 879, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 461      Ocean and Marine Resources on H. B. NO. 309

The purpose of this bill is to wisely manage the State's coral resources by providing for the issuance of coral removal permits by rules and regulations established by the department of land and natural resources.

Your Committee finds that the present laws are inadequate for controlling the taking of coral, that there are numerous instances where coral has been taken without regard to its impact on the habitat or the marine environment in general, and that there is a need to begin careful management of this valuable resource.

Your Committee asserts that coral of all forms are resources that belong to the State of Hawaii, whether it be near-shore coral or precious coral found several miles off our coast. It is the right and the responsibility of the State to assert its authority over this resource, to provide for wise management, and, where appropriate, establish fees and royalties for the taking of coral.

It is not the intent of your Committee to mandate the establishment of fees or royalties immediately, but to enable the department of land and natural resources to do so in the future, when, in their judgement, it may be appropriate.

Your Committee finds it wise to include guidelines for the department of land and natural resources in the drawing up of rules and regulations. Whereas the rules and regulations themselves are mandated, the guidelines only refer to subjects and management problems that must be handled, without specifying when or where those management strategies should be applied.

Your Committee finds that a major problem in the management of coral resources is the scarcity of data. It is only reasonable that takers of coral participate in the gathering of information. For this reason, your Committee has included in its guidelines provisions for permit applicants to provide needed information on species, size, and amounts of coral to be taken with periodic reporting to the department of data requested. In addition, where the taking of coral is of unknown impact on a habitat, or where the information on such impacts is incomplete, the department will have the authority to require that the burden of proof be on the applicant to demonstrate that the removal of coral from a particular site will not have an adverse effect on that site's habitat or environment. This is especially needed because of the extremely slow rate of natural replacement.

Your Committee has deleted an original amendment which would prohibit the removal of coral except at rates not exceeding those of natural replacement. That provision would have been too inflexible and would have prohibited the installation of necessary cables and other routine construction projects. Your Committee has suggested that these concerns be accommodated in the rules and regulations.

Your Committee finds that there are situations where the total ban on the taking of coral for a specific site is prudent, especially where habitats are in danger of being destroyed due to over-harvesting or pollution. The department is instructed to incorporate in their rules and regulations provisions that address such situations.

Also included in the guidelines are site, or area-specific criteria for the issuance of permits, to enable the department to regulate the resources in a particular area, without regard to whether or not there is an abundance of the same species somewhere else. Your Committee finds that valuable resources could be over-harvested if criteria for quotas are established only on a statewide basis. Your Committee feels that the existence of coral at a particular site or in a particular area is as important as the existence of coral in general. Geography cannot be separated from species, and the value of our coral resources is often dependent on location.

Your Committee also includes quotas by size and species, to complement site-specific criteria, but never as a substitute.

Your Committee has deleted an original amendment which would have imposed a fine of \$500 for the mere refusal to show a permit upon demand and further recommends that there be a separate section providing for mandatory penalties of a fine and forfeiture of coral removed for all violations and that the department be given the discretion to

formulate within the rules and regulations the guidelines for imposition of penalties for forfeiture of gear used and revocation of permits.

Your Committee further intends that the lack of sufficient information to implement any particular guideline should not be used to justify a delay in the implementation of other guidelines. Your Committee is concerned that rules and regulations be promulgated as soon as possible.

In order to permit the reclassification of coral to a resource that can be removed with a permit, it is necessary to remove the references to coral in Section 205-33 (a) and Section 7-3, Hawaii Revised Statutes. Those sections are appropriately amended.

Also of a "housekeeping" nature, Section 205-33 (a) is amended to delete references to an experimental sand mining operation north of Keauhou Bay which has been terminated.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 309, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 309, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 462      Judiciary on H. B. No. 245

The purpose of this bill is to amend present law relating to cruelty to animals by excepting the species of homo sapiens from the definition of "animal", and by providing a definition of "maliciously." The bill also clarifies the offense of cruelty to animals by replacing the words "cruelly" and "needlessly" with the word "maliciously." Your Committee was informed that the change will facilitate prosecution because the words "cruelly" and "needlessly" are too broad and ambiguous, while the word "maliciously" is more precise, having been judicially interpreted.

Your Committee amended the bill by deleting the phrase "a spirit of wickedness or cruel wantonness" because it was felt that the phrase did not clearly aid in defining the word "maliciously."

Your Committee amended the bill by adding a new subsection (4) to section 711-1109 to provide for forfeiture of any animal, gaff, scale or paraphernalia used for the purpose of violating the section because your Committee believes that owners participating in such activity should forfeit any rights to ownership of their animals and equipment. The present subsection (4) was renumbered for consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 245, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 245, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 463      Energy and Transportation on H. B.No. 999

The purpose of this bill is to clarify the duties and responsibilities of motorists with respect to bicyclists, and to add certain provisions to the Traffic Code giving bicyclists clearer right of way in hazardous situations.

Your Committee finds that greater use of bicycles would result in reduced traffic congestion, conservation of scarce energy resources, lower air pollution levels, and improvement in the level of the physical condition of Hawaii's people, and should therefore be encouraged. Your Committee further finds that the existing rules of the road afford inadequate protection to bikers. By requiring motorists to yield to bikers in certain situations, this bill will make bicycling safer and more attractive to the people of the State and thereby contribute to the public welfare.

Your Committee has amended this bill by deleting Section 2, which amended Section 291C-61, Hawaii Revised Statutes, to provide that every driver of a vehicle shall yield the right of way to any rider of a bicycle proceeding in a designated bicycle lane, and by renumbering subsequent sections of the bill accordingly. This amendment was made as a result of testimony presented by the Office of the Highway Safety

Coordinator of the State Department of Transportation, which supported this bill but which convincingly argued that to grant bicyclists the right of way would increase rather than decrease the danger inherent in such situations.

The original Section 6 of this bill, now Section 5, amended Section 291C-81, Hawaii Revised Statutes, to provide that where a bicycle lane is designated by the appropriate traffic lane markings, the edge of the bicycle lane nearest the center of the roadway shall be deemed the equivalent of the center of the roadway, for purposes of executing right turns. Your Committee has amended this section to clarify that this shall be the case only where the bicycle lane is adjacent to the edge of the roadway.

Your Committee has further amended the original Section 8 of this bill, now Section 7, amending Section 291C-123, Hawaii Revised Statutes, as follows:

- (1) a new subsection (1) has been added, providing that a vehicle may be driven in a bicycle lane or path for the purpose of executing a legal turn;
- (2) subsections (1) and (2) have been renumbered (2) and (3), respectively;
- (3) a new subsection (4) has been added, explicitly allowing stalled or broken vehicles to go upon the bikeway where necessary;
- (4) subsequent subsections have been renumbered accordingly.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 464      Energy and Transportation on H. B. No. 998

The purpose of this bill is to provide definitions of bikeway facilities and to clarify certain laws regarding their use.

Your Committee heard testimony from the State Department of Transportation's Office of the Highway Safety Coordinator and from the City and County of Honolulu's Police Department in general support of this measure but recommending certain changes which have been embodied in the amendments to this bill, as follows:

- (1) extraneous wording has been removed from the definitions of "bicycle lane", "bicycle path" and "bikeway"; the definition of "bicycle route" has been amended to reflect your Committee's decision not to grant to bicyclists the use of a full lane as originally provided in Section 4 of this bill;
- (2) Testimony was received indicating that the standard color established by the Federal Highway Administration for bike lane related pavement markings is white; in an effort to keep Hawaii's markings uniform with those of other states, Section 2 has been amended accordingly by substituting "white" for "green" throughout.

Subsection (9) has been allowed to remain, again with "white" substituted for "green", in order to make explicit the above-mentioned policy.

- (3) Certain wording has been removed from Section 2, Subsection (12), for precision of language. In addition, the provision exempting various official, authorized and emergency vehicles from the prohibition against entering bike lanes has been deleted as overbroad, and as unnecessary in view of the fact that the presence and purpose of emergency vehicles in a bike lane is sufficiently obvious to make it unlikely that either ill feelings or enforcement difficulties would be caused thereby.

- (4) Section 3 has been amended by deleting the words, "set aside for the exclusive use of bicycles" from the existing statute, 291C-141 (c), to reflect the fact that one kind of bikeway--a "bicycle route"--is not in fact designated for the exclusive use of bicycles, but is shared with pedestrians and/or motorists;
- (5) In Section 4, the provision amending Section 291C-145 (a), Hawaii Revised Statutes, has been deleted in response to a number of arguments put forth by the Office of Highway Safety which led your Committee to conclude that to allow bicycles to travel in the left lane as well as in the right on one-way streets would unduly increase the burden to traffic flow and would increase the hazard to motorists and bicyclists alike;
- (6) Section 4 has been further amended by substituting the word "it" for the words "the bicycle lane" in Subsection (c) for improved syntax;
- (7) the words "no bicycle rider shall be required to use such bicycle lane in preference to the roadway when to do so would cause an immediate hazard" have been deleted because the law already recognizes that in such situations a person is justified in doing whatever is necessary to avoid causing a hazard or being injured;
- (8) Subsection (d) of Section 4 has been amended by omitting the first sentence, providing that "bicycle lanes and bicycle paths as established by Section 291C-1 shall be used exclusively for operating bicycles, except as otherwise provided in Section 291C-38 (c) (12)"; this was felt to be unnecessary inasmuch as it was previously covered in the definitions in Section 1;
- (9) Section 5, which would have exempted non-motorized bicycles from the existing requirement of a mechanical warning device imposed by Hawaii Revised Statutes 291C-147, has been deleted. Members of the Hawaii Bicycling League presented convincing testimony that there are circumstances in which the human voice may be a more effective warning signal; it is nevertheless felt that the requirement of the device should be maintained to allow the rider two options from which to choose, according to the situation;
- (10) Sections 6 and 7 have been renumbered 5 and 6, respectively.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 998, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 998, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 465      Judiciary on H. B. No. 1305

The purpose of this bill is to amend the present law dealing with the hearing in court of evidence of the prior sexual conduct of rape victims. This bill will amend the existing procedure by mandating the court to hear the evidence of the victim's prior sexual conduct out of the presence of the jury and everyone else except court personnel, the parties, the attorneys, and such other persons whose presence is determined by the court to be necessary for the hearing.

Your Committee feels that the existing law does not fully accomplish the intent of the law when first enacted. The intent of the existing law was to establish a procedure by which the court could screen evidence of the witness' character. This procedure would prevent unnecessary and irrelevant character assassination which would deter the reporting of rape cases.

Presently, the examination of the rape victim's prior sexual conduct is conducted out of the presence of the jury. However, this examination is before everyone who happens to be in the courtroom. The public examination of the victim's prior sexual

conduct detracts from the intent of maintaining the individual's privacy.

Your Committee believes that this bill will encourage the reporting of rape incidents by decreasing the public humiliation that a public scrutiny of the victim's character would create. The requirement, that scrutiny of the victim's prior sexual conduct be out of the presence of the jury and all other persons, except for court personnel, the parties, their attorneys, and such other persons whose presence is determined by the court to be necessary for the hearing, would prevent unnecessary embarrassment and humiliation and in effect encourage reporting and enforcement of rape cases.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1305 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 466      Health on H. B. No. 1105

The purpose of this Bill is to amend Section 321-193 of the Hawaii Revised Statutes by allowing the Department of Health the duty and responsibility of certifying counselors and accredit facilities related to substance abuse programs.

Presently, incidences related to substance abuse is an increasing problem throughout the State.

In order to provide unified rehabilitative treatment and educational services to the community, your Committee recognizes that various private agencies were incorporated in the Alcohol and Drug Abuse Branch of the Department of Health.

Furthermore, your Committee recognizes that in order to provide these services, private agencies under the Department of Health have been funded by the Legislature.

Testimony presented before your Committee support the need for the Department of Health to review and certify substance abuse programs in order to insure:

1. An accountability of funds and its appropriate expenditures.
2. Efficient management and operation.
3. Quality care that are provided to substance abuse clients by treatment personnel and programs.
4. Recognition to substance abuse treatment personnel as health professionals.

Your Committee is in agreement with the intent of H.B. No. 1105 and has amended this Bill to read:

- "(10)      Certify program administrators, counselors and accredit programs related to substance abuse programs in accordance with rules to be promulgated by the department."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1105, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 467      Judiciary on H. B. No. 772

The purpose of this bill is to amend Section 712-1200, Hawaii Revised Statutes, to make the customer as well as the prostitute subject to arrest for the offense of prostitution.

Under the present law, only the prostitute, the one who receives payment for engaging in sexual conduct, is subject to arrest for prostitution.

Your Committee believes that this bill would be instrumental in the suppression of prostitution within the State. The customer, knowing that he would also be liable for



the crime, would be greatly hesitant if not totally discouraged in dealing with prostitutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 772 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 468      Judiciary on H. B. No. 555

The purpose of this bill is to repeal the requirement of giving notice, in writing to the counties of injuries or damages resulting from negligence within six months after the injuries are received as a prerequisite to maintaining any action against the counties. Your Committee was informed that the Hawaii Supreme Court has found the notice requirement to be inconsistent with the two year limitation period under the State Tort Liability Act. Your Committee believes that the two year statute of limitations is reasonable and accordingly the notice requirement is being repealed.

Your Committee made certain technical and nonsubstantive changes which does not affect the contents, purposes or intent of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 555, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 469      Employment Opportunities and Labor Relations on H. B. No. 135 (Majority)

The purpose of this bill is to amend the Hawaii employment security law which provides for the administration and implementation of the State's unemployment insurance program.

One of the major amendments to the Hawaii employment security law as contained in Act 157, Session Laws of Hawaii 1976, increased the employer contribution rate to the unemployment trust fund from 3 to 3.5% for the 1977 calendar year. This increase was based on a \$22 million deficit and the need to replenish the trust fund. Your Committee finds that it is necessary to extend the 3.5% employer contribution rate for an additional year to continue to build up the fund's reserves. Therefore, your Committee has amended this bill to provide for the extension of the 3.5% contribution rate for the 1978 calendar year.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 135, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 135, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

(Representatives Abercrombie and Evans did not concur).

SCRep. 470      Corrections and Rehabilitation on H. B. No. 64

The purpose of this bill is to set forth the general prescription for vocational, educational and health programs at each juvenile correctional facility in the State including the Hawaii Youth Correctional Facility.

Presently, the programs offered to youth are limited in scope. Though there is a sewing group that some of the girls participate in and a herdsman program for some of the boys, there are few programs which are necessary to teach work habits and skills and to provide an active and meaningful atmosphere for those youths committed to the facility.

Your Committee heard testimony from the Department of Social Services as well as a number of other people associated with the juvenile offenders in the State which strongly indicated a need for programs for committed juveniles. This position was unanimously expressed. In addition, some administrators expressed a desire for a clear legislative

intent on this matter.

Moreover, your Committee expressed some reservations about the language of the original Bill, fearing that it was too vague. Therefore, your Committee recommends an amendment for the purpose of clarifying the language of the bill to assure the availability of vocational, educational and health programs at juvenile correctional facilities in the State.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 64 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 64, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 471      Legislative Management

Your Committee on Legislative Management begs leave to report that the following House Resolution Nos. 483 to 489 and Standing Committee Report Nos. 465 to 470 and 472 to 479 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 472      Public Assistance and Human Services on H.C.R. No. 39

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to support legislation to provide funds to the State of Hawaii for the development, implementation, and operation of programs to meet the higher cost of public assistance for, and the special needs of, immigrants in Hawaii.

Hawaii currently ranks 40th in the nation in total population with a count of approximately 864,000; however, it is 12th in number of immigrants admitted yearly, giving it the largest proportion of immigrant arrivals in the country.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.C.R. No. 39 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 473      Education and Culture and the Arts on H.R. No. 280

The purpose of this resolution is to request legislative support for school-initiated programs and to request the department of education to provide for the screening and review of the programs.

Your Committee finds that provisions for these programs will benefit and broaden the student's understanding and awareness of our unique multi-racial culture and its contributions. These programs at the school levels are more fulfilling to the individual needs of the school and arouse interest and participation among students, families and friends in the community. The interaction within the community or district that this program brings about, encourage widespread appreciation of ethnic and cultural tradition. Through the systematic screening process by the department of education, these programs may warrant wider application and prove to be of greater merit.

Your Committees on Education and Culture and the Arts concur with the intent and purpose of H.R. No. 280 and recommend its adoption.

Signed by all members of the Committee.

SCRep. 474      Culture and the Arts on H. R. No. 69

The purpose of this resolution is to request the House Committee on Culture and the Arts to review the operations of the Hawaii Foundation for History and the Humanities with special attention to progress made in implementing the recommendations of the Legislative Auditor, and the role of the Multi-Cultural Center.

The Hawaii Foundation was established by the legislature in 1969 for the purposes of researching Hawaiian history and disseminating the findings of such research; restoring and preserving sites, buildings and objects of significance to and culture; and presenting them for public viewing.

To accomplish these purposes, the foundation was given broad powers, including the power to accept gifts of historically and culturally significant sites, buildings and objects to be held and administered in trust for the public; to accept, hold and administer grants, scholarships and endowments; and to engage in museum activities and programs in support of historic preservation, restoration, research and presentation. (See Act 236, SLH 1969.)

Unlike any other organization in Hawaii, the foundation is unique in that it has the characteristics of a private organization, serving and supported in part by a private membership, as well as of a public agency with public programs and an organizational structure established by statute. It is governed by a board of trustees elected by the membership, but is placed in the department of budget and finance for administrative purposes.

The very uniqueness of its organization presaged problems in the foundation's pursuit of its public purposes. The audit report submitted to the legislature in March of 1976, documents those problems which have affected the foundation's ability to fully develop and execute the public programs assigned to it.

Since that time, several changes have taken place within the foundation and its board of trustees.

Your Committee heard testimony from David Yamamoto, newly-elected Executive Director of the Hawaii Foundation, which touched briefly on the foundation's re-organization proposal. According to Mr. Yamamoto, the proposal attempts to address the recommendations of the auditor.

Your Committee finds that a careful examination of the foundation's progress in implementing the auditor's recommendations would be timely as one year has passed since the audit.

Your Committee has amended the title of the Resolution to read as follows:

REQUESTING A REVIEW OF THE HAWAII FOUNDATION FOR HISTORY  
AND THE HUMANITIES.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 69, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 69, H.D. 1.

Signed by all members of the Committee except Representative Stanley.

SCRep. 475      Health on H. R. No. 77

The purpose of this Resolution is to have the Committee on Health review the State/County Hospital system and determine the effectiveness and impact of new hospital policies relating to hospital rates, procurement procedures, and system planning, with a view towards seeking continued improvement of the State/County Hospital system, identifying areas requiring improvements, and additional possible corrective measures.

Testimony presented before your Committee supports the intent of the Resolution and emphasizes the importance of reviewing the State/County Hospital system.

Your Committee finds the importance of comparing the operations and management of the State/County Hospital system in relation to private operated hospitals in order to further improve the hospital system.

Your Committee has amended the Resolution to read:

"BE IT RESOLVED by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the Department of Health review and determine the effectiveness and impact of new state/county hospitals policies relating to hospital rates, procurement procedures, and system planning, with a view towards seeking

continued improvement of the state/county hospital system, identification of areas requiring improvement, and additional possible corrective measures; and".

"BE IT FURTHER RESOLVED that the Department of Health report on its findings and recommendations to the House of Representatives prior to the adjournment of the Regular Session of 1977; and".

Your Committee on Health concurs with the intent and purpose of H.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 77, H.D. 1.

Signed by all members of the Committee.

SCRep. 476 Youth and Elderly Affairs and Health on H. R. No. 102

The purpose of this resolution is to request the Executive Office on Aging to assist the counties in planning and developing a comprehensive public health screening program for the elderly. The Executive Office on Aging is also requested to submit a report on the coordination and delivery of elderly health screening services, at least twenty days prior to the convening of the Regular Session of 1978.

Your Committees find that the various health screening programs available to the public are not integrated into government health screening programs. The fragmentation of services are particularly evident on the neighbor islands. Coordination of these services will encourage better use of the health screening programs and facilities, and result in a generally better level of health for the elderly.

Your Joint Committee on Youth and Elderly Affairs and Committee on Health concurs with the intent and purpose of H.R. No. 102 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 477 Youth and Elderly Affairs on H. R. No. 100

The purpose of this resolution is to request the Commission on Children and Youth to determine the status of existing child care plans and to determine whether there is a need to develop a concise document which provides a comprehensive overview of child care education plans for the State of Hawaii.

Your Committee finds that there continues to be a widespread concern about how adequate are the care and education services for the 4year old and younger children in the State of Hawaii. Your Committee wishes to recommend that the Commission on Children and Youth give high priority for the review of the plans for the four year old and younger. It also wishes to recommend that the Commission on Children and Youth use savings it can accrue from its planned expenditures for conducting this review.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 100 as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 100, H.D. 1.

Signed by all members of the Committee.

SCRep. 478 Youth and Elderly Affairs on H. R. No. 101

The purpose of this resolution is to request the House Committee on Youth and Elderly Affairs of the House of Representatives review the work and recommendations of the House Interim Committee on Child Abuse and report their findings and recommendations prior to the adjournment of the Regular Session of 1977.

Your Committee finds that changes are needed in the child abuse and neglect laws to ensure the ultimate protection of a child's environment and development.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 101 and recommends its adoption.

Signed by all members of the Committee.

## SCRep. 479 Youth and Elderly Affairs on H. R. No. 269

The purpose of this resolution is to request the State Volunteer Services to evaluate the need for a state policy concerning the utilization of volunteer services in state government, including consideration as to the need for legislation, and to present a report of findings and recommendations prior to the adjournment of the Regular Session of 1977, to be followed by a final report prior to the convening of the Regular Session of 1978.

Your Committee finds that the volunteer force is one of the state's most underutilized assets. Volunteers not only provide a great deal of human service, they also receive the self-satisfaction of making use of their talents. Testimonies presented called attention to the increasing volunteer participation in government agencies. In order to involve volunteers to the fullest and most productive extent, there is cause to assess the need for an overall state policy.

The resolution has been amended in correcting Hawaii State Volunteer Services Center to State Volunteer Services and extending the report deadline from twenty days prior to ten days prior to the adjournment of the Regular Session of 1977.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 269 as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 269, H.D. 1.

Signed by all members of the Committee.

## SCRep. 480 Youth and Elderly Affairs on H. R. No. 106

The purpose of this resolution is to request the House Committee on Youth and Elderly Affairs to study and review the juvenile delinquency prevention programs.

It is the intent and policy of the State to promote and emphasize preventive juvenile delinquency services and to minimize the need for the involvement of young offenders in the formal juvenile corrections system. A strong juvenile delinquency prevention program can result in immeasurable long term benefits to families, to the community, to the State, and most of all, to the youth of Hawaii. Your Committee believes that an examination of the policies, programs, and activities of the State's juvenile delinquency prevention program will serve as an effective means of strengthening as well as insuring constructive and meaningful programs to help divert youth from becoming involved with delinquent activities.

Your committee has amended this resolution by requesting the House Committee on Youth and Elderly Affairs to submit its findings and recommendations before the convening of the Regular Session of 1978.

Your committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 106, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 106, H.D. 1.

Signed by all members of the Committee.

## SCRep. 481 Housing on H. R. No. 110

The purpose of this resolution, as amended, is to request the House Committee on Housing to conduct an inquiry into the causes, events, impacts and remedies of the moratorium on extension of residential leases in Hawaii.

Your Committee finds that such an inquiry is necessary in view of the fact the moratorium, which involves over 17,000 residential leases, represents a distinct departure from customary residential leasehold practices in Hawaii and creates difficulties for homeowners to sell or obtain refinancing for their homes.

Upon consideration of this resolution, your Committee has made the following amendments:

1. The number of leases that were not extended by the Estate of James Campbell has been changed to 574.

2. On page 2, the House Committee on Housing is now requested to conduct this inquiry in lieu of the Department of the Attorney General, and is to report the findings of its inquiry not less than twenty days prior to the convening of the Regular Session of 1978.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 110, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 110, H.D. 1.

Signed by all members of the Committee.

SCRep. 482      Culture and the Arts on H. R. No. 420

The purpose of this resolution is to request the House Committee on Culture and the Arts conduct an inventory of the diverse cultural and artistic forms existing in Hawaii.

The immigration of many ethnic groups to the Islands is still evidenced by the distinctive and unique multi-ethnic rendering of arts and culture in the state.

Your Committee recognizes that the vitality of a culture is demonstrated primarily by the strength of its artistic and cultural genre.

Harmony amidst diversity - though a paradox anywhere else - pervades and is tightly woven through the cultural and artistic fabric of Hawaii.

It is therefore important that your Committee now assess and explore the variety of art and cultural genre of the Islands in order to plan for their preservation and dissemination.

Your Committee on Culture and the Arts concurs with the intent and purpose of H. R. No. 420 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 483      Culture and the Arts on H. R. No. 421

The purpose of this resolution is to request that the Governor appoint and establish a commission with sufficient funds thereby enabling it to develop plans with which the state can then construct and maintain a memorial marking the birth site of Kamehameha the Great by June 11, 1978.

Kamehameha the Great was a warrior-statesman and Hawaii's first "aliinui" to successfully unify all of the islands in the Hawaiian archipelago. Under his just and wise rule, the people of Hawaii found an example of wisdom, courage and a deep respect for and service to mankind, which transcended all boundaries of national origin, creed and color.

In 1883, statues honoring him were placed in Honolulu and Kohala, the district of his birth, and in 1969, the people of Hawaii selected him as one of our State's two most outstanding persons to be forever commemorated in the National Statuary Hall in the Rotunda of our nation's capitol in Washington, D.C.

Your Committee received testimony from Mr. Russell Apple, Pacific Historian of the National Park Service, Department of the Interior, Mr. Fred Cachola, representing the State Association of Hawaiian Civic Clubs and Mr. Richard Lyman, Trustee of The Kamehameha Schools, Bernice Pauahi Bishop Estate. Each attested to the neglect and decay of Kamehameha's birth site at Kapakii, Kokoiki, Kohala and urged passage of H.R. No. 421.

Your Committee believes that state support in the preservation and protection of this historical landmark is essential because of its tremendous significance as physical evidence of Hawaii's past history and culture.

Although the resolution has not been amended, your Committee expresses its intent to have included on the commission, Hawaiian kupuna, or elders uniquely qualified

to research, identify and relate the site's significance to oral tradition.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 421 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 484      Culture and the Arts on H. C. R. No. 66

The purpose of this concurrent resolution is to request that the Governor appoint and establish a commission with sufficient funds thereby enabling it to develop plans with which to state can then construct and maintain a memorial marking the birth site of Kamehameha the Great by June 11, 1978.

Kamehameha the Great was a warrior-statesman and Hawaii's first "alii-nui" to successfully unify all of the islands in the Hawaiian archipelago. Under his just and wise rule, the people of Hawaii found an example of wisdom, courage and a deep respect for and service to mankind, which transcended all boundaries of national origin, creed and color.

In 1883, statutes honoring him were placed in HOnolulu and Kohala, the district of his birth, and in 1969, the people of Hawaii selected him as one of our State's two most outstanding persons to be forever commemorated in the National Statuary Hall in the Rotunda of our nation's capitol in Washington, D.C.

Your Committee received testimony from Mr. Russell Apple, Pacific Historian of the National Park Service, Department of the Interior, Mr. Fred Cachola, representing the State Association of Hawaiian Civic Clubs and Mr. Richard Lyman, Trustee of the Kamehameha Schools, Bernice Pauahi Bishop Estate, Each attested to the neglect and decay of Kamehameha's birth site at Kapakii, Kokoiki, Kohala and urged passage of H.C.R. No. 66.

Your Committee believes that state support in the preservation and protection of this historical landmark is essential because of its tremendous significance as physical evidence of Hawaii's past history and culture.

Although the concurrent resolution has not been amended, your Committee expresses its intent to have included on the commission, Hawaiian Kupuna, or elders uniquely qualified to research, identify and relate the site's significance to oral tradition.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.C.R. No. 66 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 485      Tourism on H. R.No. 146

The purpose of this resolution is to request the HOuse Committee on Tourism to assess and evaluate the efforts of state, county, and private agencies in implementing the State's interim tourism policies.

Your Committee recognizes that the continued health and growth of Hawaii's tourist industry is essential to the foreseeable future of the State; therefore, in passage of Act 133 of 1976, it mandated a series of interim policies for tourism. Fulfillment of these policies will do much to ensure the desirability of Hawaii as a place to visit, work, and live; and support of these policies through appropriate programs is the responsibility of many public and private agencies.

Your Committee has amended the Resolution to include the Tourism Conference and the Resort Developers in the interim study review. Further, your Committee has also amended the due date of the report and recommends that this study be submitted to the House of Representatives prior to the convening of the Regular Session of 1978.

Your Committee on Tourism is in accord with the intent and purpose of H.R. No. 146 as amended herein, and recommends that it be referred to the Committee on Legislative



Management, in the form attached hereto as H.R. No. 146, H.D. 1.

Signed by all members of the Committee except Representative Medeiros.

SCRep. 486      Ocean and Marine Resources on H. B. No. 131

The purpose of this Act is to improve the administration and coordination of marine affairs programs in the State of Hawaii.

Your Committee recognizes that the Marine Affairs Coordinator (MAC) provides support for many worthwhile oceanrelated projects which benefit the State of Hawaii. Your Committee further recognizes that the Marine Affairs Coordinator should maintain a degree of flexibility in its budget to facilitate timely action in areas not foreseen during the budget preparation period. However, this necessity for flexibility poses a potential problem of accountability. Your Committee recommends amending Section 1 of this Act to reflect this concern.

To improve accountability in the operations of the Marine Affairs Coordinator, your Committee recommends an amendment to Section 2183, Hawaii Revised Statutes, requiring progress reports from all principal investigators of projects funded by MAC. Your Committee agrees that the findings and data of any project funded by the State should be considered public information and, therefore, recommends amending Section 2183, Hawaii Revised Statutes, to emphasize this point.

To facilitate legislative review of the MAC budget, your Committee recommends an additional amendment to Section 2183, Hawaii Revised Statutes, requiring that the Marine Affairs Coordinator report twice a year to the Governor and to the Legislature on all its projects and on the status of marinerelated projects and programs in the State. At the present time, the Marine Affairs Coordinator submits at irregular intervals an annual report which comprises a listing and description of projects funded during the year. Although important, such a listing does not adequately describe the full range of activities carried out by the Marine Affairs Coordinator. Additional information is required regarding all other marine-related projects and programs in the State, including the availability of matching funds. Such information should be recorded in a format that is easily understandable, with special attention given to reconciling discrepancies between PPBS and other systems. It should be stressed that this amendment does not require the Marine Affairs Coordinator to submit two formal published reports each year. The report submitted in July can be similar to the expenditure plan and the budget proposal and justification submitted to the Department of Budget and Finance.

Your Committee recommends amendments to Section 218-3, Hawaii Revised Statutes, to make it consistent with amendments set forth in H.B. No. 126, H.D. 1, "A BILL FOR AN ACT RELATING TO OCEAN AND MARINE RESOURCES", in which the Marine Affairs Coordinator is encouraged to take the initiative in exercising its statutorily prescribed powers and duties without the Governor's approval and authorized to develop plans, objectives, and criteria for the expenditure of State matching funds for federallyfunded projects.

Your Committee concludes that the purposes of this Act can best be fulfilled by augmenting the Marine Affairs Coordinator's staff with an in-house accountant. This staff addition would greatly enhance the ability of the Marine Affairs Coordinator to monitor its projects. Your Committee has recommended this amendment of the executive budget to the House Committee on Finance. Funds for this position are already available in the executive budget since, on the average, 7.5 percent (up to a maximum of 10 percent) of MAC project funds is paid to the Research Corporation of the University of Hawaii for the fiscal management of MAC projects. However, your Committee agrees that the Marine Affairs Coordinator may continue to take advantage of the services provided by the Research Corporation when necessary.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 131 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 131, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 487      Judiciary on H. B. No. 1442

The original purpose of this bill was to amend the Hawaii Penal Code.

Your Committee has amended this bill by changing into long form a short form bill.

The purpose of this bill, as amended, is to amend section 709-906, Hawaii Revised Statutes, to permit the police to arrest a person who is physically abusing or has physically abused his or her spouse on the basis of reasonable grounds without the offense being committed in the presence of a police officer.

Your Committee feels that this bill will expand existing necessary protection for a spouse beaten by the other spouse. Testimonies all concurred that this bill will help alleviate this problem.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1442, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 488      Judiciary on H. B. No. 967 (Majority)

The purpose of this bill is to provide that any provision in a will which purports to subdivide a parcel of land and to devise the subdivided lots be unenforceable.

Your Committee finds that under present law testators have exercised the power to leave real property by will to effect subdivision of the property for the purpose of devising the subdivided lots to devisees under the will without proper government approval of the subdivision and without complying with the applicable subdivision laws. In other words, testators have been able to bypass our subdivision laws, accomplishing by will what they otherwise would not have been able to do. Your Committee finds that such a practice should not be allowed to continue.

This bill would make such purported subdivisions unenforceable. The devisees under such a will provision would instead take undivided interests in the whole parcel of land. The undivided interest would be in the same proportion that the size of the lot attempted to be devised bears to the whole parcel of land.

Your Committee amended this bill by making unsubstantive technical changes which do not affect the intent, purpose or content of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 967, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 967, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
(Representative Fong did not concur).

## SCRep. 489      Employment Opportunities and Labor Relations on H. B. No. 598

The purpose of this bill is to provide a lump sum death benefit of \$12,500 to each non-dependent parent of the deceased, providing that the deceased has no dependents as defined, entitled to benefits under the law.

The present law does not provide death dependency benefits for a parent or parents who are not dependent upon, or are unable to establish that they were, or are fully or partially dependent upon the deceased worker. If there are no dependents entitled to benefits, the employer is presently required to pay the sum prescribed in Section 386-41(d) into the special compensation fund.

The Department of Labor and Industrial Relations agrees with the concept that non-dependent parent of a deceased un-married worker is entitled to some recompense for the loss

of his or her child because of death from a work-incurred injury.

Other testimony received indicates that the proposed \$12,500 would be excessive and would place undue burdens upon the employers.

Your Committee believes that the concept of providing compensation to non-dependent parents of a deceased worker is sound and appropriate. However, in view of concerns expressed that the recommended sum may be excessive, your Committee has amended the bill in such a manner as to insure that such payments of compensation to non-dependent parent or non-dependent parents, be limited to the amount prescribed in Section 386-41(d) and provided that the income of the non-dependent parent or nondependent parents is not more than two times the poverty income level for Hawaii as published by the United States Office of Management and Budget.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 598, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 490      Culture and the Arts on H. B. No. 1602

The purpose of this Act is to expand the definition of arts to include unique or decorative plants.

Your Committee finds that art takes many forms and that the recognition of the various forms should include unique and decorative plants. Flora in the State of Hawaii occupies a prominent role, as one aspect of the natural beauty of the islands. Your Committee believes that the artistic expression of nature, embodied in unique and decorative plants, should be recognized by the State of Hawaii.

Your Committee further finds that the functional utilization of flora demonstrated in landscaping, which softens the transition and contrast between nature and the necessities of man, is an art form in its own right. Landscaping requires skillful artistry and creativity, similar to other art forms. Accordingly, your Committee has amended the bill to include landscaping within the definition of arts. Landscaping of state properties significantly enhances the physical environment of the State. Once accomplished, landscaping can most appropriately be maintained by the respective departments whose grounds are so enhanced. Thus, benefits gained by landscaping will endure.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1602, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 491      Finance on H. B. No. 161

The purpose of this bill is to expedite the private development of an effective inter-island ferry system by eliminating the possibility of State competition in the ferry business. The possibility of State involvement in the inter-island ferry business has a chilling effect on plans by the private sector to provide the heavy investments required to improve the interisland system.

The subject of an inter-island ferry system was first studied in 1961. Since that time additional studies were made in 1962, 1964, 1965, 1973, 1975 and 1976. Throughout this period, improvements (requiring heavy investment) to the ferry system by the private sector have been understandably constrained by the threat of State competition.

Your Committee has also noted that State involvement in the ferry system is not now dictated by need. The Department of Transportation has itself noted that the present inter-island air carriers and SeaFlite provide sufficient passenger services between islands and when combined with the inter-island barge company can move passengers and their autos conveniently between the islands.

The economics of the most recent available cost estimates for State involvement in a ferry system are such that they would result in annual operating deficits to the State of between \$3.9 million and \$23.2 million.

During a public hearing on this bill, your Committee was distressed to hear of the department of transportation's recommendation for a one-year pilot marine program, to be funded by prior appropriations unrelated to marine highways. Your Committee is against the use of such prior appropriations for purposes other than what they were intended for. Your Committee expects the department of transportation to submit all future spending proposals for full legislative review instead of recommending that unrelated appropriations fund new spending proposals.

Your Committee concludes that State involvement in an inter-island ferry system is not now justified in terms of need, the economics of the inter-island ferry business, and sound fiscal practice.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 161 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 492      Finance on H. B. No. 151

The purpose of this bill is to amend Section 225-3 of the Hawaii Revised Statutes to include six public members of the State Plan Policy Council.

Your Committee agrees with the finding that adding six public members to the Policy Council would broaden the base of the planning process and would help create a state plan representative of the public's concerns and needs.

Your Committee further agrees with the suggestion expressed in House Standing Committee Report No. 77 that of the six new members, three should be appointed from Oahu and one each should be appointed from the neighbor island counties.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 151 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 493      Finance on H. B. No. 325

The purpose of this bill is to conform Hawaii income tax law with the federal income tax law and in particular the Tax Reform Act of 1976, Public Law 94-455.

Your Committee finds that this bill contains most of the substance of the Tax Reform Act of 1976 which was a major revision of the federal Internal Revenue Code. Your Committee heard testimony from the Department of Taxation and the private sector in favor of this bill. At that time the Department of Taxation noted that certain changes should be made prior to the passage of this bill and requested time to research and recommend these changes. With the assistance of the Office of the Legislative Reference Bureau and the private sector, the Department of Taxation submitted recommended amendments to this bill with which your Committee concurs.

Your Committee has amended the bill by adding the following public laws which amend the income tax law to further conform to the federal law in this area and are relevant to the Tax Reform Act of 1976.

(1) Public Law 629, 84th Congress, 2d Session, section 5(a) relating to nontaxable exchanges.

(2) Public Law 86-779, section 10(h) relating to constructive ownership of stock.

(3) Public Law 86-781, section 6(a) relating to limitations on the acceleration of accrual of taxes.

(4) Public Law 87-876, section 3(a) relating to dividends or interest paid on certain deposits or withdrawable accounts.

(5) Public Law 88-272, section 218(a) and (b) relating to corporate reorganization and section 226(a) and (b) relating to treatment in case of oil and gas wells.

(6) Public Law 88-484, section 1(b)(1) and (2) relating to corporate distributions.

(7) Public Law 88-539, section 3(a) and (b) relating to the installment method of accounting.

(8) Public Law 88-554, section 4(a) relating to constructive ownership of stock.

(9) Public Law 88-563, section 5 relating to original issue discount.

(10) Public Law 89-97, section 106(a), (b), (c), and (d)(1) relating to medical deductions and section 313(b) relating to employees tips.

(11) Public Law 89-570, section 1(b)(2) and (4) relating to corporate distributions.

(12) Public Law 89-809, section 202(c) relating to methods of accounting.

(13) Public Law 90-621, section 1(a) and (b) relating to corporate reorganizations.

(14) Public Law 91-172, section 211(a) and (b)(1) to (6) relating to gain from disposition of property used in farming where farm losses offset nonfarm income; section 214(a) relating to gain from disposition from farm land; section 215(a) relating to crop insurance proceeds; section 413(a) and (b) relating to bonds and other evidences of indebtedness; section 511(a) relating to capital gains and losses; section 802(b)(1) relating to determination of marital status; and section 916(a) relating to methods of accounting.

(15) Public Law 91-687, section 1 relating to determining when stock of corporation shall not be treated as a capital asset.

(16) Public Law 91-693, sections (a) and (b) relating to corporate reorganizations.

(17) Public Law 92-178, section 305(a) relating to farm losses of electing small business corporations.

(18) Public Law 93-406, section 1013(c)(2) relating to when certain contributions may be made.

(19) Public Law 93-483, section 6(a) relating to penalties forfeited because of premature withdrawal of funds from time-savings accounts or deposits.

(20) Public Law 94-12, section 207 relating to extension of period for replacing old residence for purpose of nonrecognition of gain.

(21) Public Law 94-267, sections (a)(1), (2), and (3) and (b)(1), (2), and (3) relating to termination of employee trusts and annuity plans.

(22) Public Law 94-455, section 206(a) and (b) relating to gains from the disposition of property used in farming where farm losses offset nonfarm income; sections 1901(a)(22), (66), (87), (128), (136), and (b)(3)(I), (b)(3)(K), (b)(14)(D), 1904(b)(10)(C), and 1951(b)(7), all of which make technical changes to sections otherwise amended by the bill; section 2102(a) and (b) relating to certain disaster payments; section 2131(a) and (d) relating to exchange funds; and section 505(a) and (b) relating to sick pay.

Your Committee has also added a new section 3 to the bill codifying Public Law 94-455, section 701(a)(1) and 701(e)(1) which were contained in the first draft of the bill but adopted by reference. Since these sections are taxing sections, they must be codified. Sections 3 and 4 have been renumbered sections 4 and 5. Certain other technical and grammatical changes were also made.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 325, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 494 Finance on H. B. No. 235

The purpose of this bill is to amend the state inheritance tax provisions to change the tax rates and raise the amount exempted from levy.

Your Committee recognizes that the inheritance tax law is in need of revision. The exemptions and tax rates under the law have remained the same since 1957, in spite of the rising incomes and inflationary values of property. Your Committee agrees that there has been a tremendous increase in the tax burden of the beneficiaries of an estate, particularly the surviving spouse. According to the state tax department, taxable values of estates more than tripled between 1970 and 1974, with the average tax liability increasing more than ten times during this period. For a large number of estates, the major asset passing on to a surviving spouse is a home, and the rapidly rising values of real property can work a hardship on such spouse to meet the tax burden on the home.

Tax adjustments in the form of increased exemptions should provide relief to a surviving spouse and other beneficiaries.

Your Committee recommends that the exemption for the surviving spouse be set at \$100,000, for other "direct line" beneficiaries at \$50,000, and for all other beneficiaries at \$5,000. The rate of tax on taxable values are revised as follows:

#### SURVIVING SPOUSE

(A)	(B)	(C)	(D)
Taxable Value Equal to Or More Than--	But Taxable Value Less Than--	Tax on Amount In Col. (A)	Plus Rate of Tax on Excess Over Amount In Col. (A)
\$ 0	\$ 25,000	\$ 0	2%
25,000	100,000	500	3%
100,000	200,000	2,750	5%
200,000	.....	7,750	7%

#### DIRECT LINE BENEFICIARY

(A)	(B)	(C)	(D)
Taxable Value Equal to Or More Than--	But Taxable Value Less Than--	Tax on Amount In Col. (A)	Plus Rate of Tax on Excess Over Amount In Col. (A)
\$ 0	\$ 25,000	\$ 0	3%
25,000	75,000	750	5%
75,000	150,000	3,250	7%
150,000	.....	8,500	8%

ALL OTHER BENEFICIARIES

(A)	(B)	(C)	(D)
Taxable Value Equal to Or More Than--	But Taxable Value Less Than--	Tax on Amount In Col. (A)	Plus Rate of Tax on Excess Over Amount In Col. (A)
\$ 0	\$ 20,000	\$ 0	3%
20,000	70,000	600	6%
70,000	145,000	3,600	8%
145,000	.....	9,600	10%

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 235, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 495 Consumer Protection and Commerce on H. B. No. 1224

The purpose of this bill is to remove the ceiling on the amount of life insurance coverage that may be provided to an individual under a group life insurance policy issued to an employee group.

Presently, the maximum amount of coverage that can be written on an individual's life is \$30,000 unless one hundred fifty per cent of his annual compensation exceeds that amount, in which case, the limit is the lesser of one hundred fifty per cent of \$30,000 or \$50,000. This bill, by repealing the compensation relationship limit of one hundred fifty per cent and the maximum limit of \$50,000, permits any amount of coverage to be written on the life of an employee.

Your Committee has received testimony from the Department of Regulatory Agencies and other groups stating that there is no sound basis for statutory limits on group life insurance coverage for groups similar to employee groups. Your Committee agrees that permitting sound insurance underwriting principles and practices to determine the maximum coverage for employee groups and not for other groups would create a disparity with no basis in logic. Accordingly, this bill has been amended to also repeal maximum limits on labor union groups, trustee groups, public employee association groups, mutual benefit society groups, professional association groups, occupation, industry, or trade association groups.

The benefits resulting from the removal of maximum limits are several. Since many other states do not have ceilings on group life insurance coverage, employers in such states can offer greater fringe benefits and thus are in a more advantageous position to attract and retain employees in higher brackets. This bill should rectify that situation.

In the past, Hawaii groups with an office in a "no-ceiling" state often obtained group life coverage in that state. The net effect of this practice is a loss in revenue to the state, since the dollar value of the revenue generated by the premium tax is accordingly reduced when premiums resulting from the writing of such group policies flow to another state. This bill should reverse that flow.

Persons who are unable to retain sufficient individual life insurance due to medical reasons may be able to attain a sufficient level under group policies.

A most important benefit is in the area of pension benefits. Many pension plans do not provide pension benefits to the surviving spouse if an employee dies prior to retirement, but higher group life coverage can partially offset this loss of pension benefits. It is often difficult to make the appropriate change in an established pension plan to provide for this situation, but it is fairly simple to change a group life plan.



Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1224, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 496      Consumer Protection and Commerce on H. B. No. 1113

The purpose of this bill is to permit applicants for a motor vehicle salesman's license to begin work immediately upon the filing of his application with the Motor Vehicle Industry Licensing Board, provided that the dealer submits an affidavit certifying that the applicant is employed by and under the supervision of such dealer.

Presently, persons who apply for a salesman's license after the Board meeting must wait as long as thirty days before the Board can act on their application. This bill attempts to overcome this problem.

In the interest of consumer protection, your Committee has adopted the recommendation of the Motor Vehicle Licensing Board and has amended the bill to include: (1) the issuance of temporary licenses; (2) that applicants fulfill all requirements for licensure, including bonding; (3) that such applicants are not obviously disqualified by any provisions in the law for issuance of a salesman's motor vehicle license; (4) that a \$10 fee shall be paid with the application for temporary licensing; and (5) the Executive Secretary of the Motor Vehicle Licensing Board shall have the authority to issue temporary licenses.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1113, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 497      Consumer Protection and Commerce on H. B. No. 1143

The purpose of this bill is to establish the requirement for a performance bond at 50% of the contract price, regardless of the estimated cost of the project. To this end, this measure would repeal the requirement of the use of the engineer's estimate on a bidded project in computing the bond requirement when the estimate is higher than the contract price.

Presently, bidders do not know the prebid engineer's estimate and are subject to increased costs necessitated by the need to obtain a bond in a higher amount should the engineer's estimate be higher than the bid. If the disparity between the lowest bid received and the engineer's estimate is too great, the bidder may not be awarded the contract, thus obviating the need for a bond. Should the awarding agency determine that the bid is reasonable though lower than the estimate, then your Committee believes that the bond amount required of the bidder should be based on the contract price to which the bidder is committed.

According to testimony received from the Department of Transportation, the bond amount has never been critical to the satisfactory completion of the contract. In the few instances of a breach of contract, it occurred after much of the work was completed, and the cost of completion never amounted to more than fifty per cent of the contract price.

Your Committee has adopted the recommendation of the Department of Accounting and General Services and has amended the bill by adding a provision under which a bond amount can be set for price-term, open-end, or requirements contracts for which the total amount to be paid to the contractor cannot be accurately estimated at the time the contract is awarded.

The amendment makes it clear that the bond amount shall be as shown in the bidding documents which are made available to the bidders. The words, "including amounts estimated to be required for extra work", was also added to ensure that the extra work that is made a part of the contract through change orders will be covered by

the contract bond.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1143, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 498      Consumer Protection and Commerce on H. B. No. 1153

The purpose of this bill is to require insurers to pay interest on the proceeds of policies, annuity contracts, or endowment contracts when there has been a delay in payment.

The bill delineates three situations when an insurer will be liable for interest payments. In cases when an action is commenced to recover the proceeds, and a judgment is rendered against the insurer, interest must be paid until the date verdict is rendered, or a report or decision is made. When there is a settlement during the course of an action to recover such proceeds, interest must be paid until the date of payment. If no action has commenced, interest must be paid until the date of payment.

The amount of interest to be paid is to be at the rate of six per cent per year upon the proceeds, to be computed daily.

It is the judgment of your Committee that it is equitable for insurers to pay interest during the delay since they have the use of the money during the delay in claim settlement.

Your Committee has amended the bill to require that in connection with a death claim, interest shall be paid from the date insurers are in receipt of both the notification of death and proof thereof. The original form of the bill required the computation of interest to begin from the date of death, but your Committee believes that this may be inequitable to insurers since sometimes the delay is not the fault of insurers. Since payment cannot be made until receipt of notice and proof of death, it would be unfair to require insurers to pay interest from the time of death in situations where, for example, such notice and proof is received a year after death.

Your Committee has further amended the bill to allow insurers a period of thirty days after proper notice and proof of death within which payment must be paid, or they shall be liable for interest upon the proceeds.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1153, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 499      Housing on H. B. No. 101 (Majority)

The purpose of this bill, as further amended, is to require that all disposition of public lands for personal residence purposes by the Board of Land and Natural Resources be made by drawing, except if required by federal statutes or in cases where the board determines that no person, based on income requirements under Section 171-48, would qualify to purchase or lease such lands.

Presently, the Department of Land and Natural Resources disposes of public lands for personal residence purposes by two means: by sale in fee simple or lease at public auction; or by sale or lease of lots by drawing. There are presently no income limitations for those who bid for such lots at public auction; however, there is a gross income limitation of \$20,000 a year for those who participate in drawings.

During the past five years, the auction method has been utilized two and a half times more frequently than the drawing method in the disposition of lots for personal residence purposes. The reason for this, according to the Department of Land and Natural Resources, is that often persons whose gross incomes are less than \$20,000 cannot afford to build a house once they have acquired the land. Furthermore, there have been cases where the upset prices of lots in certain areas would have been much

too high for these same persons.

Upon analyzing this situation, your Committee feels that there exists a gross inequity in making such lots available to those State residents who are especially in need of lower cost housing, specifically those in the low or middle income groups. These persons would not be able to outbid the more affluent members of our society at a public auction, and therefore the likelihood of their attaining lots through this method is basically nil. Additionally, since this is the method of disposition more frequently used, these persons rarely have an opportunity to purchase any public land for personal residence purposes.

Upon further consideration of this bill, your Committee has made the following amendments, which will alleviate the above-mentioned inequities and will contribute toward making available a greater number of such public lands to local residents of low and middle income groups.

1. This bill now stipulates that all disposition of public lands for personal residence purposes shall be made by drawing, except that the Board of Land and Natural Resources may dispose of lands by auction if required by federal statutes, or if the board determines that no person, based on income requirements under Section 171-48 would qualify to purchase or lease such lands for personal residence purposes.

2. Section 171-48(5) has been amended by increasing the gross income limitation to \$35,000 per year.

Your Committee feels that such an increase would enable middle income, as well as low income residents to purchase such lands. This is in conformance with the intent and purpose of the amendment to Section 4, Article VIII of the Constitution which was ratified by the voters in 1976. Additionally, this amendment would provide a greater number of residents with an equal opportunity in acquiring available public lands.

3. There has been added a requirement which states that no person shall be qualified to purchase or lease any lot who has not paid any taxes imposed by the State for five consecutive years prior to the purchase or lease of lands from the State.

These taxes imposed by the State would be limited to State income taxes or any taxes imposed by the State on those who own their own businesses. It would not include any taxes paid when making purchases of any sort.

It is recognized that the home is the basic source of shelter and security in society, the center of our society which provides the basis for the development of our future citizens. Deprivation of this basic need results in frustrations and unrest in our community that is harmful to the overall fiber of society.

Your Committee finds that many local citizens are and have been deprived of this basic need due to the grave shortage of available and affordable residential lands. Moreover, this situation can only be expected to worsen as the rapid influx of non-residents into the State continues, and can lead to much deeper problems.

The gravity of this dilemma was aptly stated in the Governor's State of the State address: "The problem of excessive population seems to be central to nearly every problem in our State. Too many people means too few jobs and too much competition for them; too many people means too little land for agriculture, and parks, and scenic vistas; too many people means too much crime and too much erosion of possibly our single most important commodity, the Aloha Spirit; too many people means too much pressure on all our governmental and private institutions. In short, too many people can spell disaster for this State. Hawaii is a national treasure, but it is a very fragile treasure, one which can be easily destroyed by overpopulation and excessive demands on its resources."

Pursuant to the above, your Committee feels that the public health, safety and welfare of our State residents are being severely and substantially affected and threatened, resulting in immediate, continuous and irreparable harm, and that all conditions and circumstances set forth herein constitute a social emergency which it is the purpose of this amendment to prevent and remedy. Your Committee further feels that this amendment, by placing restrictions on the sale or lease of available public lands, will help to shape our future for the benefit of our present State residents.

4. A new Section of the bill has been added which requires the Board of Land and Natural Resources to adopt such rules and regulations, pursuant to Chapter 91, as may be necessary to carry out the objects and provisions relating to the disposition of public lands for residential lots by drawing and by auction.

5. A severability clause has been added.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 101, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 101, H.D. 2.

Signed by all members of the Committee.  
(Representative Sutton did not concur).

SCRep. 500      Water, Land Use, Development and Hawaiian Homes on H. B. No. 870

The purpose of this bill, as amended, is to prohibit fishing with electrical devices except by the issuance of a permit by the department of land and natural resources for bonafide fishery research and management purposes.

The use of electricity to kill, narcotize, direct or repel aquatic organisms ("electrofishing") is a long established technique, and electrofishing is, in fact, widely employed as a sampling or manipulative tool in fishery research and management. Under the right conditions, particularly with respect to the electrical conductivity-resistivity of the water in which it is used, and with adequate equipment capabilities, electrofishing can be extremely effective. Your Committee feels that electrofishing can indeed be deleterious and destructive to aquatic ecosystems.

Your Committee has amended the bill by amending Sec. 188-26 and 188-27 of the Hawaii Revised Statutes. Your Committee felt that instead of creating a new section specifically for fishing with electrical devices, it was more appropriate to amend existing sections relating to various prohibited methods of fishing.

Your Committee has also modified the definition of the term "electrical device" to mean any source of electrical energy with appurtenant devices for the introduction of electricity into water. This would not preclude use of such items using electricity for fishing as electric motors, flashlights, depth or fish finders and recorders.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 870, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 870, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 501      Water, Land Use, Development and Hawaiian Homes on H. B. No. 674

The purpose of this bill is to limit the exemption from the requirement of mailing notices to all landowners affected by an application for boundary changes in forest and water reserves to the proposed revision of Regulation 4. However, the mailing requirement will continue to apply in all other instances.

The department of land and natural resources is presently in the process of revising Departmental Regulation No. 4, a regulation pursuant to Chapter 183-41, Hawaii Revised Statutes, regarding the use of land in the conservation district.

Your Committee feels that with regard to the proposed revision of Regulation 4, the notice requirement is an onerous burden to the department because the comprehensive revision affects all property owners within the conservation districts. Your Committee finds that for the proposed revision of Regulation 4, the public notice requirement is satisfied by publication alone.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 674, as amended herein, and recommends that it pass

Signed by all members of the Committee.

## SCRep. 502      Legislative Management

Your Committee on Legislative Management begs leave to report that House Resolution Nos. 490 to 502, House Concurrent Resolution Nos. 88 to 92 and Standing Committee Report Nos. 480 to 501 have been printed and distributed.

Signed by all members of the Committee.

## SCRep. 503      Ocean and Marine Resources on H. R. No. 128

The purpose of this Resolution is to request a review of the status of marine research and education programs with particular emphasis on curriculum development and coordination between and among the elementary, secondary, and university marine education programs.

Your Committee finds there are a number of programs for marine education that need support, coordination, and funding. Institutions involved include our public and private elementary and secondary schools, the community colleges, the University of Hawaii, the Waikiki Aquarium, private efforts such as Sea Life Park, various state and county agencies involved in public education or recreation programs, and other organizations that provide training and valuable learning experiences for students with interests in marine affairs.

In order to determine the role of our formal educational institutions in the larger network of marine education, a review of the status and relationships between all segments of marine education is mandatory.

Your Committee feels this is especially timely in terms of evaluating the role of marine affairs in our society in general. The wise use of Hawaii's ocean resources is dependent upon the development of a marine awareness or orientation within the community. If marinerelated economic potentials are to be realized, a significant number of our students must receive a sound education in relevant ocean disciplines, and, whenever possible, an effort should be made to coordinate research and employment opportunities.

Your Committee is concerned that our natural resources are not fully utilized in our marine curricula. There is an obvious need to equip our citizens with a certain competence in interacting with our marine environment. Field trips depend on a confidence that participants have minimal skills to ensure safety.

The original intent of H.R. No. 128 was to request your Committee to conduct a review of the status of marine research and education programs, and to report those findings 20 days prior to the adjournment of the 1977 regular session.

Your Committee finds, however, that the scope of this assignment is too broad for an adequate review in such a short period of time. Such a review can best be done during the interim, before the 1978 session.

In addition, your Committee recognizes the need to work closely with your Committees on Education and Higher Education. To reflect these needs, H.R. No. 128 is amended to request that this review be done jointly by your Committees on Ocean and Marine Resources, Education, and Higher Education. It is further amended to adjust the due date of the report to be "twenty days prior to the opening of the 1978 regular session", and to require that copies of this resolution be transmitted to the Chairpersons of the House Committees on Education, Higher Education, and Ocean and Marine Resources, as well as the Department of Education and the President of the University of Hawaii.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 128, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 128, H.D. 1.

Signed by all members of the Committee.

SCRep. 504      Water, Land Use, Development and Hawaiian Homes on H. B. No. 1674

The purpose of this bill is to clarify the exemption of housing developed by the Hawaii Housing Authority from county park dedication ordinances.

Current county park dedication ordinances often add heavy burdens on the ability to deliver low cost housing as mandated by Chapter 359G, Hawaii Revised Statutes. If the Authority were to strictly adhere to the requirements of the counties, unit sales prices would have to be increased thereby reducing the number of families able to purchase their own home.

Your Committee believes that it is necessary to provide adequate open and green space to improve the overall quality of life; however, existing state programs designed to secure and administer State Park lands for the people of each of the counties are adequate to provide the desired open and green spaces. The imposition of park dedication requirements on the HHA is an added burden which tends to make it more difficult to provide low cost housing.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1674 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 505      Finance on H. B. No. 1678

The purpose of this bill is to make improvements in various aspects of the State Home Renovation and Rehabilitation Program established by Act 178, Session Laws of Hawaii 1976.

This bill authorizes the Hawaii Housing Authority to utilize participation loans in conjunction with housing rehabilitation and renovation efforts. The usage of participation loans will "increase" the total amount available without drawing upon limited State financial resources. In this way, the amount appropriated to this program will have a multiplying effect through the use of resources from the private sector.

Additionally, this measure proposes to ease the plight of the elderly faced with deteriorating dwelling units by providing certain exemptions to a borrower who is aged 55 years or older and who is making a loan of \$3,500 or less.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1678 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 506      Finance on H. B. No. 1688

The purpose of this bill is to provide for the establishment and operation of the State Law Enforcement Planning Agency by State law as required by the Federal Claims Control Act of 1976.

The Omnibus Crime Control and Safe Streets Act of 1968, Public Law 90-351, as amended by Section 105 of the Crime Control Act of 1976, Public Law 94-503, requires, as a condition to participating in the federal Law Enforcement Assistance Administration (LEAA) program, that the Legislature of the State of Hawaii pass a law by December 31, 1978, to create or designate a state law enforcement planning agency with responsibilities to, among other things, develop and implement a comprehensive law enforcement plan for the State of Hawaii to reduce crime and juvenile delinquency and administer the LEAA program in Hawaii.

This bill will comply with the requirements of the Crime Control Act of 1976 and will insure the continued federal funding of the LEAA program in Hawaii. Employees presently employed by the State Law Enforcement and Planning Agency are to be transferred to the new agency and shall not lose any of their benefits or status of civil servants in the transfer. Those employees, who do not have a civil service status, will not lose their present benefits.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1688, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 507      Finance on H. B. No. 1694

The purposes of this bill are:

(1) To bring the State health planning law into conformity with the requirements of federal provisions in order to remove any barriers to Hawaii's eligibility for funds appropriated under the law.

(2) To provide recognition in the law for all of the functions of the State Health Planning and Development Agency.

(3) Remove references to the Health Systems Agency and Health Service Areas which are no longer appropriate to the State of Hawaii.

Your Committee agrees with the findings expressed in House Standing Committee Report No. 409.

Your Committee has amended this bill on page 34, line 17 by changing the figure "\$100,000" to "\$150,000" to reflect inflationary cost factors relative to the requirement for certificates of need.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1694, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1694, H.D. 2.

Signed by all members of the Committee.

SCRep. 508      Finance on H. B. No. 1174

The purpose of this bill is to amend section 155-9, Hawaii Revised Statutes, to increase the ceilings on Class A farm ownership and improvement loans and Class C farm operating loans from \$100,000 to \$125,000 and from \$75,000 to \$100,000 respectively.

Loan ceilings under the state farm loan program have not been adjusted since 1969. Your Committee finds that there has been a dramatic increase in costs for operating and capital expenditures with continuing emphasis on specialized equipment and facilities and agrees that the adjustments in loan ceilings proposed by this bill are in order. Your Committee supports the findings of House Standing Committee Report No. 398.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1174 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 509      Finance on H. B. No. 190

The purpose of this bill is to amend Chapter 88, Hawaii Revised Statutes, to provide for separate determination of employer contribution requirements toward the Pension Accumulation Fund and the Post Retirement Fund for two groups of employees: (1) policemen, firemen and corrections officers, and (2) all other employees.

The average age of retirement which the Actuary assumes for policemen and firemen is 55 years, resulting in a greater employer retirement costs for these employees than for general employees and teachers. Under present statutes, the employer retirement costs are prorated between the State and the various counties in the same proportion as the total annual payrolls of State and county members.

This bill will permit the distribution of employer costs more equitably between the State and each county. The distribution of costs under the proposed method would result in an increase of the counties' contribution requirement to the Pension Accumulation Fund by approximately \$1.0 million for fiscal year 1978-79, and a reduction of the State's requirement by the same amount.



The bill also provides that beginning July 1, 1978, the contribution requirement for the Post Retirement Fund for each of the two groups: (1) policemen, firemen and corrections officers, and (2) all other employees, shall be actuarially determined in the same manner as for the Pension Accumulation Fund rather than based on a fixed percentage. Moreover, the employer costs for the fiscal year beginning July 1, 1978, shall be sufficient to meet the employer normal cost as well as to liquidate the unfunded accrued liability of this fund as of July 1, 1976, over the period of 38 years beginning July 1, 1976.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 190 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 510      Finance on H. B. No. 192

The purpose of this bill is to clarify statutory language relating to the condition under which accidental death benefits may be provided for a member of the state retirement system.

Section 88-85, Hawaii Revised Statutes, presently allows accidental death benefits to be provided if the death of a member occurred while in the actual performance of duty and was not caused by negligence on the part of the member. According to testimony presented before your Committee, "negligence" on the part of the member is difficult to prove causing problems in eligibility determination. In recognition of this fact, the legislature previously amended statutes relating to service connected disability retirement to provide that negligence must involve "willful negligence" in order for a member to be disqualified from receiving benefits. To provide statutory consistency, this bill proposes to add the term "willful" to negligence to clarify conditions under which accidental death benefits may be provided.

This bill extends to police officers, eligibility for accidental death benefits when death is a result of health impairment from diseases of the heart, lungs, or respiratory system.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 192, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 511      Finance on H. B. No. 193

The purpose of this bill is to waive the 30-day waiting period for retirement in providing death benefits under the mode of retirement selected by the deceased member if death is due to terminal illness.

Present law requires persons to file an application for retirement not less than 30-days, or more than 90-days from the date specified as the date of retirement. Should the member die during this period between the date of filing his application for retirement and the effective date of retirement, he would receive ordinary death benefits and be treated as if he had died in service.

This bill proposes to waive the waiting period in cases where a member dies prior to retirement, but only under the condition that the attending physician certify that he was aware of the terminal nature of the members' illness more than 30-days prior to his death, and that he deemed it inadvisable to inform the member of his terminal condition for the well being of the patient. Beneficiaries of such persons will receive death benefits as if the member had died after the effective date of retirement.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 193 and recommends that it pass Third Reading.

Signed by all members of the Committee.

## SCRep. 512 Finance on H. B. No. 225

The purpose of this bill is to increase the fees for insurance licensing, examination, and post-licensing services.

Presently, the licensing and examination fees which were established in 1964, are unrealistically low and do not cover the cost of these services today.

With respect to examination fees, the proposed amendment authorizes the insurance commissioner to establish the fees by rule.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 225 and recommends that it pass Third Reading.

Signed by all members of the Committee.

## SCRep. 513 Corrections and Rehabilitation on H. B. No. 73

The purpose of this bill is to include in Chapter 353 of the Hawaii Revised Statutes relating to corrections, a new section which expresses the major goals and objectives of Hawaii's corrections program.

Key concepts of Hawaii's correctional plan include: coordination among the Judiciary, the law enforcement system and corrections which will best serve the interests of justice, the people and the individual offender; protection of the public; treatment and handling of offenders as individuals rather than en masse to reduce recidivism and to reintegrate them with society as productive and responsible citizens; development of career ladders and job satisfaction for personnel in the corrections system; and a corrections system which is responsive to changing goals and needs.

This bill provides a statutory expression of the key concept of Hawaii's correctional plan.

Testimony presented to your committee by the Attorney General of the State of Hawaii expressed fears that the bill may be interpreted as creating statutory rights in inmates to the corrections program of the State instead of a statutory expression of the major goals and objectives of the corrections program. Increased litigation may be the result of the misinterpretation.

Your Committee has amended the bill to make it clear that the bill is not intended to create statutory rights to the programs under Hawaii's correctional plan, but is only intended to express, as an integral part of the statutes relating to corrections, the goals and objectives of Hawaii's correctional plan.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 73, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 73, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 514 Education on H. B. No. 1062

The purpose of this bill is to amend Sec. 298-23, Hawaii Revised Statutes, to empower the department of education to issue licenses, revocable permits, concessions, or rights of entry to school buildings and grounds for periods of use as deemed appropriate by the department.

Your Committee on Education feels that schools should be the focal point of the community and should be made more accessible to the community it serves. Your Committee has heard testimony from the department of education, teacher unions, and the public, all of whom have indicated a keen interest in maximizing the use of school facilities so that taxpayers can get a maximum return on their capital investment in school facilities. This bill would streamline the procedure for obtaining permission for use of school facilities by stating that all dispositions need not be approved by the board of land and natural resources.

Your Committee has amended this bill by providing that approval by the board of land and natural resources be required when such dispositions, in excess of 14 days are not for educational purposes. The district superintendent of the school being requested for use will determine when approval by board of land and natural resources is necessary for disposition.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1062 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1062, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 515      Employment Opportunities and Labor Relations on H. B. No. 841

The purpose of this bill is to hold an employer liable for any penalty incurred when payment of wages is made by check for which insufficient funds are available in the employer's bank account.

Your Committee finds that the use of the word "penalty" is subject to a variety of definitions, and that "bank's special handling fee" conveys a more precise meaning. Your Committee has amended the bill accordingly.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 841, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 841, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 516      Health on H. B. No. 200

The purpose of this Bill is to amend Chapter 329 of the Hawaii Revised Statutes in order to allow the Department of Health to add, delete, or reschedule controlled substances in accordance with changes in the federal controlled substances law on a temporary basis until approval by the Legislature.

Your Committee finds that the Department of Health is presently required to annually submit to the Legislature required changes in the controlled substances act to bring it in line with federal controlled substances schedules. These changes are subject for approval by the State Legislature.

Your Committee further finds that provisions allowing the Department of Health to control drugs on temporary basis should not be implemented at this time.

Therefore, your Committee has amended H.B. No. 200 by deleting sections in the Bill relating to the temporary control of substances by the Department of Health.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 200, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 200, H.D. 1.

Signed by all members of the Committee.

SCRep. 517      Housing on H. B. No. 1676

The purpose of this bill is to allow the Hawaii Housing Authority to sell finished and unfinished houselots, or unimproved land.

The Hawaii Housing Authority has found that some families would rather purchase the unimproved land and either construct the homes themselves through donated professional labor or hire sub-contractors and proceed as their finances and physical resources allow. To proceed on this basis would not detract from the purposes and intent of Chapter 359G.

Your Committee is in agreement that this measure will open the way for greater

usage of resources and would not detract from the purposes and intent of Chapter 359G. It is the Committee's feeling that the intent of this measure will provide much needed support to the existing Chapter by allowing the Hawaii Housing Authority the flexibility needed to fully implement the elements needed for low-cost housing.

Upon consideration of this bill, your Committee has amended page 1, lines 14-15 to read "developed" in place of "constructed", as lands are not constructed but are developed. This is a grammatical change which is in keeping with the meaning and intent of the bill.

Your Committee on Housing is in accord with the intent and purpose of H.B. 1676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1676, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 518      Public Assistance and Human Services on H. B. No. 1658

The purpose of this bill is to provide for choice in optometric services to public assistance recipients, and require the department of social services to certify blind persons before approval of application for assistance.

In 1975 the Legislature passed H.B. No. 35, Act 145, eliminating Section 346-58, Examination, Choice; and Section 346-59, Certification of Blindness, from the Hawaii Revised Statutes. The two sections were repealed because it was believed that the then new Federal Supplementary Security Income Program adequately covered the areas of concern in the two sections. The Federal SSI program provides for assistance for the aged, blind and the disabled.

In Hawaii the State contributes a supplementary subsidy of approximately 25% to this program although it is wholly Federal-administered. In this situation the choice of eye care practitioner remains protected by federal guidelines (1972 amendment to title XIX). However, it is possible that in the future the State may fund a larger portion of this type of assistance and in doing so, it is conceivable that the program will become State-administered with State guidelines. In this event there is no guarantee that freedom of choice of practitioner will continue to exist as it now does.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1658 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ueoka.

SCRep. 519      Consumer Protection and Commerce on H. B. No. 1660

The purpose of this bill is to permit savings and loan associations to charge, contract for, receive, collect in advance, or recover interest, discount, and other charges at the same rates as permitted by law in the case of loans made by other licensed fiduciary industrial loan companies.

Currently, savings and loan associations are not permitted to charge at a higher rate than one per cent a month on any loan. By way of contrast, industrial loan companies are permitted to charge one and one-half per cent a month on loans with a duration of six years or less. Banks are permitted to charge at the same rate as industrial loan companies, with the same restrictions.

Your Committee has amended the bill by removing the word "fiduciary" as a modifier within the phrase "licensed fiduciary industrial loan companies". The reason for this change is that this particular term is not defined by Hawaii law.

Your Committee has further amended the bill to subject savings and loan associations who charge the same rate as industrial loan companies and banks to the same restrictions imposed on industrial loan companies and banks in section 408-15 and 408-17. Thus, should a savings and loan association decide to charge interest at the rate of one and one-half per cent per month, the term of the loan may not exceed six years. Since the purpose of this bill is to produce parity among different types of financial institutions in relation to charged interest rates, it would be anomalous and inequitable to permit savings and loan associations to charge at the same rate as other financial

institutions without being subject to the same restrictions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1660, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1660, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 520      State General Planning on H. B. No. 770

The purpose of this bill is to permit some variance to the minimum lot size standard in the subdivision of lands in a rural district in such cases where hardship is demonstrated by the landowner.

Landowners have repeatedly requested the Land Use Commission to grant some variance to the minimum lot size standard. Under the present statutes, it has been interpreted that the Land Use Commission does not have the authority to permit the establishment of lots less than one-half acre within the Rural District.

H.B. 770, H.D. 1 would allow a family to place two residences on a single property without subdividing, provided that the property included a full one-half acre (21,780 square feet) for the first residence and at least 18,500 square feet for the second residence. "Equivalent residential density" as used in the bill shall refer to the number of houses per land area.

Since newly created lots must conform to present standards, this provision will apply solely to lots existing on record prior to January 1, 1977 and shall address hardship situations only. Moreover, it is not the intent of your Committee to further reduce the minimum lot size standard.

Upon further consideration, your Committee has made the following technical clarifications on page 3, lines 4-10, to read:

"...the commission for good cause may allow one lot of less than one-half acre but not less than 18,500 square feet, or an equivalent residential density, within a rural subdivision and permit the construction of one dwelling on said lot, provided, however, that all other dwellings in the subdivision shall have a minimum lot size of one-half acre or 21,780 square feet."

This amendment is necessary to restore the original intent of the bill.

Your Committee on State General Planning is in accord with the intent and purpose of H.B. No. 770, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 770, H.D. 2.

Signed by all members of the Committee except Representative Medeiros.

SCRep. 521      Ecology and Environmental Protection on H. B. No. 1065

The purpose of this bill is to revise the environmental impact statement (EIS) process by making various amendments to Chapter 343 of the Hawaii Revised Statutes.

This bill adds: three definitions to Sec. 343-1, which reflect a change in the requirements for an EIS; a requirement for an "environmental assessment" to Sec. 343-4(a), which reflects the fact that all actions listed under this section may not require an EIS but should require an environmental assessment; the Special Management Areas established pursuant to Sec. 205A, part II, H.R.S., to those actions requiring an environmental assessment; to Sec. 343-4(b) & (c), the option of providing an EIS in phases to conform to the level of approval for which it is submitted; provisions for Environmental Quality Commission vote and public comment in the establishment of exempt classes of actions (Sec. 343-5); and provisions for standing to sue to appropriate parties in cases of non-determination or acceptance or non-acceptance.

Your Committee finds, upon consideration of testimony received, that certain amendments are in order. Your Committee recommends the following amendments:

- (1) A shortening of the definition of "discretionary approval" to exclude the definition of ministerial approval. A pending Hawaii Supreme Court case, Molokai Homesteaders Assn V. Cobb (Sup. Ct. No. 6408, Civ. No. 47007), will give rise to a definition of ministerial approval (Sec. 343-1 (7)).
- (2) Replacing the proposed language in Sec. 343-4(7) with language allowing the counties to supplement the environmental assessment procedure with county designated areas and procedures.
- (3) Deleting the requirement for an environmental assessment for actions within agricultural districts which require special use permits as the Committee on Water, Land Use, Development and Hawaiian Homes is currently considering further restrictions on permissible uses within agricultural districts.
- (4) Clarification of who has the option of deciding whether a phase-by-phase or comprehensive EIS is in order in Sec. 343-4(b), relating to agency actions, and 343-4(c), relating to applicant actions.
- (5) Deleting the proposed Sec. 343-6(d). As this provision would allow any member of the general public to appeal to the commission a determination that an EIS is or is not required. The Committee finds that this piecemeal change to the standing to sue provisions is not appropriate at this time.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1065 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1065, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Morioka.

SCRep. 522      Education on H. B. No. 74

The purpose of this bill is to promote after-school child care programs by availing school facilities to interested individuals, organizations or agencies to operate such programs.

Your Committee finds that the working mother in Hawaii represents one of the highest labor force participation rates in the country. Further, your Committee finds that most working women in Hawaii are full-time employees which makes after-school care a major concern because normal business hours do not coincide with school hours. As a result, there exists various after-school arrangements such as the child caring for himself or supervision by relatives.

Your Committee believes that important factors in after-school child care are accessibility, convenience and costs. The establishment of after-school child care centers located on school grounds would eliminate the need for working parents to transport their children from school to relatives and possibly reduce the cost of after-school child care operations through the use of school facilities. This savings may be passed on to working parents.

Your Committee also believes in the importance of efficient and effective utilization of school facilities during non-school hours. After-school child care programs provide for this as well as offer valuable services to working parents.

Your Committee has amended the bill to delete the licensing requirement under section 346-21, HRS, as not applicable to after-school child care programs that operate on school grounds.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 74, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 74, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 523      Education on H. B. No. 172

The purpose of this Act is to amend Chapter 13 of the Hawaii Revised Statutes in the following respects:

1. Section 131 is being revised to state that the State Board of Education shall consist of nine members who shall be elected by registered voters of two school board districts. The first school board district shall comprise the seventh through twentysixth representative districts and shall elect seven members. The second school board district shall comprise the first through sixth and twenty-seventh representative district and shall elect two members.
2. Section 13-3 is being revised to change the primary election system for the Board of Education from an open primary to a blanket primary.
3. References to atlarge school districts are deleted from the chapter.

Your Committee finds that Section 13-1, Hawaii Revised Statutes, is in conflict with the recent U.S. District Court Order of June 19, 1974, which reapportioned the State Board of Education to its present two-district, nine-member configuration. Therefore, your Committee feels that the Hawaii Revised Statutes should be amended to conform to the U.S. District Court Order.

Your Committee further finds that under the present open primary system, a voter is presented with a school board ballot which contains the names of all candidates, grouped by political parties or nonpartisanship. If the voter crosses party lines, the ballot will become invalid. Testimony presented by the State Election Administrator indicates that a sampling of ballots in selected precincts from the 1974 Primary Election showed that there could have been as much as 20% spoilage on ballots voted for the Board of Education. Under the proposed blanket primary system, a voter may vote for any candidate, regardless of the candidate's party affiliation. Your Committee feels that this change will simplify voting procedures and reduce the number of spoiled and invalid ballots.

Your Committee concurs with the intents and purposes of H.B. No. 172 and has made the following amendments to the bill to delineate the manner in which candidates may win a nomination or be elected outright:

1. The candidates with the highest number of votes, not to exceed twice the number of positions to be filled at the general election, shall win nomination to the general election.
2. The candidates need not vie in the primary election if the number of candidates in such school board district is equal to or less than twice the number of positions to be filled at the general election.
3. Candidates may win outright election if:
  - A. The number of candidates who have filed nomination papers for a school board district is equal to or less than the number of positions to be filled at the general election.
  - B. A candidate receives more than 50% of the votes cast in a school board district at the primary election.

Your Committee finds that these amendments will expedite ballot printing, lower ballot printing costs, and simplify and streamline the election process.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 172, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 172, H.D. 1 and be placed on the Calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 524      Finance on H. B. No. 231

The purpose of this bill is to repeal the graded tax rates feature from the real property tax law and replace it with a single real property tax rate.

Act 142 of the 1963 Legislature provided for the differential tax rates in existence



today. When Act 142 went into effect, properties were classified into six classes of property. The classes were: (1) residential; (2) hotel/apartment/resort; (3) commercial; (4) industrial; (5) agricultural; and (6) conservation. The differential tax rates provision was applicable to all classes except the latter two.

An intent of Act 142 was to encourage development by shifting a portion of the tax burden from developed properties to underdeveloped properties through the use of differential rates. However, an inequitable result of this shifting was that owners of smaller and older homes were subjected to a proportionately higher tax burden than owners of larger and newer homes. Therefore, to eliminate this undesirable feature, residential properties were separated into two groups: improved residential and unimproved residential. With this change, which took effect in 1970, land and buildings in the improved residential class were taxed at the same rate. However, unimproved residential properties still remained subject to differential rates along with hotel/apartment/ resort, commercial and industrial properties.

This bill proposes to repeal the graded tax feature from the real property tax law. All land and improvements would then be subject to a single tax rate.

Your Committee agrees that this bill should eliminate undesirable aspects of the differential tax rate law such as:

- I. Inequality among taxpayers in the same class resulting from the shifting of tax burden only within each class of land.
- II. A complicated tax rate formula that the typical taxpayer finds difficult to understand. Taxpayers are also confused by the fact that the differential rates change even though the county does not change the basic rate.
- III. Disregard of "open space" and "green space" concepts embedded in sound urban planning and zoning codes. Rather than applying pressure for maximum development, property owners should be encouraged to incorporate open spaces and green spaces with good designs and arrangements and they should not be penalized with higher tax rates for doing so.
- IV. Inequity among industries. Since land is subject to a higher tax rate, business activities which do not require intensive development of their lands (e.g. lumberyards, trucking companies, parking lots) are unnecessarily penalized.
- V. It is contrary to the belief that the taxpayer should pay for the benefits received. Owners of vacant land pay taxes at a higher rate and yet they do not require as many of the services received by the other property owners.

Major changes made by this bill are as follows:

- I. Amends the classification of real property into seven classes and four categories, and replaces it with: (1) single and two family residential; (2) three or more family apartment and hotel; (3) commercial; (4) industrial; (5) agricultural; and (6) conservation. Deletes the "unimproved residential class" of property. (HRS 246-10)
- II. Repeals the requirement that exemptions be first applied to the value of buildings, and the remainder on the value of the land; repeals the requirement that the tax director notify the taxpayer of the amount of exemption applied to the land and the amount applied to the building. Requires that the taxpayer be notified of the amount of the exemption and the net assessed value of the property. (HRS 246-24,43)
- III. Deletes the requirement that the separate values be reported on the assessment lists. (HRS 246-44)
- IV. Repeals the definitions and the method of determining differential rates for land and for buildings and enacts provisions establishing a single tax rate for all real property. Provides that tax rates be expressed in terms of tax per \$1,000 of assessed value with the rate computed to the nearest cent (HRS 248-2)

Your Committee has amended this bill to make minor clarifications in language as follows:

- I. Change "subsection" to "section" on page 5, lines 21 and 22.
- II. Add a comma after the word "decreased" on page 16, line 21.
- III. Change "rates" to "rate" on page 17, line 16.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 231, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 525 Finance on H. B. No. 196

The purpose of this bill is to authorize the Board of Education to classify and adopt an educational officer classification/compensation plan upon which the salary ranges of the Department of Education's educational officer positions are to be based.

The 1973 Management Audit of the Department of Education of the Legislative Auditor cited the need to develop a new classification system for the Department's educational officers. Specifically, the lack of uniform and consistent minimum qualification requirements along with descriptive class titles detailing responsibilities have hampered the promotional process for the Department's educational officers.

Pursuant to the adoption of S.C.R. No. 116, Regular Session of 1976, an educational officer compensation and classification plan has been formulated which: 1) establishes uniform and consistent minimum qualification requirements for State and District level classes; 2) establishes a two-step appeal process, which recognizes an educational officer's right to due process, should he disagree with any classification action taken on his position; 3) establishes procedures by which an educational officer can submit a classification request for appropriate review and action; and 4) provides management a tool to recognize the levels of responsibility, authority and complexity with like levels of compensation.

Your Committee finds this plan to be more consistent and equitable than the present statutes. Therefore, your Committee supports the passage of this bill which would allow for the application of this Plan.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 196 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 526 Finance on H. B. No. 180

The purpose of this bill is to amend section 155-8, Hawaii Revised Statutes, to allow the Department of Agriculture flexibility in setting interest rates for all direct farm loans by pegging interest rates to going prime rates.

The ceiling of six per cent charged by the State on direct farm loans has remained unchanged since 1968. Your Committee has reviewed the findings expressed in House Standing Committee Report No. 198 and agrees that the six per cent ceiling should be changed and your Committee supports the proposal to set a flexible ceiling on interest rate at not more than one per cent above the going prime rate charged by financial institutions.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 180 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 527 Finance on H. B. No. 168

The purpose of this bill is to establish one executive director to oversee the Oahu Intake Service Center as well as those in the other counties of the State. The state-wide executive director shall be appointed directly by the Governor.

Your Committee finds that the present executive directors for each of the county Intake Service Centers, will be affected by the changes proposed by this bill. Your Committee recommends that provisions be added (new sections 3 and 4) to protect the employment status of incumbents. Sections of the bill are accordingly renumbered. The effective date of this bill is revised.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 168, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 168, H.D. 1.

Signed by all members of the Committee.

SCRep. 528 Finance on H. B. No. 1681

The purpose of this bill is to authorize the Hawaii Housing Authority to increase its annual expenditures from \$100,000 to \$250,000 for the research and development of innovative techniques.

It is the intent of your Committee that the Hawaii Housing Authority use the increased appropriation for the development of innovative techniques and systems for energy conservation in housing units and projects. The development of exemplary projects, such as the Hawaiian Energy House, sponsored by the Authority in cooperation with the University of Hawaii, should be fostered, expanded in scope and otherwise further developed.

Although some aspects of energy conservation for Hawaii's homes are readily identified, such as increased use of solar and wind energy, lowering the cost of these energy-conserving techniques to make them affordable to Hawaii's families requires additional research and demonstration. This measure will provide the authorization, direction and funding to expand the activity of the Authority in developing and demonstrating feasible energy conservation for Hawaii's residents.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1681, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 529 Finance on H. B. No. 670 (Majority)

This bill amends Section 210 of the Hawaiian Homes Commission Act, 1920, with regards to buy back provisions in the event of a surrender or cancellation of a lease, as intended to discourage speculations.

Presently, if there are no qualified successors to the leasehold interest, or in the case of cancellation or surrender of a lease, the Department of Hawaiian Home Lands is obliged to "buy back" the improvements, less any outstanding indebtedness. Such costs are then passed on to the next lessee. Recent appraisals on improvements have ranged from \$3,000 to \$48,000.

The mandated "buy back" without any protective provisions has presented serious problems based on the limited financial resources available to potential applicants as well as the severe funding limitations of the Department itself. Also, especially with reference to surrender of leases, no safeguards currently exist against the damages of speculation.

These amendments to Section 210, as provided in this bill, will test the commitment of the lessee to reside permanently on Hawaiian Home lands to improve the land for his benefit and not for speculation with public funds.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 670, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee,  
(Representative Sutton did not concur).

SCRep. 530      Finance on H. B. No. 671

The purpose of this bill is to enable consistent rates by increasing loan fund interest rates and to reduce duplication of provisions contained in other proposals.

There exists the need for common terms in the Hawaiian Homes Commission Act to permit maximum use of available funds. The amendment to Section 215 (3) is proposed to adjust the interest rate on the Hawaiian Home Loan Fund.

Interest on all Hawaiian Homes Commission Act loan funds is established at the rate of 2 1/2% or higher.

Other proposed amendments will allow the distribution of interest payments not only to the operating fund but also to a general home loan fund and the development fund, thus increasing revenues for such activities as home construction, repair and maintenance, as well as off-site development.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 671 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 531      Finance on H. B. No. 1173

The purpose of this bill is to 1) consolidate funds by function and source; 2) standardize terms; 3) add two new funds as a depository for interest charges and borrowed money; 4) define parameters for use; and 5) increase the guarantee amount from \$8 million to \$13 million.

These changes will facilitate efforts to maintain order and accurate accounting; establish a frame work for sustained mortgage financing without cost to the State; pursue private moneys; and enable maximum use of all money on hand.

Your Committee agrees with House Standing Committee Report No. 357 and incorporates the findings herein.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1173, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 532      Finance on H. B. No. 672 (Majority)

The purpose of this bill is 1) to provide for a Hawaiian Homes Commission member from the island of Molokai, 2) to provide the Department of Hawaiian Home Lands with authorization to hire exempt staff for special needs, and 3) to clarify the personal liability coverage for members of the Hawaiian Homes Commission.

The amendment to Section 202 is proposed to alter the present representation on the Hawaiian Homes Commission. The proposed amendment reduces the County of Oahu's representation, from four to three commissioners and increases the County of Maui's representation from one to two commissioners, requiring that one of these two shall be a resident of Molokai.

The amendment to Section 202 (b), providing the Department of Hawaiian Home Lands with authorization to hire short-term staff workers, is proposed to aid the Department in accomplishing its established goals and objectives. Personnel with advanced skills and field experience are sometimes required by the Department, yet not always on a permanent full-time basis.

The amendment to Section 222 deletes the specific amount of the bond required of the Commission to furnish bond. Existing statutes already authorize the Governor to set bond requirements, making the amount given in this Act unnecessary. The addition of Commission members to this section along with the Chairman is proposed to clarify existing laws.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 672, and recommends that it pass Third Reading.

Signed by all members of the Committee.  
(Representative Sutton did not concur).

SCRep. 533      Finance on H.B. No. 144

The purpose of this bill is to authorize the counties to prepare design plans for areas designated as major tourist destination areas.

The intent of this bill is to enhance the planning and design process and implement the policies established under Act 133, Session Laws of Hawaii 1976, by concentrating greater public effort on maintaining and developing well designed, attractive, high-quality destination areas for visitors throughout the State of Hawaii. The means selected for fulfilling this purpose are urban and regional design plans to be prepared and implemented by each individual county.

Your Committee generally agrees with the findings expressed in House Standing Committee Report No. 134. Your Committee has amended this bill by deleting the sentence on page 4, lines 1 to 4 which reads: "The director of planning and economic development shall approve the scope of work and choice of district for any plan for which state or federal funds are to be used."

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 144, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 144, H.D. 2.

Signed by all members of the Committee.

SCRep. 534      Finance on H. B. No. 1671

The purpose of this bill is to expedite the administration of the State Mortgage Guarantee Program by revising certain administrative steps and procedures of the Hawaii Housing Authority and the Department of Budget and Finance.

The first amendment connects the guarantee of the top 25% of the mortgage loan to a certain sum so as to be able to determine when the State's guarantee discontinues to be a contingent liability on the particular mortgage loan.

This bill removes the word "mortgage" in HRS Sec. 359G-12(a), as it relates to the Hawaiian Homes Commission in view of the fact that "mortgage loans" are not authorized on Hawaiian Home lands.

The amendment proposed in HRS Sec. 359G-12(d) is intended to authorize the utilization of the personnel of private-lending institutions in processing applications for mortgage loans.

The deletion of the present HRS Sec. 359G-12(g) is intended to result in the efficient and expeditious operation of the mortgage guarantee program.

A new HRS Sec. 359G-12(j) has been added with the intent of expressly setting forth the manner in which the net proceeds from a foreclosure sale would be applied with respect to the balance of the mortgage loan.

Your Committee agrees with the findings expressed in House Standing Committee Report No. 269.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1671, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 535      Finance on H. B. No. 1672

The purpose of this bill is to authorize the Hawaii Housing Authority to establish a program of mortgage-backed securities.

This bill will directly authorize the Authority and indirectly (through the Authority) the Department of Hawaiian Homes Lands (DHHL) to establish a program of mortgage-backed or "pass through" securities to stimulate institutional investor interest in purchasing the mortgage loans or loans for home buyers, housing projects sponsored by the aforementioned State agencies. This expanding potential source of funds has previously been unavailable due to the complexity of financial and mortgage analysis needed to make sound business investments by institutional investors, such as retirement systems, who prefer securities instead of mortgages.

It is anticipated that this instrument will lower the cost of conventional mortgage credit, broaden the market for mortgages and make more mortgage money available even in tight-money periods.

Your Committee has reviewed and agrees with the findings of House Standing Committee Report No. 271.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1672, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 536      Finance on H. B. No. 1679

The purpose of this bill is to amend various provisions of chapters 359 and 359G, Hawaii Revised Statutes, so that administration of the State housing program may be facilitated.

"Housekeeping" amendments are proposed in this bill to:

1. Eliminate redundancy in Part III, Section 359- of section 1, Act 224, SLH 1976.
2. Clarify that the administrative or other costs or expense incurred by the Authority in the development and construction of elderly housing will not be part of the interim construction loan amount.
3. Reaffirm and clarify statutory provisions relative to cooperative agreements entered into by the Authority with counties and other governmental agencies (elderly housing).
4. Amend reference of "declarant alien" to "resident alien", the term used by the United States Department of Immigration.
5. Clarify when the profit from a development constructed under chapter 359G may be paid and to specify that such profit shall be based on the actual cost to the developer and not any portion subsidized by the State.
6. Amend Sections 359G-8, 12 and 25, HRS, to conform statutory language.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1679, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

## SCRep. 537 Finance on H. B. No. 1680 (Majority)

The purpose of this bill is to clarify the amount authorized to the Dwelling Unit Revolving Fund established in Section 359G-10, Hawaii Revised Statutes.

Act 225, SLH 1976, substantially amended HRS chapter 359G and combined all bond authorizations totaling \$125,000,000 into one section. However, a previous appropriation of \$20,000,000 made in 1975, inadvertently escaped amendment, thereby causing an item veto by the Governor. The \$125,000,000 was therefore reduced to \$105,000,000. This "housekeeping" measure repeals the \$20,000,000 authorized in 1975 and restores the \$125,000,000 bond authorization limit.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1680 and recommends that it pass Third Reading.

Signed by all members of the Committee.  
(Representative Sutton did not concur).

## SCRep. 538 Finance on H. B. No. 1183

The purpose of this bill is to authorize the University of Hawaii to establish a centralized duplicating revolving fund in order to promote efficiency and economy in the operations of its essential, but high cost, duplicating and photocopying services.

The revolving fund would promote efficiency and economy by enabling closer centralized controls and accounting for duplicating and photocopying materials and labor, including supervision, and by creating cost consciousness among user departments which would be charged for requested services.

The establishment of this revolving fund requires no additional appropriations since the initial working capital will come from the duplicating and photocopying budget already reflected within the 1977-79 Executive Budget appropriation request for the University.

Your Committee was informed by the University that this program will not add to the costs that students must bear. Your Committee requests that the University limit staff needs to 10 permanent positions (excluding part-time student help) and that the University make a report to the 1978 Legislature on the development and operations of this program.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1183 and recommends that it pass Third Reading.

Signed by all members of the Committee.

## SCRep. 539 Finance on H. B. No. 230 (Majority)

The purpose of this bill is to provide limited insurance protection for public investors in industrial loan companies. The bill requires the establishment of the "Thrift Guaranty Corporation of Hawaii" a private institution which will guarantee thrift accounts in these companies up to \$10,000. Under the bill all industrial loan companies which have outstanding public thrift accounts are required to become members of the Guaranty Corporation and to pay assessments to a Guaranty Fund. The Guaranty Corporation which is subject to the regulation of the bank examiner is given authority to make payments to thrift account holders and to take other actions necessary to avoid public loss.

The policies and purposes and a detailed discussion of this bill are set forth in Standing Committee Report No. 295 from your Committee on Consumer Protection and Commerce which this Committee adopts by reference.

Your Committee, however, has made the following further amendments to this bill:

Section 408A-3 has been further amended to make it clear that the term "member" does not include industrial loan companies which, on the effective date of the Act, are the subject of any bankruptcy, insolvency, reorganization or receivership proceedings in either federal or state courts.



Section 408A-14 has been further amended to make it clear that the Guaranty Corporation shall be subrogated to all rights of the thrift account holder against the estate of a member up to the full amount of its payment to the thrift account holder. That is, upon distribution of the proceeds of the estate, the Guaranty Corporation shall receive the full amount of its payment to a thrift account holder before any distribution is made to such thrift account holder. For example, assume the holder of a thrift account in the amount of \$20,000 received a \$10,000 payment from the Guaranty Corporation pursuant to section 408A-14, and assume further that the proceeds of the estate of the member are sufficient to pay eighty cents on the dollar, the Guaranty Corporation shall receive the first \$10,000 when the proceeds are distributed and the thrift account holder shall receive the remaining \$6,000.

Section 408A-28 has been further amended to authorize the bank examiner to limit the rate of interest paid by any single member prior to the effective date of the limitation on interest rates. It is the intent of your Committee that the bank examiner should exercise this authority where necessary to prevent any member from engaging in a concerted campaign to substantially increase its thrift account obligations at present higher interest rates in anticipation of the limitation on interest rates to be effective on January 1, 1978.

Section 4 of the bill has been further amended to provide for the expiration of any uncommitted portion of the bond authorization five years after the effective date of the Act or when the balance of the guaranty fund reaches two per cent of the total outstanding thrift account obligations of all members of the Guaranty Corporation, whichever occurs first.

Your Committee has added a section to the bill providing an appropriation of \$200,000 (4) to be expended by the bank examiner for the purposes of this Act.

Your Committee has made other minor changes to the bill in the interests of clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 230, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 230, H.D. 2.

Signed by all members of the Committee.  
(Representative Sutton did not concur).

SCRep. 540      Consumer Protection and Commerce on H. B. No. 1699

The purpose of this bill is to permit foreign lenders to make equity investments within the State by specifically authorizing them to do so without using their foreign lenders' status.

Foreign lenders, as defined in section 207-11, are banks, savings and loan associations, or insurance companies with their principal office in another state.

Presently, foreign lenders may lend money to borrowers in Hawaii and still be exempt from State laws on banking, fiduciaries and investments, savings and loans, insurance, and foreign corporations and are also not subject to taxation except for real property taxes on property it owns in the State. The law is unclear as to whether foreign lenders may make equity investments in Hawaii without losing their foreign lenders' status. This bill will clarify that uncertainty.

This bill should attract foreign capital to Hawaii and prove to be an extremely valuable source of financing. The income from such investments will be subject to the taxation under the income and general excise tax laws.

Your Committee has adopted the recommendation of the Department of Regulatory Agencies and has removed the proposed amendment to section 207-12 permitting foreign lenders to open an office within the State provided that it did not receive deposits or drive more than fifty per cent of its business within the State. The proposed amendment is not essential to the purpose of the bill and since, it seems to expend the scope of activities foreign lenders can engage in, such proposed amendment has been removed from the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1699, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 541      Culture and the Arts on H. B. No. 84

The purpose of this bill is to establish policies and guidelines relating to the use of state funds for art work in state buildings and structures.

Your Committee believes that one of the functions of the state's culture and arts program should be to encourage and recognize student artists. To accomplish this, House Bill 84 proposes to formally establish a student art program which would provide opportunities for students to display their works and be recognized for their talents.

Your Committee recognizes that the State Foundation on Culture and the Arts, the Department of Education and the University of Hawaii have, in the past, sponsored student art exhibits. These exhibits have provided exposure and recognition of student art works. Your Committee feels these efforts should be expanded and organized on a statewide basis and that student art works be displayed in public buildings.

Your Committee also feels that the granting of scholarships, monetary awards and certificates are appropriate ways of recognizing student art work. Therefore, provision has been made for funds from the Art-in-the-State Building program and any special funds appropriated to the State Foundation on Culture and the Arts be used for this purpose.

Upon consideration of this bill, your Committee has made the following amendments:

(1)      The duties of the State Foundation on Culture and the Arts has been amended to include the display, sponsorship, and awarding of student art works as well as encouraging the development of student art works.

(2)      The State Foundation on Culture and the Arts, in consultation with the Department of Education, the University of Hawaii, private schools and community art groups has been required to develop a program for the display and recognition of student art work. Student art work is defined as any work of art made by any student attending any elementary, intermediate, high school college or university in the State.

(3)      The recognition of student art work shall be through such means as the sponsoring of student art exhibits, and the granting of scholarships, monetary awards, or certificates to the student whose art work is being recognized. Funds from the Art in the State Building program and any other funds appropriated to the State Foundation on Culture and the Arts may be used for the recognition of student art work.

(4)      Student art works that have been recognized may be acquired for the purpose of temporary or permanent display on state buildings and public facilities.

(5)      Further, section 2 of the bill includes student art work as works of art to be considered by the foundation and the comptroller in the selection and commission of works of art.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 84 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives  
Abercrombie, Campbell, Toguchi, Carroll and Poepoe.

SCRep. 542      Agriculture and Water, Land Use, Development and Hawaiian  
Homes on H. B. No. 1505

The purpose of this bill is to define the term "agriculture" to include aquaculture which shall mean the production of aquatic plant and animal life for food and fiber within ponds and other bodies of water.

Your Committees on Agriculture and Water, Land Use, Development and Hawaiian Homes are in accord with the intent and purpose of H.B. No. 1505 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 543      Ecology and Environmental Protection on H. B. No. 117

The purpose of this bill is to prohibit the sale of aerosol sprays containing certain saturated chlorofluorocarbon compounds not containing hydrogen.

Your Committee finds that certain chlorofluorocarbon compounds may be destroying the ozone layer in the earth's stratosphere. While the contribution of aerosol sprays to ozone depletion has yet to be determined, this bill will act as a safeguard until such a determination is made.

Your Committee, upon receipt of testimony, finds the following amendments necessary:

- (1) Medical products using aerosol propellants are exempt from the prohibition.
- (2) Should the federal government promulgate legislation or regulation which accomplishes the purpose of this bill, such legislation or regulation will supersede the State statute.
- (3) The effective date is delayed from January 1, 1978, to January 1, 1979, to ameliorate any economic hardships that would result with the original effective date.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purposes of H.B. No. 117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 117, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 544      Ecology and Environmental Protection on H. B. NO. 198

The purpose of this bill is to amend Act 84, Session Laws of Hawaii, 1976, in order to enable the Department of Health to develop a safe drinking water program in accordance with the Federal Safe Drinking Water Act.

Your Committee finds that the experience of the Department of Health in developing the safe drinking water program for the State indicates the need for certain limited amendments to the State Act in order that the department can develop a program for public water systems which is approvable by the United States Environmental Protection Agency (EPA) under the Federal Safe Drinking Water Act (P.L. 93523). Delays in development by the EPA of an underground injection control program under the Federal Act have created a need for certain limited amendments to the underground injection control portion of the State statute.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 198 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 545      Judiciary on H. B. No. 254

The purpose of this bill is to amend present law to allow the counties to seize motor vehicles which are subject to forfeiture because of their use in transporting controlled substances. At present the department of health has the power to seize such vehicles.

Your Committee finds that the county police departments are regularly involved in investigations of drug-trafficking, and that it is therefore reasonable to allow the counties to seize such vehicles in connection with their investigations and any arrests involving use of such vehicles.

Your Committee amended the bill by making technical changes to the bill which do not affect the substance or intent of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 254, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 546      Judiciary on H. B. No. 171

The purpose of this bill is to revise the state election laws by making the following substantive and housekeeping changes.

The bill amends section 11-13, Hawaii Revised Statutes, by reorganizing the language for clarity and consistency, and by deleting section 11-13(8) relating to computing the term of residence because there is no durational residency requirement.

Section 11-14 would be amended to provide that copies of voter lists and tabulating cards or computer tapes may be released pursuant to county ordinance, and to provide for correlation of registration information from all counties to prevent duplicate registrations and to compile election reports.

Section 11-24 would be amended to permit voter registration up to the first workday after the close of registration if the close of registration date falls on a weekend or holiday.

Section 11-77 would be amended to delete reference to absentee precincts to conform to changes made in chapter 15, and to provide for observation by watchers of absentee polling place operations to conform with the intent of the section.

Section 11-112 would be amended to authorize use of background design on the ballot, and the use of pre-punched codes and information related to districts and precincts would clearly be allowed to facilitate electronic data processing.

Section 11-113 would be amended to delete the August 31 deadline for submission of the names of presidential and vice presidential candidates by the chairman of the state central committee of each qualified political party. All requirements are to be met 60 days prior to the general election, as is already provided for in the same section. The section would also be amended to provide that the number of petition signatures required would be based on the total votes cast at the last general election rather than on the number of registered voters in the State.

Section 11-115 would be amended to allow for a larger voting area on the ballot for the president-vice president and governor-lieutenant governor races.

Section 11-152(b) would be amended to eliminate the requirement for the chairman of the precinct officials to open the ballot boxes prior to the ballots being taken to the counting center. This will allow transfer of ballot boxes with voted ballots directly from the precinct to the counting center.

Section 12-6 would be amended to change the closing date for nominations from the 45th to the 60th day before the primary election.

Section 12-8 would be amended to provide for evidentiary hearings in the case of objections made to nomination papers. However the candidate would not have the

right to an administrative contested case hearing as defined in section 91-1(5), Hawaii Revised Statutes.

Section 16-23 would be amended to eliminate all requirements for folding the paper ballot, enabling the use of a card as well as a paper ballot.

Section 19-6 would be amended to make it a misdemeanor to make or permit an unauthorized use of information obtained from the general county register or registration affidavit.

Your Committee amended the bill by deleting proposed changes to sections 11-61, 11-62, 11-65, 11-72, and 12-2. Your Committee also amended the bill by deleting the proposed changes to section 12-6(4) relating to indigent candidate petitions. Your Committee also amended the bill by providing that electors and alternates in the presidential elections must be registered voters of the State to conform with the provisions of section 14-21.

Your Committee further amended the bill by adding Section 6 to provide for adding a new section to Chapter 12, to require all candidates to be residents of their respective districts for a period of at least 3 months prior to the filing of their nomination papers.

Your Committee also amended the bill to add a severability clause.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 171, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fong.

SCRep. 547      Legislative Management

Your Committee on Legislative Management begs leave to report that House Resolution Nos. 503 to 506, House Concurrent Resolution No. 93 and Standing Committee Report Nos. 503 to 546 and 548 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 548      Finance on H. B. No. 4

The purpose of this bill is to appropriate funds for capital improvement projects for the fiscal year beginning July 1, 1977 and ending June 30, 1978.

The bill has been amended to include the various projects that are to be funded. By and large, your Committee finds that the recommendations for capital improvements contained in this bill are valid. The more urgent of the authorizations provided for affect our public school system.

The authorizations in this bill which will be counted against the debt margin amount to some \$33 million well within the available margin of \$349.5 million.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 4, as amended herein, and recommends that it be recommitted to the Committee on Finance in the form attached hereto as H.B. No. 4, H.D. 1.

Signed by all members of the Committee.

SCRep. 549      Consumer Protection and Commerce on H. B. No. 1151

The purpose of this bill is to permit an alternative to savings passbooks by allowing banks to issue to savings depositors either a passbook or other record evidencing the savings account.

Under this measure, deposits could be evidenced by the entry in the passbook or a deposit receipt. Withdrawals would no longer require presentation of the passbook, but could be made upon direction of the depositor. In lieu of a passbook, this bill prescribes that banks issue a written statement of the account to the depositor at

least biannually.

Present law requires a savings passbook to be issued to every savings depositor for recording of each deposit and withdrawal. Additionally, payment on the account is prohibited unless a passbook is presented. To withdraw funds without a passbook, savings depositors may be required to post a surety bond in favor of the bank or a notarized affidavit attesting to a lost or stolen passbook to release the bank of any liability. Such a situation is inconvenient and costly to the savings depositor. This bill will permit the use of electronic devices for recordation which will provide better, less expensive service to the savings depositor.

This bill has been amended by the Committee to correct technical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1151, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 550      Consumer Protection and Commerce on H. B. No. 224

The purpose of this bill is to permit insurers to market commercial multi-peril package policies for property and casualty insurance.

Present law requires that commercial property insurance sold in Hawaii must (1) show the premium for the perils of fire and lightning separately and (2) provide for the cancellation of coverage of these perils without prejudicing the remaining insurance coverages. This in effect prohibits commercial package policies.

According to testimony received by the Department of Regulatory Agencies, the advantage of multi-peril coverage under one policy are: (1) premium savings to policy holders because of the reduction in policy writing, accounting and premium collection, (2) better service and broader protection to policy holders as they deal with one policy covering property and casualty insurance instead of having a number of policies, (3) more efficient claims processing.

Commercial multi-peril packages have been sold on the mainland for a number of years. Hawaii is the only state which prohibits the marketing of these policies.

A homeowners multi-peril policy became legal in Hawaii in 1971. Its popularity is evidenced by the increase in premium writings since introduced. According to testimony by the Department of Regulatory Agencies, there have been no residual problems as a result of the package policy.

Your Committee recommends an amendment requiring commercial multi-peril package policies to state separately the premiums for the different risks covered by the policy. Section 1 of the bill is amended by deleting the words "insured against" in line two of subsection (f)(8) and reinstating the words, "and, except with respect to homeowner policies, shall state separately the premium" and adding the following words immediately thereafter:

"...for the perils of fire and lightning, extended coverage, and all other optional perils or coverages insured against, if any; and shall state the premium expressly for any coverage of all risks of physical loss peril or perils; and in addition shall state the premium for general liability coverages, and on premises medical payments; and shall further state the premiums for the optional coverage of inland marine insurance, glass insurance, boiler and machinery insurance, and crime insurance."

Your Committee has further amended this bill to take effect January 1, 1977 to allow sufficient time for implementation.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 224, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 551      Energy and Transportation on H. B. No. 1687

The purpose of this bill is to amend the Hawaii Revised Statutes so as to permit the substitution of airport and harbor revenue bonds in lieu of reimbursable general obligation bonds authorized in past appropriation acts for airports and harbors capital investment projects.

In the event there is a curtailment in general obligation bond issuance by the State, and essential airport and harbor capital projects authorized by reimbursable general obligation bond must still be constructed, the passage of this bill will allow for the generation of capital by substituting revenue bonds for the previously authorized reimbursable general obligation bonds.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 1687 and recommends that it pass Second Reading and be put on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 552      Energy and Transportation on H. B. No. 1683

The purpose of this bill is to provide additional revenues required to aid in defraying the costs of administering, operating and maintaining a comprehensive statewide boating program including the costs of (1) operating a vessel registration and boating casualty investigation and reporting system; (2) improving boating safety; (3) enforcing navigation laws and regulations; (4) other boating program activities not directly related to boat harbors; and to simplify and revise the existing vessel registration fee schedule.

Your Committee finds that the costs of administering, operating and maintaining all elements of a comprehensive statewide boating program have risen considerably since the existing vessel registration fee schedule was adopted in 1967. Because the Legislature has clearly expressed its intent that these costs be borne by the users of this program, and in view of the fact that boat harbor use fees have already been increased twice in the last six years, the alternative chosen for generating additional revenues is an increase in the vessel registration fee schedule.

The existing graduated fee schedule provides for individual fees based on the length of a vessel expressed in feet or fractions of a foot. This scheme is timeconsuming to compute and difficult to enforce and has therefore been simplified. The schedule adopted in this bill divides boats owned by persons other than boat manufacturers or dealers into only two categories: those 20 feet or less, and those more than 20 feet in length. The rationale for this division is that the owners of boats which are trailer-towed to the water are already assessed boat-trailer registration fees in addition to vessel registration fees; and are thus making a double contribution to the boating program. A lower vessel registration fee is therefore appropriate for this category of vessels, a majority of which are 20 feet or less in length.

Your Committee concurs with testimony presented by the State Department of Transportation stating that there is no adequate justification for the provisions in the existing fee schedule which permit certain boat manufacturers or dealers, and certain boat livery operators to secure greatly reduced vessel registration fees. These provisions have therefore been revised.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 1683 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 553      Energy and Transportation on H. B. No. 1070

The purpose of this bill is to add a new section to the Hawaii Revised Statutes providing that, in any proceeding relating to a violation of a statute or regulation concerning the mooring or placement of a vessel, proof that a person is the owner of the vessel shall constitute prima facie evidence that he was the person who illegally moored or placed it.



This legislation is necessary to accomplish the above-mentioned purpose because the Department of Transportation lacks the authority to adopt rules of evidence or to otherwise create evidentiary presumptions.

Testimony was presented by the State Department of Transportation that prosecutors sometimes experience a problem in proceedings charging a violation of these laws or regulations. The problem occurs when the vessel operator departs the scene leaving the vessel illegally moored or placed; if the owner of the vessel is later found and cited for the violation, but alleges that he did not moor or place the vessel at the time and place that the violation occurred, it is difficult to attribute responsibility to him under existing statutes. In such instances it should be assumed that the owner of the vessel committed the violation. The vessel owner's responsibility as proposed in this bill is similar to the responsibility imposed on owners of motor vehicles.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 1070 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 554      Energy and Transportation on H. B. No. 682

The purpose of this bill is to clarify the requirements of Hawaii Revised Statutes Section 286-83, Sales of motor vehicle equipment, approval required.

Your Committee finds that Section 286-83, Hawaii Revised Statutes, presently carries the title "Sale of motor vehicle equipment." Subsection 286-83(a), however, also applies to the use of the listed items of vehicle equipment. The approval requirement relating to the use of certain equipment, "or use in or upon any such vehicle," appears in the fourth line of the subsection.

Testimony given by the Highway Safety Coordinator revealed that because the title of the Section does not indicate that the Section relates to use as well as sale, and because the use requirement is "buried" in subsection (a), considerable difficulty has been encountered in enforcing this requirement. Some courts have indicated that this Section does not apply to use while others have upheld the requirement. In order to clarify the situation the courts have recommended that the wording of the Section be clarified.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. 682 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 555      Energy and Transportation on H. B. No. 252 (Majority)

The purpose of this bill is to amend Section 286-81, Hawaii Revised Statutes, to exclude (1) the requirement of wearing a safety helmet in the operation of a motorcycle or motor scooter on any State highway; and (2) the necessity of furnishing a safety helmet concurrently with the sale, rental or lease of a motorcycle or motor scooter.

Under present law, all riders and passengers must wear (A) a safety helmet securely fastened with a chin strap; (B) safety glasses, goggles, or a face shield, in the case of a motorcycle or motor scooter that is not equipped with windscreens or windshields; and (c) any other protective devices required by rules and regulations adopted by the state highway safety coordinator. Also, under present law, no person may sell, lease, or rent a motorcycle or motor scooter to another person unless he furnishes the equipment named above.

Your Committee finds that, while safety is an unarguable concern, equipment alone does not ensure freedom from accidents or injury. Riders must be aware of possible hazards involving vehicle condition, traffic patterns, weather conditions, and individual skills. Each person must exercise caution and critical judgment in assessing his or her ability to operate a motorcycle or motor scooter.

Your Committee amended this bill to eliminate the requirement that a person leasing

or renting a motorcycle or motor scooter, furnish a safety helmet.

The language of this bill is amended to clarify the intent that no person under 18 years of age shall travel on a motorcycle or motor scooter on any highway in the state unless he wears a safety helmet.

Your Committee further finds that the primary objective of the safety helmet is to prevent injuries, not to promote safety. Testimony given by motorcyclists revealed that the safety helmet did little to promote the safe operation of motorcycles.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 252, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 252, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
(Representative Uwayne did not concur).

SCRep. 556 Ecology and Environmental Protection on H. B. No. 220

The purpose of this bill is to qualify the State of Hawaii to participate in the benefits of Public Law 93-205 (Endangered Species Act of 1973).

Your Committee finds that Act 65 (passed by the 1975 Legislature) provides statutory authority for the Department of Land and Natural Resources to establish programs for the preservation and conservation of all Hawaii's unique flora and fauna, particularly threatened and endangered species of plant and animal life. However, upon review of Act 65, the Office of Endangered Species, U.S. Fish and Wildlife Service, determined that Act 65 does not satisfy all requirements of the federal Act. Therefore, Act 65 does not, by itself, qualify Hawaii to enter into a cooperative agreement with the federal government and participate in the benefits of the federal Act. (i.e., federal grant-in-aid funds up to two-thirds of approved program costs)

Your Committee recommends an amendment to allow for three or more party agreements. Therefore, H.B. 220, H.D.1, amends Sec. 195D-5 (c) to read as follows:

In carrying out programs authorized by this section, the department may enter into agreements with federal agencies, other departments of the state government, the various counties of this State, and with private persons.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H.B. 220 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 220, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 557 Ecology and Environmental Protection and Health on  
H. B. No. 1425

The purpose of this bill is to require the Department of Health to publish an annual report on the quality of the State's coastal waters.

Your Committees find that information on the quality of our coastal waters is an essential aid in the legislative decision-making process.

Your Committees further find, upon consideration of testimony received, that a monthly statistical analysis and interpretation of the approximately 117 monitoring stations would require the department to develop a computerized system. Presently, all water quality data are coded into the Federal water quality data storage system and annual statistical analyses are available. Your Committees, therefore, recommend the following amendment to Section 342-32(12)(B):

(B) statistical analysis and interpretation of the data on an annual

basis by specific points (monitoring stations) as applicable.

Your Committees on Ecology and Environmental Protection and Health are in accord with the intent and purpose of H.B. No. 1425 as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1425, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 558      State General Planning on H. B. No. 1144

The purpose of this bill is to require the counties to hold a public hearing and to receive the approval of the respective councils before designating any lands for both low-income, and experimental and demonstration housing projects.

Your Committee finds that both the public and the respective county councils should be allowed to have input in the designation of areas for these types of projects.

Therefore, your Committee on State General Planning is in accord with the intent and purpose of H.B. No. 1144, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 559      Employment Opportunities and Labor Relations on H. B. No. 1696

The purpose of this bill is to clarify federal and state jurisdiction in the enforcement of safety and health standards by simplifying the definition of "place of employment" and explicitly stating the scope of federal jurisdiction.

Your Committee finds that under the state's present law, the definition of the "place of employment" is ambiguous especially under circumstances where the place of employment is under state jurisdiction while the working conditions are under federal jurisdiction. This measure would clarify the jurisdictional boundaries in the enforcement of state and federal laws.

In the Department of Labor and Industrial Relations' testimony, your Committee was informed that additional amendments to the state's occupational safety and health law would greatly assist in the administration and implementation of the law. After reviewing these proposed amendments, your Committee has provided for discrimination protection for employees against all "persons" rather than "employers", added an essential phrase relating to penalties which had inadvertently been omitted, and made minor technical amendments.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1696, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 560      Employment Opportunities and Labor Relations on H. B. No. 374

The purpose of this bill is to extend the time allowed for filing appeals from determinations and redeterminations regarding unemployment insurance claims to 30 working days. The period allowed for filing appeals under the Employment Security Law is now 10 calendar days.

Your Committee finds that, under ordinary circumstances, a 10-day period is adequate for filing of an appeal; however, there may be some cases in which an appeal cannot be filed within a 10-day period for reasons beyond the control of the appellant. Therefore, your Committee has amended this bill to retain the present 10-day appeal period with provision for 30 calendar day extension in cases where the appellant shows, to the satisfaction of the appeals referee, that he was unable to file an appeal within 10 days due to circumstances beyond his control.

Your Committee on Employment Opportunities and Labor Relations is in accord

with the intent and purpose of H.B. No. 374, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 374, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 561      Public Employment and Government Operations on H. B. No. 1618

The purpose of this bill is to allow police officers and firefighters to be elected to the Board of Trustees of the retirement system.

The Board of Trustees of the retirement system consists of seven members. They include the director on finance, who is ex officio, three persons appointed by the governor, and three persons elected by the system's membership. Of the three elected from the system's membership, one is designated as a teacher and the other two as general employees.

The retirement system law classifies its membership into three groups: (1) general employees of the state and the counties; (2) teachers; and (3) police officers and firefighters. At the time police officers and firefighters were included as a classification in the retirement system, the statute relating to board membership was not amended and the separate classification for such employees has precluded them from being elected to the Board of Trustees. House Bill 1618 would amend the law to include police officers and firefighters in the general employee category for the purposes of election to the Board of Trustees.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1618 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 562      Youth and Elderly Affairs on H. B. No. 455

The purpose of this bill is to clarify the provisions of Section 571-84 regarding the confidentiality of police and juvenile crime prevention bureau records. It allows the county prosecuting attorneys and their investigators to inspect and obtain copies of those records to assist them in evaluating pending or prospective charges against persons and to make recommendations to the court concerning the disposition of those persons within the jurisdiction of the Family Court.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 455, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 563      Youth and Elderly Affairs on H. B. No. 251

The purpose of this bill is to resolve problems associated with the extradition of juveniles irrespective of whether Hawaii is the requisitioning or receiving state.

Your Committee has amended the bill by adding a new subsection (h) to Section 571-32, Hawaii Revised Statutes, to make the Uniform Criminal Extradition Act in Chapter 832 of the Penal Code, applicable to the Family Court.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 251, H.D. 1 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 251, H.D. 2.

Signed by all members of the Committee except Representative Ueoka.

SCRep. 564      Energy and Transportation on H. B.No. 585

The purpose of this Bill is to require persons desiring to renew temporary instruction permits for the operation of a motorcycle or motor scooter to present evidence of good faith by taking the examination for a motorcycle or motor scooter license.

Testimony submitted by the State Highway Safety Coordinator indicated that some motor scooter or motorcycle permittees are continuously renewing their instruction permits without any intention of seriously learning the machine in order to successfully pass the practical examination.

Your Committee has adopted the recommendation of the Honolulu Police Department by amending Section 286-110, Hawaii Revised Statutes, to allow those holders of temporary instruction permits, who fail to meet the requirements of this Section prior to the expiration of the second temporary instruction permit, to apply for another temporary instruction permit after a period of three months. Terminology in the Bill has also been amended to be consistent with other parts of the law.

Your Committee for Energy and Transportation is in accord with the intent and purpose of H.B. 585, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. 585, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 565      Judiciary on H. B. No. 1430

The purpose of this bill is to amend present law relating to criminal appeals by giving the court the discretion to decide whether an oral notice of appeal would operate as a stay of execution, suspending the operation of any sentence or order of probation.

Your Committee was informed that under present law, filing of a notice of appeal operates as an automatic stay of execution of all sentences. Orally noting an appeal is effective up to the time of filing the written appeal. The automatic stay encourages the use of appeals to delay the day of reckoning. The bill provides that the filing of a notice of appeal or giving oral notice of appeal in open court may operate as a stay in the discretion of the court. The court could set up conditions under which the stay would be granted. In addition, a stay granted upon oral notice could not be operative beyond the timewithin which an appeal could be taken, although if an appeal was thereafter properly filed, the stay would continue in effect. The bill also provides that the court could revoke the stay of execution or amend the conditions for the stay if the defendant violated the conditions imposed on granting the stay.

Your Committee believes that the matter of staying execution should not be automatic, but should be within the discretion of the trial court.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. NO. 1430 and recommends that it pass Second Reading and be placed on the calendar for Third Reading .

Signed by all members of the Committee.

SCRep. 566      Judiciary on H. B. No. 1441

The purpose of this bill is to clarify the present law relating to consecutive sentencing of prisoners who commit multiple crimes while in prison. Your Committee was informed that under the present statute a prisoner who commits a criminal act while he is in prison and is not convicted and sentenced prior to committing other criminal acts, the statute prohibits imposing any sentence for conviction of the latter crimes consecutive to the sentence imposed on the earlier crime. This is because the later criminal acts were committed while the prisoner was serving under the sentence which originally put him into prison. The only term to which consecutive sentences can be imposed for crimes committed while the prisoner was in prison is the original sentence and not the sentence for crimes committed while in prison. This provides very little deterrent against prisoners committing criminal acts while in prison.

The following example which actually happened was cited to your Committee. A prisoner had a 10-year sentence; he escaped twice within a period of several months of each other; his trials on his escapes took place after his second escape; the maximum sentence on each escape charge is 5 years; on his first escape conviction, he was given 5 years consecutive to his original 10-year sentence; for his second escape conviction, he could also be given a consecutive sentence but it would be consecutive only to the original 10-year sentence again, because that was the only sentence he was serving at the time of the escape. Under this bill, the prisoner's first conviction would add 5 years to the 10-year term and the prisoner's second conviction would add another 5 years to the 10-year and the 5-year sentences "previously imposed".

The practical result of the bill is that a prisoner is made subject to being sentenced to additional terms on each separate crime that he commits while imprisoned or during an escape.

Your Committee concurs with Judge Doi of the Circuit Court that the basis for permitting consecutive sentencing in such situations is to provide an added penalty as a deterrent to prisoners.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1441 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 567      Judiciary on H. B. No. 202

The purpose of this bill is to clear up ambiguities in the present law, to facilitate genealogical studies, and to provide for a penalty for presenting false information to obtain access to or a certified copy of a vital record for fraudulent purposes.

Your Committee concurs with the findings of the Committee on Health. The present section of the law prohibiting disclosure of illegitimacy is illogical since the mere compliance with the section discloses illegitimacy, as illegitimacy is the only circumstance when the department of health cannot issue a standard birth certificate to a requestor with an otherwise legal right to receive the record. Repeal of the section would permit the department to issue a standard birth certificate when requested by the registrant or his authorized representative.

Your Committee agrees that defining the persons to whom inspection or issuance of copies of certificates may be made is desirable in view of the problems involved with interpreting who are persons who have "direct and tangible interest" as is required under present law.

Your Committee also agrees with the changes to the law which would facilitate genealogical studies, and to the provision of penalties in cases where false information is presented by a person in order to obtain access to or a certified copy of a vital record to which he is not entitled.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 202 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 568      Consumer Protection and Commerce on H. B. No. 1653

The purpose of this bill is to codify procedures relating to foreclosure actions following default on an agreement of sale treating such actions as similar in nature to a mortgage default.

Currently, Chapter 667 governs procedures when a mortgagee seeks to foreclose a mortgage. This bill would amend the chapter so that the provisions of this chapter would apply to actions to foreclose on an agreement of sale as well as a mortgage.

The current state of the law does not have procedures to govern action following default on an agreement of sale. Thus, the provisions of the agreement of sale govern

and often contain provisions unfair and harsh to the buyer. The circuit courts in Hawaii have often refused to enforce harsh provisions and have treated agreement of sale defaults as a mortgage default. However, since the law is silent on this point, the possibility of diverging practices evolving in the different circuits is not remote.

This bill intends to clarify the procedures to be used and to bring uniformity to procedures in this matter. By treating it a mortgage default, this bill will ensure that a proper hearing with proper notice will be afforded to interested parties.

It is important to codify procedures relating to agreements of sale defaults as it is an important means of acquiring home ownership. With the current economic state, foreclosure actions have increased. Passage of this bill will bring procedural protection to buyers and will clarify ambiguities in the law that will enable clear title to be passed and thereby facilitate the the alienability of property.

One important benefit of the proposed amendment is the clarification of the status of dower interest in an agreement of sale. This is most applicable when the seller is single male who marries prior to the transfer of title. Arguably, the wife has a dower interest, which, if not released, can be a cloud on the title affecting the sale.

Your Committee has adopted the recommendation of the Hawaii Association of Realtors and amended the bill to provide for a new subsection in Chapter 667 to read as follows:

"A seller's interest in a property when sold under an agreement of sale shall be treated the same as a mortgagee's interest in a property."

The purpose of this amendment is to make clear that the interest of a seller in an agreement of of sale is the same as the interest of a mortgagee under a mortgage. Thus a judgment obtained against a seller after the signing of the agreement of sale would not affect the title and thus the buyer could obtain clear title.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1653, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 569      Consumer Protection and Commerce on H. B. No. 1641

The purpose of this bill is to require all public utilities to maintain in the county in which it operates, all books, records, papers, accounts and other such documents as may be necessary for their proper regulation.

Presently, many books and records of public utilities serving the different counties of the State are maintained in Honolulu or on the mainland. This situation makes inspection and analysis of the operation and review of the rate structure of public utilities located in various counties difficult, although this inspection is a fundamental right of the citizens or government of the county involved.

Your Committee has adopted the recommendation of the Department of Regulatory Agencies and amended this bill to allow the Public Utilities Commission to determine which books and records are necessary to the effective regulation of public utility companies in a particular county. All other books and records of the utility may be located in other counties within the State, provided such location does not interfere with proper regulation in the county where the utility is located.

The purpose of this amendment is to permit some consolidation of corporate records, while still insuring proper regulation of the public utilities located in each county.

However, the Committee anticipates that such documents necessary for proper regulation of a public utility will be kept in the utility companies' central offices in Honolulu, where they will be accessible to the Public Utilities Commission.



Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1641 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1641, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 570      Consumer Protection and Commerce on H. B. No. 1321

The purpose of this bill is to exempt caterers and restaurants which operate centralized kitchen facilities and deliver or serve meat in normal retail quantities from the meat inspection requirements of The Hawaii Meat Inspection Act, provided that only meat and meat products previously inspected and approved under the provisions of the Act are used in preparation.

This measure will help safeguard public health by requiring the compliance of such facilities with statutory health standards and regulations.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1321 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 571      Consumer Protection and Commerce on H. B. No. 727

The purpose of this bill is to create a physician and surgeon "cooperative" that is specifically excluded from Chapter 431, Hawaii Insurance Law. The cooperative would be an organization owned and governed by member physicians and surgeons who enter into a trust agreement to protect each other by interindemnity. It is anticipated that the cooperative could stabilize the cost of medical malpractice insurance.

Under the cooperative, a physician or surgeon would initially contribute a lump sum of \$20,000 to become a member. The contribution held in trust would be administered by a board of trustees as custodian. Any medical malpractice judgments, settlements and administrative costs would be paid out of the earnings of the contribution. When the earnings are insufficient to cover judgments, settlements and administrative costs, each member would be subject to assessment.

Your Committee has adopted the recommendations submitted by the Department of Regulatory Agencies and by the Hawaii Medical Group Management Association as follows:

Section 1, Part 2, Sec. -12 is amended to add the amount of \$7,000,000 in the blank on page 2, line 21.

Section 1, Part 2, Sec. -12 is amended to add the amount of \$20,000 in the blank on page 3, line 1.

Section 1, Part 2, Sec. -14 is amended to add the amount of \$100,000 in the blank on page 4, line 5.

Section 1, Part 2, Sec. -17 is amended to add the amount of \$100,000 in the blank and add the words "claim and not less than \$300,000 annual aggregate" between the words "each" and "occurrence" on page 5, line 12. Furthermore, page 5, line 14, starting with the word "except" to page 5, line 21, are deleted. This amendment would allow the cooperative to limit its liability to \$100,000 each claim and \$300,000 annual aggregate for each participating member. Above these limits, participating members could purchase coverage from the Patients' Compensation Fund.

Section 1, Part 2, Sec. -19 is amended to change the word "ninety" on page 6, line 7, to "one hundred twenty".

Section 1, Part 3, Sec. -31 is amended to change the word "ninety" on page 14, line 13, to "one hundred twenty".

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H. B. No. 727 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 727, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 572      Consumer Protection and Commerce on H.B. No. 1535

The purpose of this bill is to expand the Board of Electricians and Plumbers from seven to nine members. This increase would add one additional member from both the electrician and the plumbing trade to broaden the base of technical knowledge of the Board.

Presently, the seven-member board consists of two members from the electrical trade, two members from the plumbing trade and three private citizens. According to the testimony of the Plumbing and Mechanical Contractors Association of Hawaii, this ratio places a hardship on the plumbing and electrical trade members, who must handle all matters relating to their respective industries.

The Board needs the additional technical trade members to work in the following areas: (1) develop, update, administer and evaluate examinations; (2) screen applicants prior to examination; (3) enforce the rules of the Board; (4) assist the staff on all technical matters; (5) broaden the base of technical knowledge to insure the safety and welfare of the general public; and (6) increase the flexibility of the Board, especially in cases of absences.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1535 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 573      Consumer Protection and Commerce on H. B. No. 786

The purpose of this bill is to permit an advisory organization to file on behalf of its members basic standards, manuals of classification, territories, endorsements, forms and other materials not dealing with rates with the Motor Vehicle Insurance Division.

Under present law, each insurer must file their own manuals and forms with the Division. These materials deal with basic rules and standards utilized by the industry as a whole and are basically uniform for each insurance company.

The Motor Vehicle Insurance Division must examine each company's filing on an individual basis which takes time. The errors which are noted must be corrected company by company. This measure would alleviate this time-consuming process by allowing an advisory organization to file one manual and other forms which will be utilized by the subscribing insurance companies. The division will then review these forms for approval. According to testimony by the Motor Vehicle Insurance Division this procedure will cut down costs to the insurers and will eventually be a savings to consumers.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 786 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 574      Public Employment and Government Operations on H. B. No. 1353

The purpose of this bill is to amend the provisions of the civil service law which are specifically applicable to the Counties of Hawaii, Maui, and Kauai in order to reflect changes made in county governmental structure by the several county charters. Moreover, this bill updates provisions relating to exemptions from the county civil service which are obsolete due to subsequent changes which have occurred in federal

law.

The provisions of Part III, Chapter 76, Hawaii Revised Statutes, have not been updated for the last ten years. During this period, the counties restructured the previously monolithic county governmental structure into two branches: a legislative branch consisting of the county council, and an executive branch headed by the mayor. This bill amends Part III to conform to the present structure of the county governments, and recognizes the separation of the legislative and executive branches by substituting the terms "council" for "board" or "board of supervisors", and "mayor" for "chairman of the board of supervisors", wherever these words occur.

The bill further amends Part III of Chapter 76, HRS, by providing for exemption from county civil service laws, positions filled through federally funded temporary public service employment programs such as the Comprehensive Employment and Training Act. Act 79, Session Laws of Hawaii 1976, provided amendments for such exemption from State law but did not make similar changes in Section 76-77, HRS, which is applicable to the counties. Additionally, this bill exempts from county civil service laws, employees engaged in federally funded special research or demonstration projects approved by the mayors.

Testimony heard by your Committee indicated concern over the dichotomy of county charter provisions and state law relating to personnel administration, and suggested that the legislature make clear its intent that state law is to preempt county charter provisions and ordinances relative to personnel administration. Your Committee believes that the introductory provisions of the civil service laws clearly express the intention of the Legislature that these laws shall preempt the field in all matters relative to personnel in public employment in order to insure that public employees and officers are uniformly treated throughout the State. Your Committee believes that any further expression of the legislature's intention in separate parts of Chapter 76, Hawaii Revised Statutes, would be superfluous and may confuse rather than serve to clarify the legislative intent.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1353 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 575      Public Employment and Government Operations on H. B. No. 817

The purpose of this bill is to change the designation of "firemen" and "policemen" to "firefighters" and "police officers" respectively.

This proposed change to Chapter 89, the collective bargaining law, would conform with the usage of non-sex terms in statutory language.

Your Committee has made technical amendments to the bill in order to conform to the Ramseyer drafting format.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 817, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 817, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 576      Finance on H. B. No. 482

Your Committee finds that chief risks to health stems from a culturally modified environment and from various forms of behavior that expose individuals to potential health dangers. Increasing alcohol and drug problems, among others, involve complex interactions between individuals, their lifestyles and their environment.

Currently, Health and Medical Care Services are delivered by private professional individuals and organizations, state facilities and a variety of non-governmental health organizations, who are voluntary, non-profit services and agencies dealing

with specific diseases and problems, which focus services on prevention, treatment, rehabilitation and education.

Programs currently funded through legislative appropriations represent private, non-profit service providers in our community whose major programmatic efforts are directed to treatment and rehabilitation.

Your Committee further finds that during fiscal year 1975 and 1976, provisions for services to substance abusers have been provided for in part through appropriations granted by the Legislature. Such appropriations were allocated on the basis of providing matching funding for federal funds available through the Oahu Coordinated Drug Treatment Services System Program for drug abuse, the Kalihi-Palama Staffing Grant Program for alcoholism, purchase of services agreements under Title XX, and for direct services.

Services provided by drug abuse and alcoholism programs, as provided for by appropriations, have submitted its legislative requests through the Oahu Drug Abuse Coalition and Oahu Alcoholism Coalition.

Your Committee recognizes the increased incidence of substance abuse problems and the need to provide treatment and rehabilitative services.

Your Committee has amended the bill to provide \$1,437,048 for fiscal year 1977-78 to the following substance abuse programs:

#### Alcohol

Hawaii Alcoholism Foundation, SIHWH	44,464
Hawaii Committee on Alcoholism	96,239
Hina Mauka/HSB	30,349
Lanakila Rehab	34,652
St. Francis Hospital Halfway House	70,194
Salvation Army ATF	189,504
Salvation Army 806 Social Services	13,853
Kauai Outreach	12,301
Big Island Council on Addiction	48,314

#### Drug

Addiction Treatment Facility (S.A.)	69,254
Alternatives for Youth (KP YMCA)	91,913
Awareness House	37,801
DASH	122,401
Habilitat	231,869
Hale O'Ulu	49,000
Kauai Outreach	4,200
Maui No Ka Oi	21,900
Palama Settlement	35,032
Teen Challenge	62,357
Waianae Rap Center	75,970
YMCA Detached Counselors	92,481

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 482, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 482, H.D. 2.

Signed by all members of the Committee.

SCRep. 577      Finance on H.B. No. 925

The purpose of this bill is to establish a permanent statewide school health services program for public schools of the State of Hawaii.

Your Committee finds that a school health services program was initiated under a pilot project established by Act 130, Session Laws of Hawaii 1970. This project did not, however, extend to all public schools at its inception, and presently continues as a pilot project.

This bill expands the program to all elementary schools in the State. In order to facilitate the selection and designation of school health complexes, the bill allows the department of health to select and designate the school health complexes in consultation with the department of education.

This bill has been amended to provide for the creation of a school health services advisory committee. Comprised of State and community organizations, as specified in the bill, the advisory committee shall coordinate, guide and evaluate the school health services program.

In the establishment of nurses positions in the statewide school health services program, the bill has been amended to provide that each nurse must have at least one half year of public health, school health, clinical, or hospital nursing experience. This bill further requires that all positions involving responsibilities to supervise other nurses shall be at the RPN IV level.

These employee classification levels, your Committee finds, will allow the maximum establishment of the program, although these levels are lower than those presently employed in the pilot project. The bill provides that existing nurse positions occupied by employees on the effective date of the Act will not be affected, and that neither reduction in level nor compensation will result. The positions are required, however, to be downgraded in the event any incumbent vacates such a position, prior to hiring a replacement.

The bill has been further amended to provide for full time, twelve-month employment for nurses. This would provide nurses adequate time to obtain in-service training, to prepare for the school year, provide training and instruction to health aides, and assist in the evaluation of the program.

The bill further provides for the transfer of all existing personnel upon the effective date of the bill to the new program proposed by the bill, in fairness to persons hired under the pilot project, without regard to their date of hire.

Available information supports the continuation and expansion of the health services program, and that existing information, including an audit conducted by the legislative auditor, indicate that pilot project cost-benefit ratios have been positive. Cost per student is \$12 per year, a relatively small cost for many benefits for students and their parents. The equitable nature of the program is a positive feature, for it is aimed towards a large and broad-based target population, and provides all elementary level public school students equal health services, without regard to financial status, or the presence or absence of any handicapping condition.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 925, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 925, H.D. 3.

Signed by all members of the Committee.

SCRep. 578      Finance on H.B. No. 976 (Majority)

The purpose of this bill is to provide State support for the research programs of the Experiment Station of the Hawaii Sugar Planters' Association.

Your Committee finds the self-supported research efforts of the Hawaii Sugar Planters' Association for the last 82 years has been a significant factor making Hawaii one of the leading sugar producing areas in the world, and has made the HSPA Experiment Station one of the most recognized sugar research centers in the world.

Your Committee finds the research in new cane varieties, weed and pest control, irrigation, and fertilization, performed by the HSPA has given the Hawaiian sugar companies the ability to produce high-yield varieties of cane and react effectively against the threat of disease or pest.

Since the HSPA was organized in 1895, the research activities have been totally supported by the Hawaii sugar growers. In recent years there has been some assistance from the federal government and cooperation from the Experiment Station of the College of Tropical Agriculture of the University of Hawaii. Basic support and operating funds, however, are still provided by the members of the association.

Your Committee finds results of the HSPA's research are reported to member companies and independent sugar cane growers, and published in the experiment station's own journal. New varieties developed by the HSPA experiment station are available to all sugar cane producers in the state, including independents.

Your Committee finds one of the most basic and important programs of the experiment station has been the development of new sugar cane varieties. The breeding of sugar cane varieties and the selection of superior progenies, followed by thorough testing, has succeeded in producing the high-yielding varieties adapted to the many different conditions under which sugar cane is grown in Hawaii.

Most recently, the work at the experiment station has resulted in assisting the rapid and efficient mechanization of the entire sugar cane growing and milling operation. Hawaii leads the world in reducing the amount of manpower required to produce a ton of sugar and still leads. Hawaii also has the highest yields of sugar cane in the world.

Your Committee finds the 1977 research budget of the HSPA has been reduced about 20 per cent below the 1976 funding level. To maintain the level of research necessary to keep the Hawaii sugar growing industry in a competitive position, your Committee finds temporary supplemental financial help from the State is in the best interest of the entire agricultural program of Hawaii.

Your Committee has amended the bill to provide: (1) an appropriation of \$500,000; (2) a lapsing date of June 30, 1979; and (3) that the Act take effect on July 1, 1977.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 976, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 976, H.D. 1.

Signed by all members of the Committee.  
(Representative Sutton did not concur)

SCRep. 579      Finance on H.B. No. 107

The purpose of this bill is to provide funding for the production and marketing of Hawaiian agricultural commodities, specifically papayas, anthuriums and other cut flowers, and ornamental foliages. These commodities have contributed significantly to Hawaii's economic stability and hold exceptional potential for further growth.

Your Committee believes that the papaya, anthurium and other cut flowers, and ornamental foliages industries have vast potentials for development in Hawaii and can contribute greatly to Hawaii's economic stability if immediate action is taken to support them.

Your Committee has amended this bill by providing an appropriation of \$500,000 to be expended in fiscal year 1977-78.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 107, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 107, H.D. 2.

Signed by all members of the Committee.

SCRep. 580 Finance on H.B. No. 1373

The purpose of this bill is to provide for an appropriation for the development and implementation of a comprehensive master plan for diversified agriculture in Hawaii. It is intended that the master plan shall include, but not be limited to:

- (1) The identification of the various commodities and industries currently comprising Hawaii's diversified agricultural industry as well as those commodities and industries not now commercially active in Hawaii but which can and should be developed;
- (2) The evaluation of each of the commodities/industries so identified and using appropriate economic criteria such as growth potential, current economic value, comparative advantages for Hawaii, to prioritize each commodity/industry and subcategories, therein;
- (3) The identification, documentation, and evaluation of the transportation systems currently utilized for the movement of the various commodities with a view toward recommending an integrated system built around an efficient and effective master system for shipping both intrastate and outbound commodities;
- (4) Recommendations as to the feasibility of establishing a statewide cooperative mechanism to enhance the strategic programming of production, handling, and marketing activities of the various diversified agricultural commodities;
- (5) With respect to paragraphs (3) and (4), identification and description of the resource requirements necessary to develop and implement the recommendations; and
- (6) Other pertinent findings and recommendations including recommendations of a statutory nature.

Your Committee has amended the bill by providing an appropriation of \$115,000 to be expended in fiscal year 1977-78.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1373, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1373, H.D. 2.

Signed by all members of the Committee.

SCRep. 581 Finance on H.B. No. 1129

The purpose of this bill is to provide funding to continue historical and archaeological research on the island of Kaho'olawe.

Your Committee recognizes the unique, cultural resource that the Island of Kaho'olawe offers for historical and archaeological investigations into the life of ancient Hawaii. Preliminary discoveries include a large stone adze quarry and workshop complex, the largest obsidian quarry and workshop found in the islands. In addition, small habitation and specific task sites and at least one large permanent village site have also been discovered.

Research of the island seems to point towards Kaho'olawe being an important fishing and farming settlement. The oral tradition of the Hawaiian elders maintains that the Island of Kaho'olawe has legendary importance.

Your Committee is aware that the Department of Land and Natural Resources' historic preservation office has begun historic studies of the island. In its February 10, 1977 report, the office noted that after spending 24 days on the island surveying 4,100 acres, or 14% of the total land area, 28 archaeological sites were recorded. Of the 28, 27 sites are eligible for the National Register of Historic Places.

As amended, the bill provides a \$50,000 appropriation for fiscal year 1977-78.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1129, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1129, H.D. 2.

Signed by all members of the Committee.



SCRep. 582      Finance on H.B. No. 1355

The purpose of this bill is to establish a twenty-six week Labor Television Program entitled "Rice and Roses" at the Hawaii Public Broadcasting Authority with a full-time staff.

"Rice and Roses", a labor education series, was first introduced on television in 1971 with a series of 13 programs.

Since then, Legislative support for program expansion from 13 to 26 programs a year have not been met because of funding uncertainties and red-tape delays among the administering agencies.

Your Committee believes that the "Rice and Roses" series provide opportunity to not only express labor viewpoints, but also the positive activities carried out by labor organizations.

As amended, the bill provides an appropriation of \$77,840 for the 1977-78 fiscal year. Your Committee adopted the recommendation of the Hawaii Public Broadcasting Authority by changing the amount appropriated from \$170,000 to \$150,000. Existing production equipment precludes the necessity for the additional \$20,000.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1355, H.D. 1 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1355, H.D. 2.

Signed by all members of the Committee.

SCRep. 583      Finance on H.B. No. 1685

The purpose of this bill is to transfer the responsibility for administering motor carrier safety functions and activities from the Public Utilities Commission to the Department of Transportation.

This proposed transfer of motor carrier safety regulation resulted from the recommendation of the legislative auditor in Audit Report No. 75-6, entitled "Management Audit of the Public Utilities Program, Vol. III, December, 1975. The Legislative Auditor found that the current organization and administration of motor carrier safety regulation under the Public Utilities Commission was ineffective, inefficient and in "a state of shambles." (Vol. III, p. 91)

The purpose of this bill is also in concert with the findings of the Report to the Ninth State Legislature, State of Hawaii, of the Commission on Organization of Government, dated February, 1977.

Your Committee has amended page 26 of this bill as follows:

1.      Substitute "April of each year" for "each of the months of July and January" on line 13.
2.      Substitute "\$5" for "\$15" on line 15.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1685, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1685, H.D. 2.

Signed by all members of the Committee.

SCRep. 584      Finance on H.B. No. 486

The purpose of this bill is to provide funds for the allied health programs at Kapiolani Community College for the fiscal biennium 1977-79 in order that these programs might continue at the current service level.

In the past, hospitals operated schools and training programs to meet their manpower needs. These programs were phased out in favor of a centralized allied health program in the community college system which was established at Kapiolani Community College. Statistics submitted to the Committee indicated an 82% or higher rate of employment

for students in the allied health fields.

Your Committee was made aware that budget reductions in the allied health programs would have a profound impact on the cost and delivery of quality health care in Hawaii. Without an ongoing supply of locally trained allied health personnel, the cost of health care would undoubtedly increase as hospitals would be forced to advertise and recruit for these positions from the mainland.

Your Committee has amended the appropriation to specify that \$102,406 is for the fiscal year 1977-78.

Your Committee has further amended the bill to provide a lapsing provision and an effective date of July 1, 1977.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 486, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 486, H.D. 2.

Signed by all members of the Committee.

SCRep. 585      Finance on H.B. No. 1171

The purpose of this bill is to clarify Section 27-23, Hawaii Revised Statutes, and to provide for the establishment of a County/State Hospital special fund.

Your Committee finds that County/State Hospital facilities play an integral part in providing medical health care services to the State. In order to maintain and improve health care services, your Committee feels that there is a need to upgrade and provide staff support at facilities which are faced with particular needs and requirements.

Your Committee further finds that there are present plans to review and adjust hospital rates. If and when rate adjustments are implemented, additional revenues are expected.

The special fund proposal in this bill will consist of revenues collected or acquired but not exceeding 3 per cent of the facility's total actual operating requirements, in excess of the allocated Special Funds provided in the Executive Budget. This fund will not exceed \$1,000,000.

The County/State Hospital special fund will enable the department of health to utilize excess revenues for lawful expenditures such as the acquisition and replacement of equipment and/or the renovation or modernization of hospital facilities necessitated by technological advances, obsolescence, or the need to comply with various certification requirements.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1171, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 586      Finance on H.B. No. 82

The purpose of this bill is to appropriate funds for the continuation of the University Without Walls Program (also known as the Comprehensive Training Program and Central Michigan University Program). The intent of this bill is to offer equal opportunities to enable students to complete their degrees.

The University Without Walls Program, originally under the sponsorship of the federally-funded Model Cities subprogram, the Comprehensive Training Program, of the City and County of Honolulu began in April 1972 and has continued since 1974 with State appropriation. Funding for the program is channeled through the Research Corporation of Hawaii, from which direct payments are made to Central Michigan University for delivery of the program to students.

The University Without Walls Program offers equal educational opportunities to those who find it difficult to enroll in regular campus based higher education programs and assists educationally deprived adults in developing employment skills. Educational credit is awarded for life and work experience and the concentrated class schedules on weekends allow students to complete their degrees.

Your Committee amended the bill to appropriate \$200,000 for fiscal year 1977-78 to continue the University Without Walls Program.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 82, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 82, H.D. 2.

Signed by all members of the Committee.

SCRep. 587      Finance on H.B. No. 854

The purpose of this bill is to establish the position of the Director of the Marine Option Program as a permanent position and to provide the necessary funds for that position.

The Marine Option Program (MOP) is a marine undergraduate education program which offers an opportunity for students in all academic disciplines in the University of Hawaii system to acquire a marine orientation. Because the program is presently operating on a temporary basis through Sea Grant with no assurance of continued funding, it has been unable to meet student demands. Funds for the Director's salary will be terminated on June 30, 1977, so the survival of the Marine Option Program is contingent upon its establishment on a permanent basis.

Your Committee received extensive testimony from Marine Option Program students and graduates highlighting the success of the program in terms of giving students an ocean perspective making it possible for them to gain "hands-on" experience while working on marine-related projects and motivating them to continue their interest after graduation. Although not a vocational program, the Marine Option Program enables its students to acquire marine skills, an opportunity otherwise not available through lecture courses.

As amended, the bill appropriates \$40,000 for the establishment of a permanent director position and the accompanying costs for the operation of the Marine Option Program.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 854, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 854, H.D. 2.

Signed by all members of the Committee.

SCRep. 588      Finance on H.B. No. 1098

The purpose of this bill is to establish an advocacy system to protect the rights of persons with developmental disabilities.

Public Law 94-103 enacted by Congress provided a bill of rights for persons with developmental disabilities which established standards to assure the humane care, treatment, habilitation and protection of mentally retarded and other developmentally disabled individuals receiving services from residential and community facilities and agencies. In its findings, Congress stated that the developmentally disabled have the right to appropriate treatment, services, and habilitation; that such treatment services and habilitation should be designed to maximize the developmental potential of such persons; and that the federal government and the states have an obligation to assure that public funds are not utilized in programs which do not provide appropriate treatment, services, and rehabilitation or do not meet minimum standards of care.

To ensure the rights of the developmentally disabled, Congress required as a condition for a state to receive an allotment of federal funds, that a system to protect and advocate the rights of persons with developmental disabilities be in effect and that such a system have authority to pursue legal, administrative, and other appropriate remedies. House Bill 1098, H.D. 1 establishes such a system in compliance with federal requirements.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1098, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 589 Finance on H.B. No. 1003

The Vision and Hearing Screening Program which was established in the Department of Education was transferred to the Department of Health in 1976.

The program provides hearing and vision testing to children in schools in order to detect sensory deficiencies.

Your Committee finds that vision and hearing are the two most vital senses an individual needs in the learning process. Children with impaired hearing and vision are often unaware of their handicap and even parents and teachers have difficulty in detecting these deficiencies.

Your Committee believes that there should be a coordinated effort between the vision and hearing screening program and the school health services program whereby the health aides will render assistance to the audiologist and screening technicians in providing the vision and hearing screening program.

Your Committee has amended the bill to provide that (1) the \$251,260 appropriation is for the fiscal year 1977-78; (2) unexpended or unencumbered balances shall lapse on June 30, 1978; and (3) the Act shall take effect on July 1, 1977.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1003, H.D. 1 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1003, H.D. 2.

Signed by all members of the Committee.

SCRep. 590 Finance on H.B. No. 630

The purpose of this bill is to grant health fund benefits to all persons employed for at least three months and twenty hours or more per week.

Under present provisions, certain employees are excluded from public employee health benefits. Included among this group are limited term, provisional, part-time, and exempt employees, project hires, and salaried and full-time members of boards and commissions.

Your Committee finds that these employees are an integral part of the public employee workforce and often fill critical vacant positions and other specialized jobs. Moreover, your Committee notes that recent state SCET and federal CETA workers were granted health fund benefits, all of whom are considered short-term employees. Finally, because they are considered public employees, this particular group of employees is excluded from coverage under the Hawaii Prepaid Health Care Law.

Your Committee feels that extension of health care benefits to these limited-term, provisional, part-time, and exempt employees, as well as project hires and salaried and full-time members of boards and commissions who meet certain employment conditions is appropriate and will remove the barriers to providing equal opportunities to all employees of the State.

In addition, your Committee is aware that recent legislative measures have established a number of full-time boards and commissions. In recognition of the status of members of full-time boards and commissions as employees of the State, this bill proposes to include these employees as members of the health fund.

Your Committee has amended the bill to provide the necessary funding. Your Committee has also provided a lapsing provision to insure that unrequired appropriations lapse into the State general fund.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 603, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 630, H.D. 2.

Signed by all members of the Committee.

## SCRep. 591      Finance on H.B. No. 77

The purpose of this bill is to establish at each school a legally recognized citizens advisory council which would assess the needs of the school, report on the progress of the school in meeting those needs and assume the role of advocacy for the school.

Under the present circumstances, there is no legal framework within which school councils may operate. Uniform guidelines and legal provisions for the establishment and continuation of such mechanisms can assure the public of an avenue for meaningful participation in the public school system.

Your Committee has amended this bill to elect, rather than select, members to school councils.

Your Committee has further amended this bill to include teachers and students as those eligible for election to school councils.

The bill includes an appropriation of \$23,000 to reimburse council members for expenses incurred in the performance of their duties.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 77, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

## SCRep. 592      Finance on H.B. No. 105

The purpose of this bill is to appropriate funds to provide needed governmental support to revitalize and strengthen the working effectiveness of the State's agricultural cooperatives and associations, including technical assistance, education programs, and various types of financial aid.

Your Committee has amended the bill to provide a \$50,000 appropriation for fiscal year 1977-78 to be expended by the Governor's Agriculture Coordinating Committee for the purposes of this bill, including the contracting of services by public and private agencies.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 105, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 105, H.D. 2.

Signed by all members of the Committee.

## SCRep. 593      Finance on H.B. No. 1713 (Majority)

The purpose of this bill is to sustain the momentum generated by the aquaculture planning program by insuring that immediate actions will be initiated to encourage and promote commercial development of aquaculture in Hawaii and to undertake the culture of species with potential for Hawaii.

It is also the purpose of this bill to qualify Hawaii for participation in federally assisted programs and projects in aquaculture by providing funds and in-kind services to match such federal funds as may become available.

Your Committee feels this bill would eliminate the problem that nothing can be done during the next fiscal year because of the lack of legislative authorization. The aquaculture plan is scheduled for completion by the end of this fiscal year, while the Legislature will not be meeting again until January 1978. Your Committee feels it would be imprudent to allow any slippage of time to occur in that interval of time. Therefore, this bill provides the means to continue interim actions that are vital to promoting and sustaining aquaculture development.

Your Committee has amended the bill to correct an error in the funding designation. As amended, the bill appropriates the sum of \$672,228 to the operating cost category and \$138,300 to the capital investment cost category.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1713, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form

attached hereto as H.B. No. 1713, H.D. 2.

Signed by all members of the Committee.  
(Representative Sutton did not concur.)

SCRep. 594 Finance on H.B. No. 1693 (Majority)

The purpose of this bill is to amend present law relating to expenses of witnesses in criminal proceeding by requiring the public prosecutors or county attorneys and the public defender to submit a budget request for the amount required for each fiscal year for expenses of witnesses to be included in the department of budget and finance's request for each fiscal biennium. The bill also clarifies the procedure for payment of witnesses. When Act 131, Session Laws of 1976, relieved the Judiciary of the responsibility for maintaining a fund for witness expenses, budgetary procedures for such funds were not provided for.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1693 and recommends that it pass Third Reading.

Signed by all members of the Committee.  
(Representative Sutton did not concur.)

SCRep. 595 Finance on H.B. No. 106

The purpose of this bill is to provide governmental support including financial assistance to strengthen and revitalize the transportation systems for Hawaiian agricultural commodities. The realization of the need for a comprehensive and integrated transportation system as the key to the survival of Hawaiian diversified agriculture has come into increasingly sharper focus over the past several years.

Your Committee has amended the bill to provide a \$50,000 appropriation for fiscal year 1977-78 to fund a study of the transportation system for Hawaiian agricultural commodities.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 106, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 106, H.D. 2.

Signed by all members of the Committee.

SCRep. 596 Finance on H.B. No. 78

The purpose of this bill is to provide for the establishment of a citizens advisory committee on the kinds of basic and real-life skills necessary for public school graduates.

Your Committee finds that many adults and young people lack proficiency in the basic skills of reading, writing and computation and are unable to successfully complete those tasks which are common to everyday life. This widespread inability to perform such tasks has led your Committee to conclude that the teaching of these skills must be improved.

In the second paragraph of Section 2, your Committee recommends that the advisory committee be appointed by the president of the senate and the speaker of the house of representatives. In Section 4, your Committee recommends that the advisory committee submit a report to the legislature ten days after the convening of the 1978 legislative session. In Section 3, line 19, your Committee has inserted the word "but" for "by" to correct a typographical error.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 78, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 78, H.D. 2.

Signed by all members of the Committee.

SCRep. 597 Finance on H.B. No. 137

This bill amends Act 151, Session Laws of Hawaii 1975, which established the State program for the unemployed (SPU), by extending the program through fiscal year 1977-78. It also expands the SPU by specifying that the department of labor and industrial relations may subsidize forms of job training under Part III, State assistance for certain employment, and establish job training in public service employment. The "economically disadvantaged" category under Part III is eliminated.

Act 151, Session Laws of Hawaii 1975, established the State program for the unemployed (SPU) which was designed as a one-year program to alleviate the effects of the State's high unemployment rate through public service jobs and other employment programs. In 1976, the Legislature extended and funded SPU for an additional year through Act 134.

Your Committee finds that unemployment in the State is still at a very high level, and believes that the State program for the unemployed must be continued as one effort to alleviate the problem of unemployment.

Your Committee is concerned that, although SPU has been successful in providing temporary, immediate employment to Hawaii's jobless, it is but an artificial stimulus in alleviating the problem of unemployment. Efforts need to be directed to the areas of encouraging and stimulating private industry to create jobs of a permanent nature. Your Committee realizes that many of the unemployed should be counseled as to the areas in which employment opportunities exist, and subsequently, be trained or re-trained so as to be employable in these areas. This bill therefore authorizes the department of labor and industrial relations to provide job training in public service employment, and to subsidize all forms of job training in the private sector.

Your Committee has amended H.B. No. 137, H.D. 1 further by deleting all references to "heads of household" and replacing them with the word "individuals", so as to eliminate the inherent sex discrimination found in prioritization of referrals to the SCET program and make it possible to utilize federal funds. A new section has also been added, granting civil service exemption to the temporary administrative staff of SPU and thereby assuring smooth continued operations of the program. Without this exemption, the temporary staff members are limited to a one-year employment period. Your Committee has also provided for eventual close-out of the program by allowing the temporary administrative staff to continue its operations up to December 31, 1978, notwithstanding the lapsing date.

Your Committee has taken into account the instability and unpredictability of economic conditions of our State. Thus, and in light of the new Federal administration, your Committee has deemed it prudent to extend the State program for the unemployed for only one year. Should conditions next year justify further extension of this program, the Legislature could once again consider to do so. Accordingly, your Committee has reduced the appropriation amount. Your Committee has appropriated \$16 million for the State Comprehensive Employment and Training (SCET) program. With this amount, the program will be able to continue the program on a slightly expanded level over its current operations. In addition \$1,000,000 has been appropriated to carry out the State Assistance for Certain Employment Program (Part III) and the State Loans for Certain Employment Program (Part IV). For more efficient accounting practices, your Committee has chosen to lapse prior appropriations as of June 30, 1977 under Act 151, Session Laws of Hawaii 1975 and Act 134, Session Laws of Hawaii 1976, and re-appropriate the required amounts for purposes of this Act.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 137, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 137, H.D. 2.

Signed by all members of the Committee.

SCRep. 598      Finance on H.B. No. 65

The purpose of this bill is to establish and maintain a vocational training program for juvenile offenders committed to the Hawaii Youth Correctional Facility.

Under present conditions, there are no specific programs for vocational training of youth committed to the Facility. Some facility personnel do, on occasion, take boys with them on particular jobs as they arise, but this is the extent of the vocational training. There is no comprehensive program designed to impart work habits or skills. In today's job market, mechanical, plumbing, and electrical skills, among a variety of others, can account for the difference between becoming a productive member of society and



becoming a ward of society.

Your Committee has amended the bill to provide an appropriation of \$85,000 for fiscal year 1977-78 to establish a vocational training program at the Hawaii Youth Correctional Facility.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 65, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 65, H.D. 2.

Signed by all members of the Committee.

SCRep. 599      Finance on H.B. No. 5

The purpose of this bill is to provide appropriations for collective bargaining cost items negotiated with the exclusive bargaining representatives of the respective units, as well as appropriations for salary increases and other adjustments for employees excluded from collective bargaining.

Unit I, blue collar non-supervisory employees, reached settlement with the employer on August 27, 1976, and funding of collective bargaining cost items, as well as other costs for salary adjustments for employees excluded from Unit I collective bargaining are required.

Your Committee is aware that other bargaining units are presently in the process of negotiating contracts with the employer and may be ready to submit to the Legislature additional cost items for employees included in the respective units. In addition, salary increases and other adjustments for employees excluded from the respective units will also require funding authorization.

Your Committee has amended Section 2 of the bill to correct an error in the designated source of funding in the appropriations for fiscal years 1977-78 and 1978-79.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 5, H.D. 1 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 5, H.D. 2.

Signed by all members of the Committee.

SCRep. 600      Finance on H.B. No. 68

The purpose of this bill is to provide funding for the continuation and expansion of alternative diversionary correctional programs in the community.

The Hawaii Correctional Master Plan is based on the premise of in-community programs as diversionary alternatives to incarceration. Yet, under present conditions, very few such alternatives exist. No new alternative programs are reflected in the Executive Budget submitted for the 1977-1979 biennium. Moreover, one alternative program which received funding heretofore, Mutual Agreement Programming, was inadvertently omitted from the current proposed Executive Budget.

Your Committee is in agreement with the Correctional Master Plan. Under it, procedures are established for the purpose of diverting adjudicated misdemeanants and felons from incarceration to in-community alternatives. Unless the current lack of these alternative programs is reversed, the population of our prisons will continue to grow and the objectives of the Master Plan will not be realized.

Your Committee has amended the bill to provide an appropriation of \$123,500 for fiscal year 1977-78 for the development of in-community alternatives to incarceration as called for by the Hawaii Correctional Master Plan.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 68, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 68, H.D. 2.

Signed by all members of the Committee.

SCRep. 601      Finance on H.B. No. 1504

The purpose of this bill is to establish a pilot project to investigate the feasibility of using secondarily treated sewage as a resource in agriculture, aquaculture and recharge of the ground water system.

The water plan for Oahu shows that municipal and urban water requirements may exceed the available supply by the year 2000.

Studies in Florida, California, Massachusetts and elsewhere have shown that the technology is available to retrieve valuable nutrients from sewage. These nutrients that are now being discarded as waste can be used as the energy source for a valuable food production industry. The techniques of aquaculture make these activities possible.

By the application of already known sewage treatment techniques such as filtration, ozone and chlorination, the quality of this waste water can be raised to a level suitable for return to the environment as ground water recharge. The effect of such a program would be to double or triple the available water supply.

Your Committee has amended the bill. The more significant amendments are as follows:

- (1) Clarified Section 2 to provide for a one year pilot project limited to determining the feasibility of using secondarily treated sewage;
- (2) In Section 3, appropriated \$100,000 for fiscal year 1977-78 for the pilot program; and
- (3) Provided in Section 4 that the counties shall submit a report ten days after the convening of the 1978 legislative session.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1504, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1504, H.D. 2.

Signed by all members of the Committee.

SCRep. 602      Finance on H.B. No. 113

The purpose of this bill is to require the Land Use Commission to conduct public awareness and education programs in each County on a regular basis.

The bill includes an appropriation of \$30,000. This sum represents the cost of a modular-type education film on the Land Use Commission covering various aspects of the law, the procedures, regulations, filing a boundary change petition and avenues for public participation.

Your Committee has amended the bill to provide an effective date of July 1, 1977 and a lapsing provision of June 30, 1978.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 113, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 113, H.D. 2.

Signed by all members of the Committee.

SCRep. 603      Finance on H.B. No. 28

The purpose of this bill is to provide for:

1. The time of holding a constitutional convention;
2. The districts and the number of convention delegates to be elected from such districts;
3. The place at which the convention will meet;
4. The powers of the convention;

5. The immunities of the convention delegates;
6. The salaries and allowances for the delegates;
7. The staffing of the convention;
8. The moneys necessary to hold the elections for convention delegates, for any preparation for the convention, and for staffing and other expenses of the convention; and
9. Any other provisions necessary to have a constitutional convention.

Your Committee has noted the proposals made by House Standing Committee Report No. 374 and your Committee recommends that this bill be revised as follows:

1. Designate the chief election officer instead of the governor to issue the election proclamation.
2. Substitute "constitutional convention district" for "representative district."
3. Provide for the alphabetical listing of candidates on the ballot.
4. Establish the constitutional convention districts and the apportionment of delegates on the basis of the existing precincts in the state representative districts.
5. Provide that the delegate with the highest number of votes from the first constitutional convention district shall serve as temporary chairman.
6. Set delegate salary at \$1,000 a month, but not more than \$5,000 for the convention, payable beginning June 1, 1978, semimonthly.
7. Appropriate \$8,500 to the campaign spending commission to supervise campaign contributions and expenditures.
8. Appropriate \$72,000 to the legislative reference bureau to provide necessary services and assistance for the convention.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 28, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 28, H.D. 2.

Signed by all members of the Committee.

SCRep. 604      Finance on H.B. No. 129

The purpose of this bill is to provide for the development, coordination and practical application of ocean and marine programs in Hawaii by appropriating funds to the Marine Affairs Coordinator to be expended in support of marine educational programs.

Your Committee has amended the bill to provide appropriations for the development of educational programs by the aquarium and the department of education.

Your Committee on Finance is in accord with the intent and purpose of H.B. 129, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 129, H.D. 2.

Signed by all members of the Committee.

SCRep. 605      Finance on H.B. No. 420

The purpose of this bill is to provide funds for the intercollegiate athletic programs at the University of Hawaii, Manoa and Hilo campuses.

Your Committee is aware that current financial constraints have affected the morale of coaches and athletes and, if this continues, the entire program might seriously be affected. Historically, the University athletic programs have been centered around football and basketball while the other sports have been programmed in a "piece-meal" fashion. It appears that there is currently a lack of commitment to non-income generating

sports both in terms of funds and facilities. Your Committee is disturbed by this and feels that a well-balanced athletic program which is responsive to the varied needs of all student athletes should be provided. Consequently, your Committee feels that a master plan for the fiscal and program management of intercollegiate athletics should be formulated to insure that student needs are met and to enable the University, as well as the Legislature, to better plan for future funding requirements.

Your Committee has amended the bill to provide funding to enable students at the seven community colleges to participate in the intercampus athletic program. As amended, the bill appropriates \$500,000 for the fiscal year 1977-78 to the following: (1) \$252,375 for the men's athletic program at Manoa campus, with a special provision for the wrestling program of \$57,000; (2) \$130,625 for the women's athletic program at Manoa campus; (3) \$50,000 for the men's and women's athletic programs at Hilo campus; and (4) \$70,000 to implement a statewide intercampus athletic program at the seven community colleges.

Your Committee intends that funds appropriated in this bill shall be expended only for those sports listed and not for other athletic purposes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 420, H.D. 1 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 420, H.D. 2.

Signed by all members of the Committee.

SCRep. 606      Finance on H.B. No. 962

The purpose of this bill is to provide funding to the Hawaii Office of Economic Opportunity to support the activities of the following Community Action Agencies: Hawaii County Economic Opportunity Council, Honolulu Community Action Program, Kauai Economic Opportunity, and Maui Economic Opportunity; private, non-profit organizations serving poor people of Hawaii.

The bill has been amended to provide an appropriation of \$215,000 for fiscal year 1977-78.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 962, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 962, H.D. 1.

Signed by all members of the Committee.

SCRep. 607      Finance on H.B. No. 861

The purpose of this bill is to provide funding to continue the operations of the Kalihi-Palama Immigrant Services Center (KPISC).

KPISC is operated by the Palama Interchurch Council, a non-profit organization. It helps immigrants with employment, shelter, education, health, social services, and English.

KPISC was developed from the recommendations of the 1969 Governor's Conference on Immigration dealing with areas where newly arrived immigrants were concentrated. It began as a Model Cities program serving the Model City boundary of Kalihi-Palama. When City Demonstration Agency (Model Cities) moneys were terminated, the 1974 legislature continued funding, and services were expanded to central Honolulu in 1975.

Your Committee has amended the bill as follows: (1) deleted the appropriation of \$67,000 for fiscal year 1978-79, and (2) corrected Section 2 by designating the Commission on Manpower and Full Employment as the expending agency.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 861, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 861, H.D. 1.

Signed by all members of the Committee.

SCRep. 608      Finance on H.B. No. 100

The purpose of this bill is to improve child care services in the State of Hawaii through effective and adequate means of preventing and treating child abuse and neglect.

Your Committee believes that the area of child abuse and neglect requires particular attention and that preventive and follow-up services, as well as treatment should receive equal emphasis in this area. Serious physical and emotional damage which result from child abuse and neglect, and its documentation as a cyclical problem in which abusive parents often are found to have been themselves victims of abuse as children, warrant program emphasis on preventive as well as treatment services.

Your Committee finds that intervention in instances of potential abuse can break the cycle of child abuse and prevent such abuse from occurring. Therefore, programs that emphasize the prevention of child abuse constitute an integral factor in minimizing child abuse and neglect. The Hawaii Family Stress Center of the Kauaikeolani Children's Hospital presently serves as the only resource and community support agency to individual professionals or agencies dealing directly with child abuse and neglect cases. The center is in agreement on the need for the development and implementation of programs that will provide for the prevention, early identification, and follow-up of child abuse and neglect cases on Oahu and the neighbor islands and, plans to gradually phase in programs emphasizing prevention, high risk identification screening, and follow-up on identified child abuse cases. These programs, however, are contingent upon state and federal funding.

Your Committee recognizes the need to support the Stress Center in its efforts to develop and implement prevention programs as well as follow-up activities.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 100, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 609      Finance on H.B. No. 102

The purpose of this bill is to appropriate funds for the State elderly housing program.

Cognizant of the numerous housing problems faced by the elderly, the Legislature enacted Act 224 during the 1976 legislative session. This Act provided for a survey of elderly housing needs to be followed by an action program with elderly housing to be given priority in the Hawaii Housing Authority's overall housing development plans. However, no appropriation was made to implement this program, therefore, despite passage of this Act, housing remains a crucial problem for the elderly.

Upon consideration of this bill, your Committee has decided to appropriate \$50,000 to conduct an elderly housing study. Under the provisions of Act 224, Session Laws of Hawaii 1976, such a study is a prerequisite to the development and construction of elderly housing.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 102, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 102, H.D. 2.

Signed by all members of the Committee.

SCRep. 610      Finance on H.B. No. 138

The purpose of this bill is to provide a vehicle by which the State will work with the visitor industry and all other government agencies associated with tourism to coordinate and implement comprehensive policies to achieve the State's desired goals and objectives of attaining a high quality of life for the people of Hawaii.

Fulfillment of this purpose is to be initially achieved by establishing an Office of Tourism which is attached to the Department of Planning and Economic Development for administrative purposes only.

Your Committee notes that the visitor industry is a major component of the economic base of our State and makes a significant contribution to income and employment within

our community. Over the past ten years, tourism has replaced agriculture as the State's number one industry, and is the State's first multi-billion dollar enterprise. Your Committee feels that we are in a period when the need for participation in establishing guidelines for orderly future growth is recognized by all levels of government and sectors of the visitor industry.

Your Committee feels that the growth of the visitor industry must take into consideration not only the needs of the industry, but the needs of the community as well. Your Committee believes that there is a special need for the State government to take an active role to set directions and standards for both the public and private sectors of the visitor industry so that we may preserve or enhance our unique quality of life in Hawaii.

The Office of Tourism is to be headed by a director who would coordinate and review the overall "picture" of the tourism industry.

The director of tourism will be assisted by a visitor industry council which shall consist of representatives of the visitor's industry, organized labor, the general public and state and county governments, and serve in an advisory capacity.

Legislative adoption will be required for the ten-year controlled quality growth policy plan which shall be developed by the Office of Tourism in conjunction with the visitor industry council and presented to the legislature for adoption.

The Office of Tourism established by this bill shall succeed to all the functions, rights and powers exercised, and all of the duties and obligations incurred by the Department of Planning and Economic Development in the administration, management, control, operation and implementation of its duties and functions established by this bill and transferred to the Office of Tourism hereby, whether the powers, duties, and obligations are mentioned in or granted by any law, contract, or other document.

Your Committee has amended H.B. No. 138, H.D. 1 by correcting typographical errors on: page 4, line 19 to change "-8" to "-9"; and page 14, line 21 to change "1977" to "1977".

Your Committee has appropriated \$250,000 to cover the costs for the Office of Tourism over the 1977-1979 biennium.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 138, H.D. 1 as amended herein and recommends that it pass Third Reading in the form attached hereto as H.B. No. 138, H.D. 2.

Signed by all members of the Committee.

SCRep. 611      Finance on H.B. No. 768

The purpose of this bill is to refine the statutory provisions of the Aid to Families with Dependent Children (AFDC) and General Assistance (GA) income maintenance programs to provide more equitable relief to public assistance recipients.

Presently, increases in the average weekly wage schedule, as computed by the Department of Labor and Industrial Relations, are used to determine the annual percentage increase in the maximum basic needs allowance for public assistance. This index does not adequately respond to changes in consumer prices, and the use of the Consumer Price Index is favored as a more direct reflection of the consumer purchasing power of the public assistance grant.

Public assistance for emergencies is hampered by difficulties and uncertainties about the actual size of the fund. This bill replaces the welfare imprest fund statute with a provision for an emergency fund to provide immediate cash assistance for qualified individuals. Section 346-53(h) further clarifies the scope of emergencies qualifying for immediate aid.

A third significant change in the bill provides for the inclusion of community-based work in the definition of "public work projects" available for GA recipients in fulfilling their Temporary Labor Force (TLF) requirements. Currently, TLF work requirements are satisfied only by certain government jobs, and the Department of Social Services and Housing has testified that although nongovernmental organizations have requested work through this program, present statutes preclude such participation. Your Committee feels that this bill will remedy the situation.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 768, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 612      Finance on H.B. No. 562

The purpose of this bill is to allow a public employee the option to continue contribution into the retirement system during periods when the employee is receiving worker's compensation benefits.

Presently, when an employee is absent from his job because of injuries and is receiving worker's compensation benefits, he still continues to earn retirement credits as though he is actually performing his regular duties. However, contributions to purchase the retirement credits are not deducted from his worker's compensation benefit payments and the employee is faced with the purchase of accumulated credits when he returns to work.

This bill would allow the employees to elect to continue contributions into the retirement system in an amount equal to his regular deduction and to authorize such deductions be made from his worker's compensation benefit payment.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 562, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 613      Finance on H.B. No. 808

The purpose of this bill is to eliminate the time period for which an employee working on a federally funded research, special or demonstration project shall be exempt from civil service.

Chapter 76, state civil service law, is based on the philosophy that all state positions are civil service positions unless specifically exempt. Section 76-16 relating to civil service exemptions now requires that an employee engaged in a federally funded research project approved by the governor shall be exempt from civil service for a period limited to one year. As a consequence of this provision, persons employed by federally funded projects extending beyond one year are being accorded civil service status.

House Bill No. 808 would enable the State to exempt employees of such federally funded special, research or demonstration projects for the life of the project, thereby minimizing conversion of federally funded project employees to civil service status.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 808 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 614      Finance on H.B. No. 1215

The purpose of this bill is to convert two employees holding positions in the Department of Planning and Economic Development's Center for Science Policy and Technology Assessment to civil service status.

Presently these employees are providing services as civil service exempt employees. However, Act 195, Session Laws of Hawaii 1975, provided the center with two permanent civil service positions. Conversion of these two employees to civil service status will allow the department to continue the employees' services to the center with a minimum of disruption.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1215, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.



SCRep. 615 Finance on H.B. No. 559

The purpose of this bill is to include state firemen in the definition of "firemen" for retirement benefits in the state retirement system.

Presently firefighters who are employees of the state are not included under the definition of "firemen" as provided in section 88-21, Hawaii Revised Statutes. Consequently, these firefighters are not eligible for retirement benefits provided for firefighters employed by the counties. By amending the statutory definition of "firemen" to include state employed firefighters, retirement benefits of county firefighters will be extended to these state employees.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 559 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 616 Finance on H.B. No. 512

The purpose of this bill is to establish a permanent elections staff, subject to the provisions of Chapters 76 and 77, Hawaii Revised Statutes, to supervise state elections, maximize registration of eligible voters, maintain data concerning registered voters, elections, apportionment and districting, and to perform other duties as prescribed by law.

Presently, elections staff positions are filled by temporary appointments of the Lt. Governor who is the Chief Elections Officer of the State. The duration of these appointments are limited by the Lt. Governor's term of office, thus, there is no guarantee of staff continuity from one administration to the next.

Your Committee finds that elections are a permanent activity of government and one that has become increasingly technical and specialized. The services of persons having the knowledge and expertise which is gained through years of experience are required to perform the elections staff functions. Therefore, this bill permits the Chief Elections Officer to employ a permanent staff subject to Chapter 76 and 77, as well as temporary election employees, none of whom shall be subject to Chapters 76 and 77, as he may find necessary.

This bill also allows employees presently occupying the following positions: (1) Director of Elections; (2) Voter Education Coordinator; (3) Voter Registration Coordinator; (4) Elections Logistics Coordinator; (5) Assistant Elections Logistics Coordinator; (6) Elections Accounts Clerk; (7) Elections Secretary I; and (8) Elections Secretary II, be converted to civil service status within the meaning of Chapters 76 and 77, Hawaii Revised Statutes, without the necessity of examination.

Your Committee on finance is in accord with the intent and purposes of H.B. No. 512, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 617 Finance on H.B. No. 632

The purpose of this bill is to allow purchase of prior service rendered by employees of Haliimaile Dispensary and Paia Hospital, as well as by persons serving as full-time sheriff or deputy sheriff for credit in the employees' retirement system.

Your Committee was informed that employees of private hospital operations which later became part of the state/county hospital system were initially allowed to purchase prior service credits for services rendered before transfer to the State. However, it now appears that such provisions were not clearly spelled out for employees of Haliimaile Dispensary and Paia Hospital. This bill would allow them to buy back prior service credit for retirement purposes.

The office of the sheriff was transferred to the Judiciary in 1975 and the positions of full-time sheriff and deputy sheriff were converted from appointed to civil service positions. As a result of this conversion, persons serving as sheriff and deputy sheriff have become members of the employees' retirement system. Your Committee feels that any services rendered by these persons as appointed employees should be included

in service credit towards retirement. This bill would allow such persons to purchase prior service credit for previous services rendered as full-time sheriff or deputy sheriff in the office of the sheriff.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 632 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 618      Finance on H.B. No. 819

The purpose of this bill is to conform county civil service laws with state civil service laws which presently exempt positions filled through federally funded programs providing temporary public service employment such as the federal Comprehensive Employment and Training Act of 1973. In addition, the bill proposes civil service exemption for those employees engaged in federally funded special, research, or demonstration projects approved by the mayors.

Both of the proposed amendments would clarify the provisions relating to exempt employees. Since Chapter 76, the state personnel law, is predicated on the philosophy that all government positions, unless specifically exempt, shall be civil service positions, your Committee feels that a clarification of the status of employees on certain federally funded projects is required.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 819 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 619      Finance on H. B. No. 491

The purpose of this bill is to hold students responsible for their actions of vandalism against any public school building, facility, or grounds.

Your Committee feels that this bill is necessary as a deterrent to willful destruction of school property. This bill provides a legal framework for the enforcement of responsibility and restitution on the part of the student.

Your Committee has amended this bill to add the proposed provisions as a new section to the Hawaii Revised Statutes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 491, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 491, H.D. 2.

Signed by all members of the Committee.

SCRep. 620      Finance on H.B. No. 715

The purpose of this bill is to provide funding for the operation of the State home renovation and rehabilitation program.

During the 1976 Legislative Session, Act 178 was enacted which authorized the Hawaii Housing Authority to make loans to homeowners for the purpose of rehabilitating or renovating their existing dwelling units. Such rehabilitative efforts would not only help to alleviate the growing need for housing through the preservation of existing structures, but would also help to maintain the unique lifestyles of older communities. Furthermore, the implementation of this program would help to boost the State's ailing construction industry by providing jobs for the many skilled and unskilled laborers presently unemployed.

Although the sum of \$1,000,000 was appropriated during the last legislative session for this purpose, these funds will lapse at the end of this fiscal year if they are not released. Your Committee believes that a continuance of funds is necessary in order that the Hawaii Housing Authority may begin implementing this program.

Your Committee has amended the bill by reducing the appropriation to \$1,000,000 and designating that the funds are for fiscal year 1977-78.

Your Committee on Finance 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, H.D. 1.

Signed by all members of the Committee.

SCRep. 621      Finance on H.B. No. 1205

The purpose of this bill is to provide funds to enable the Continuing Education for Women Program to further the educational and vocational aspirations of women by providing support services and developmental programs on a statewide basis.

Recent statistics indicate that many women have been forced to become major breadwinners through widowhood, separation, and divorce at a time of economic instability. Many of these women are reentering the job market without adequate skills and need counseling and outreach services, as well as skills necessary to enable them to compete in the job market.

Your Committee has amended the bill to include \$70,000 for fiscal year 1977-78 to fund this program.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1205, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1205, H.D. 2.

Signed by all members of the Committee.

SCRep. 622      Finance on H.B. No. 1132

The purpose of this bill is to provide funding to the Welfare Recipients Advisory Council in order to create WRAC branch offices on the islands of Hawaii, Kauai, Lanai, Maui, and Molokai.

Your Committee finds that the Welfare Recipients Advisory Council (WRAC), under the auspices of Palama Settlement, serves as an advocate of welfare recipients on the island of Oahu. WRAC assists the Department of Social Services and Housing (DSSH) in promulgating rules and regulations for its Public Welfare programs by providing feedback reflecting the viewpoint of welfare recipients and other low income groups and individuals. WRAC also assists individual recipients by providing them counseling services and by working with DSSH whenever necessary to alleviate the problems recipients have encountered with Public Welfare programs.

Numerous requests for similar services have been received from neighbor island recipients and WRAC has responded by sending staff members to Kauai, Maui, Hawaii, and Molokai from time to time to attend to the needs of welfare clients there. This arrangement cannot be maintained for long, however, as WRAC has staff and resources sufficient to service Oahu clients only, and has had to draw funds for neighbor island travel from an allocation reserved for evaluation of WRAC by Palama Settlement, its supervising agency.

Your Committee has amended section 1 of the bill to provide an appropriation of \$86,460 to be expended in fiscal year 1977-78. Your Committee has also designated that the appropriation includes funding for 1 coordinator/outreach worker on each island.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1132, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1132, H.D. 1.

Signed by all members of the Committee.

SCRep. 623      Finance on H.B. No. 1357

The purpose of this bill is to appropriate funds for the establishment of an information program under the department of planning and economic development. Such a program

would be developed to discourage in-migration from other states.

Your Committee believes that Hawaii's population growth has reached the level at which State government should be concerned over its economic, social and cultural impact on the quality of life of Hawaii's residents. Your Committee feels that Hawaii's population should remain at the level at which the State can provide adequate services and accommodate the needs of its citizens. To accomplish this, the State's efforts must be directed to controlling the number of incoming persons.

Your Committee has amended the bill by designating that the \$50,000 appropriation is for fiscal year 1977-78.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1357, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1357, H.D. 2.

Signed by all members of the Committee.

SCRep. 624      Finance on H.B. No. 154

The purpose of this bill is to designate geographic areas within the State for the development of regional design plans and the appropriation of funds towards this end.

Your Committee has amended Section 3 of the bill by reducing the appropriation to \$125,000 and designating the funds for fiscal year 1977-78.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 154, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 154, H.D. 2.

Signed by all members of the Committee.

SCRep. 625      Finance on H.B. No. 1459

The purpose of this bill is to provide necessary funds for the vocational/technical education program at Leeward Community College.

Your Committee finds that the reduced level of funding for current expenses and equipment at Leeward Community College has hampered the development and quality of education in the college's vocational/technical division. This is disturbing because the Legislature has a strong philosophical and budgetary commitment to vocational education in Hawaii's schools. Therefore, your Committee would like to express its support for this bill in order to bring the level of funding for current expenses and equipment to a realistic amount for the proper delivery of quality vocational education services.

Your Committee has amended the bill to reflect an appropriation of \$140,000 for the fiscal year 1977-78. The second paragraph in section 1 of the bill has also been deleted because the reference to "lapses" is misleading.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1459, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1459, H.D. 1.

Signed by all members of the Committee.

SCRep. 626      Judiciary on H.B. No. 1624 (Majority)

The purpose of this bill is to revise the State Tort Liability Act by bringing the counties within the provisions of the Act and by making the following changes.

The bill clarifies the definition of "state agency" in section 662-1, Hawaii Revised Statutes, by specifying that independent contractors with the State are not State agencies, and by providing a definition of "independent contractor."

The term "discretionary act" is defined so as to differentiate such acts from "ministerial

acts."

The term "State" is defined to include the counties of Hawaii, Kauai and Maui, and the city and county of Honolulu.

The bill affirmatively sets out the sovereign immunity of the State in section 662-2 and the waiver of its immunity as to liability for the torts of its employees.

Certified copies of all pleadings would be required to be served on the attorney general or the respective county attorneys or corporation counsel by section 662-6.

The bill also provides in section 662-7, that the State of Hawaii would be represented by the attorney general, while the counties would be represented by their respective county attorneys or corporation counsel.

The bill also gives the courts discretionary power in awarding costs and fees as provided in section 662-9, and further provides in section 662-11 for increasing from \$2,000 to \$5,000 the claim limit up to which the attorney may arbitrate, compromise or settle without court approval or commencement of action. The power of arbitration, compromise and settlement of claims against the counties would be left to each county.

The bill further amends the provisions in section 662-15 limiting application of the chapter by specifically excepting claims where the act or omission of a state officer or employee was the result of the exercise of discretion, even if there was an abuse of discretion.

The provisions relating to jurisdiction of claims under the Act are amended to include the counties.

Your Committee, after discussion and deliberation, made the following amendments to the bill:

The provision in section 662-2 which would have limited the liability of the State was deleted.

The notice of claim required by section 662- would have to be filed with the attorney general and county clerk rather than with the county council. The claim would have to be filed within one year after the claim accrues rather than within two years. This change was made because of the problems facing the State with respect to situations where evidence has gone stale or has been lost altogether. Your Committee felt that the claimant should be allowed a reasonable period in which to file the claim, while also giving the State a reasonable opportunity to investigate the claim.

The statute of limitations section was also amended by providing that failure to file the required written notice of claim within the one year period would not bar the claim provided that the failure to file was based on mistake; inadvertence or excusable neglect and that the State is not unduly prejudiced by the failure to file. The section was also amended to provide that notice be given to the county clerk instead of the county council.

The provision providing that the State would be entitled to jury trials was amended to provide that any claimant under the Act would also be entitled to a jury trial in order to clarify the rights of the parties.

The provision relating to attorney's fees was also amended to clarify the language and also by raising the maximum allowable attorney's fees under the Act from twenty (20) to thirty-three and one-third ( $33\frac{1}{3}$ ) percent to bring the amount allowable more in line with present practice within the State.

Your Committee made minor technical and nonsubstantive changes which do not affect the substance and intent of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1624, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
(Representative Fong did not concur.)