

STANDING COMMITTEE REPORTS

SCRep. 1-84 Finance on S.B. No. 1192

The purpose of this bill is to extend the existence of the Hawaii Crime Commission.

Your Committee finds that the Hawaii Crime Commission, which serves to improve and monitor the criminal justice system, is to terminate on January 30, 1984. Your Committee finds that the Commission should be allowed to continue its work and your Committee agrees that the existence of the Commission should be extended until June 30, 1984.

Your Committee has amended this bill to conform the bill to your Committee's findings and approves the extension of the Commission until June 30, 1984. Your Committee has further amended this bill to limit the term of each member to four years.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1192, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1192, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 2-84 Finance on H.B. No. 1638-84

The purpose of this bill is to authorize funds for the expenses of the Legislature up to June 30, 1985, and also for the expenses of the legislative support agencies during the 1984-85 fiscal year.

After due consideration of the needs of the Legislature and the legislative support agencies, your Committee has amended the bill to provide specific appropriations as follows:

SENATE AND HOUSE OF REPRESENTATIVES

The amount appropriated for the Senate is \$2,250,476 and the amount appropriated to the House of Representatives is \$2,921,541. Your Committee finds that the amounts are necessary to meet operating costs of the Legislature covering such items as equipment, supplies, staff services and other fundamental expenses.

LEGISLATIVE AUDITOR

Your Committee approves the appropriation of \$1,472,759 to meet the basic operating budget of the Office of the Legislative Auditor. The amount includes funds for special studies and other purposes to be jointly determined by the Speaker of the House of Representatives and the President of the Senate.

STATE ETHICS COMMISSION

Your Committee approves the appropriation of \$156,983 to the State Ethics Commission; provided that the expenditure of \$6,000 for a copy machine and \$1,500 for moving expenses shall be contingent on the relocation of the Commission to new offices before July 1, 1985.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,551,149 for the Legislative Reference Bureau. The total includes \$25,000 for the advisory study commission on water resources which has attached to the Bureau for administrative purposes by Act 170, Session Laws of Hawaii 1982, and \$200,000 for the land evaluation and site assessment commission which was attached to the Bureau for administrative purposes by Act 273, Session Laws of Hawaii 1983.

OMBUDSMAN

Your Committee approves the appropriation of \$368,674 for the Office of the Ombudsman.

LAPSE OF FUNDS

Appropriations under this bill are subject to lapse as of June 30, 1985.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1638-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1638-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 3-84 Higher Education and the Arts and Health on H.B. No. 1549

The purpose of this bill is to promote Hawaii as an Olympic Training Center for athletes who have the potential for competing in the summer games of the world Olympic games. The Director of the Department of Planning and Economic Development is responsible for implementing the provisions of this bill.

This bill also establishes a Sports Medicine Center within the School of Medicine at the University of Hawaii. The Sports Medicine Center will conduct research in the causes, prevention, cure, and treatment of injuries resulting from sports activities; recommend measures to mitigate or prevent injuries from sports; provide treatment to athletes training and competing in world Olympic games; and conduct educational classes for persons in related areas.

Testimony before your committee from the Dean of the John A. Burns School of Medicine and the Director of Planning and Economic Development indicates that the establishment of a properly organized, funded, and functional Sports Medicine Center is essential to the designation of Hawaii as an Olympic Training Center. It was recommended that the new swimming pool complex be considered as the physical location for the Sports Medicine Center since space there has been allocated for a sports medicine physiology laboratory.

Faculty members of the medical school are presently conducting education and research in the treatment of sport related injuries. In addition, they have worked, in conjunction with the Department of Health, Physical Education and Recreation at the University of Hawaii (Manoa) in developing a curriculum leading to certification of athletic trainers. The testimony indicates that the clinical departments at the medical school can participate fully without extra manpower. Funding for the two following positions would be required: (1) a full-time faculty member in exercise physiology to run the testing and research facilities, and (2) a high level technical support person in addition to laboratory equipment for testing at the Sports Medicine Center.

Your Committees on Higher Education and the Arts and on Health are in accord with the intent and purpose of H.B. No. 1549 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ige and Morgado.

SCRep. 4-84 Higher Education and the Arts on H.B. No. 1720-84

The purpose of this bill is to provide an appropriation for the 1984 Hawaii Statehood Silver Jubilee Committee established by Act 4, Special Session of 1981, and charged with the responsibility of making all arrangements for the State's official celebration of 25 years of statehood.

Your Committee finds that out of a total of \$315,000 in projected expenses required to fund all scheduled programs and events for the 1984 Hawaii Statehood Silver Jubilee celebration, \$115,000 will be received from business and other private sources.

Therefore an appropriation of \$200,000 from general revenues is being requested for celebratory events relating to the 1984 Hawaii Statehood Silver Jubilee observance.

Your Committee heard testimony on H.B. No. 1938-84, which is an identical measure to H.B. No. 1720-84, in strong support of the Hawaii Statehood Silver Jubilee Celebration, and additional funding therefor. Further, this House is in receipt of the Governor's Message No. 2 which, pursuant to Article VII, Section 9, of the State Constitution, urges immediate passage of this bill.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1720-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 5-84 Agriculture on H.B. No. 1905-84

The purpose of this bill is to appropriate funds for research necessary to keep the Hawaiian sugar industry economically viable.

Your Committee has received testimony in support of this bill from the Chairman of the Governor's Agriculture Coordinating Committee; the Dean of the College of Tropical Agriculture and Human Resources, University of Hawaii; and the Vice President-Director of the Hawaiian Sugar Planters' Association Experiment Station.

Your Committee finds that the \$5 million in matching funds appropriated by the Legislature in the last two years for research to increase yields and minimize costs has greatly assisted the sugar industry in offsetting the direct costs of research conducted by the industry.

Your Committee has received testimony from the Dean of the College of Tropical Agriculture and Human Resources, indicating that large amounts of resources would have to be diverted from its diversified agriculture programs should the College be required to undertake the needed sugar research.

Your Committee finds that the future of the sugar industry in Hawaii continues to hinge on research findings which will improve productivity and profitability.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1905-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 6-84 Agriculture on H.B. No. 1904-84

The purpose of this bill is to appropriate funds for the Agricultural Products Program provided for under Chapter 153, HRS.

Your Committee has received testimony in support of this bill from the Chairman of the Board of Agriculture and the Vice President of the Hawaii Farm Bureau Federation.

Your Committee finds that it is in the public interest to expand diversified agricultural production and thereby broaden the economic base of the State.

Your Committee further finds that the Agricultural Products Program has great potential as a catalyst to encourage private investment in the development of new agricultural products and new methods of producing existing agricultural products.

Your Committee has amended Section 3 of this bill to correct a typographical error.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1904-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1904-84, H.D. 1, and be

referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 7-84 Agriculture on H.B. No. 1903-84

The purpose of this bill is to provide funds for the promotion of diversified agriculture.

Your Committee finds that diversified agriculture is the fastest growing sector in Hawaii's agricultural industry, and that there is great potential for increasing the export of diversified agricultural commodities through promotional efforts.

Your Committee also finds that production and sales in diversified agriculture greatly contribute to the self-sufficiency, and increase the export income, of the State.

Your Committee therefore finds that it is in the interest of the State to promote, and develop markets for, the products of Hawaii's diversified agriculture.

Through testimony received from the Chairman of the Board of Agriculture, your Committee has been informed that due to the enormity of budget restrictions required of the Department of Agriculture in fiscal year 1983-1984, funding for the promotion of diversified agricultural commodities was cut by \$90,837.

In order to restore funds cut due to budget restrictions and expand promotion of diversified agricultural commodities, your Committee has amended this bill by changing the amount appropriated in Section 2 from \$50,000 to \$100,000. One technical, non-substantive amendment to the bill has been made for the purpose of style.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1903-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1903-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 8-84 Agriculture on H.B. No. 1907-84

The purpose of this bill is to provide funds to the Pineapple Growers Association of Hawaii, on a dollar-for-dollar matching basis, for the promotion of Hawaiian fresh pineapple.

Your Committee finds that the effectiveness of the Hawaiian fresh pineapple promotion program financed by matching funds from the State and the Pineapple Growers Association of Hawaii, has been most recently evidenced by the 36% increase in fresh pineapple exports to the West Coast following the 1983 promotion campaign.

Your Committee also finds that while this promotion program is proving to be successful, continued support is required to expand the program to market areas not covered by this year's activities. Such expansion would further increase the demand for and consumption of Hawaiian fresh pineapple and help to improve the stability of the pineapple industry in Hawaii.

Your Committee has therefore increased the matching fund appropriation for fiscal year 1984-1985 from \$200,000 to \$300,000 to help finance a comprehensive marketing program which will expand the natural marketing area for surface-shipped Hawaiian fresh pineapple to include eleven states in mid-America in addition to the eleven Western states.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1907-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1907-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 9-84 Judiciary on H.B. No. 1185

The purpose of this bill is to establish an office of the public guardian in the judiciary and who shall be appointed by the chief justice.

Your Committee has received testimony from the following departments, agencies and public interest groups: Family Court; State Planning Council on Developmental Disabilities; Department of Social Services and Housing; Commission on the Handicapped; Executive Office on Aging; Legal Aid Society of Hawaii; Protection and Advocacy Agency of Hawaii; a private citizen who is active with Kokua Council for Senior Citizens; Catholic Social Services; National Association of Social Workers, Hawaii Chapter; Department of Social Work; Queen's Medical Center; Hawaii Nurses Association; Hawaii Centers for Independent Living; Association for Retarded Citizens of Hawaii; Mental Health Association of Hawaii; Hawaii Hospital Association; Office of Human Resources, and other individuals.

There is consensus among these departments, agencies, public interest groups and individuals to support and strongly recommend the establishment of a public guardianship agency.

Public guardians are provided by law in seven states; Alaska, California, Delaware, Illinois, Missouri, Nevada and Oregon. These states allow either a public officer or a private individual to be appointed as a public guardian for incapacitated adults when there are no other suitable persons available.

Your Committee has heard testimony from the Family Court, which presides over all the guardianship of person cases in the First Circuit, that there is a serious need to provide public guardians for seriously incapacitated people who are unable to take care of themselves and are unable to make rational decisions. These seriously incapacitated people generally are elderly and without family or friends.

The court appoints either the Department of Health or Department of Social Services and Housing. This appointment creates a potential conflict of interest because the departments provide direct services as well as monitor or advocate on behalf of the incapacitated person as guardian for the assurance of adequate services.

All the testimony your Committee has received supported the creation of an office of public guardian as a solution to present problems surrounding incapacitated adults who have no family or friends. The office of the public guardian will:

- (1) provide a guardian, limited guardian, testamentary guardian, or temporary guardian for the seriously incapacitated person;
- (2) have the powers and responsibilities of a private guardian;
- (3) assist the court as necessary in proceedings for the appointment of guardian of a person and in the supervision of persons, corporations, or agencies; appointed as guardians of the person;
- (4) aid those seeking appointment as a guardian for an incapacitated person and provide advice, information and guidance to assist guardians in the discharge of their duties;
- (5) assist without court appointment as guardian any individuals who request assistance or to aid those interested in maintaining the independence of an incapacitated person;
- (6) inform and educate the public on guardianship, alternatives to guardianship as well as encouraging able and willing persons to serve as guardian of the person.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1185 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 10-84 Employment Opportunities and Labor Relations on H.B. No.
1745-84

The purpose of this bill is to coordinate existing school to work transition centers and to establish them as state programs under the Department of Labor.

Under the current system, several agencies within the Department of Labor provide preparation to assist Hawaii's youth in the transition from school to work.

Your Committee is in agreement with the Department of Labor that there is a need for a unified, but flexible system of transition services to meet the basic career and employment needs of all students as they move from school to work. Linking these various program models into a single inter-agency system will allow service flexibility and program variation while permitting expansion to areas which are not currently served.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1745-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 11-84 Employment Opportunities and Labor Relations on H.B. No.
1751-84

The purpose of this bill is to establish a special fund and to authorize the Hawaii Career Information Delivery System (Career Kokua) to provide technical assistance, services and information on a cost reimbursement basis with other states and other entities.

Your Committee is in agreement with the Department of Labor that the Hawaii Career Information Delivery System has career, occupational, and labor market information in it which would be of use to states, territories and other entities, public and private, which could be delivered to them if costs were reimbursed. On a pilot basis, American Samoa is using Career Kokua at eight sites (high schools and community college) and Northern Marianas at five sites. Unless Career Kokua can be reimbursed, these entities will no longer receive this service. Similar arrangements are possible with potential private sector users of Career Kokua.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1751-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 12-84 Employment Opportunities and Labor Relations on H.B. No.
1750-84

The purpose of this bill is to extend authorization of use of Reed Act credits from 25 to 35 years from the date such moneys were first credited to the State. Reed Act money was distributed to the State unemployment funds in 1956, 1957 and 1958 under Section 903 (c)(2) of the Social Security Act for payment of benefits to individuals or for administrative purposes.

Your Committee is in agreement with the Department of Labor that extension of the time limit for the use of Reed Act moneys will allow the State to take advantage of the law to restore moneys to the State for future use.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1750-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 13-84 Water, Land Use, Development and Hawaiian Affairs on H.B.
No. 1961-84

The purpose of this bill is to provide funds to the Pacific International Center for High Technology Research, in the amounts of \$153,000 for operations and of \$910,000 for seed projects and matching funds for extramural grants. This provision would implement Act 152, Session Laws of Hawaii, 1983.

According to testimony by the University of Hawaii, the Center has identified four fields as appropriate for Hawaii and the Pacific area: information technology, energy and resource technology, biotechnology, and high technology education. Specific examples in each field were also discussed.

Your Committee is in agreement that the Center should receive funds for its operations and for seed projects and matching funds for extramural grants. However, your Committee is of the opinion that further consideration on the appropriation by the Committee on Finance is desirable. Therefore, the figures identified in the bill are being deleted.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1961-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1961-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 14-84 Judiciary on H.B. No. 1875-84

The purpose of this bill is to appropriate \$382,420.21 to pay victims and providers of services who were awarded compensation in 1983 pursuant to Chapter 351, Hawaii Revised Statutes. In addition, \$2,429.74 is appropriated to pay one victim who was awarded compensation in 1980.

Your Committee has heard testimony from the Department of Social Services and Housing in support of this bill.

In appropriating payment for the 1980 compensation award, your Committee does not intend to set a precedent regarding payment of late claims nor does it intend to establish a policy regarding the treatment of such claims. Your Committee merely finds that the unusual circumstances of the 1980 compensation award merit payment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1875-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 15-84 Transportation on H.B. No. 1856-84 (Majority)

The purpose of this bill is to require driver's license renewal applicants sixty-five years of age and older to be tested as to their knowledge of the rules of the road not more than once every four years.

Under present law, most driver's licenses expire on the driver's fourth birthday following issuance of the license. However, the licenses of persons sixty-five years of age and older expire on the driver's second birthday following issuance. Your Committee received testimony from the State Department of Transportation that the reason for this is that the average senior citizen experiences a higher rate of accidents per mile driven than does the average Hawaii driver.

The present license renewal provisions mandate a determination of a driver's fitness to continue to operate a motor vehicle (primarily an examination of visual acuity), an examination of the driver's knowledge of the rules of the road, and a renewal fee.

Your Committee finds that the primary purpose for requiring two-year rather than four-year driver's license renewal for drivers sixty-five years of age and

older is that senior citizens are more susceptible than others to rapid physical degeneration. In particular, the high incidence of glaucoma and other visual disorders in senior citizens justifies the two-year renewal requirement.

However, your Committee was presented no evidence that senior citizens fail to remember the rules of the road to a greater extent than the general driving population. Nor was any evidence adduced that senior citizen drivers are a greater accident risk than other drivers because they fail to observe rules of the road rather than because of physical failures, such as slowed reaction time and failing eyesight. Therefore, your Committee believes that it is unfair to continue to require drivers sixty-five years of age and older to be examined regarding the rules of the road any more frequently than other drivers.

As referred to your Committee on Transportation, H.B. No. 1856-84 amended subsection 286-107(b), Hawaii Revised Statutes, dealing with the tests to be administered to license renewal applicants by the examiner of drivers. However, the bill did not amend subsection 286-107(e), Hawaii Revised Statutes, which prohibits licensing renewal unless the applicant has demonstrated knowledge of the rules of the road through examinations as required by the Director of Transportation. Your Committee has therefore amended H.B. No. 1856-84 by adding a new Section 2 amending Section 286-107(e), Hawaii Revised Statutes, by adding a proviso stating that, "an applicant for renewal who is sixty-five years of age or older need not demonstrate knowledge of the rules of the road more than once every four years." Because of the foregoing amendment, your Committee has renumbered Sections 2 and 3 of the bill Sections 3 and 4, respectively.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1856-84, 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. 1856-84, H.D. 1.

Signed by all members of the Committee except Representative Albano.
(Representatives Anderson and Hayes did not concur.)

SCRep 16-84 Housing on H.B. No. 1797-84

This bill would enable the Hawaii Housing Authority (HHA) to use funds from the Fee Simple Revolving Fund, created under Section 516-44, Hawaii Revised Statutes, provides that the authority or its designee shall arbitrate in the event that the parties to a lease are unable to agree under any reopening provision, the law does not provide for a source of funds to enable the authority to cover administrative costs related to such an arbitration. However, Chapter 516, which covers the leasehold to fee simple conversion process, does provide a "Fee Simple Residential Revolving Fund" for the administration of that conversion process. Since there are no general fund appropriations for either of these programs and both Chapters 516 and 519 deal with lease-related issues, this bill would provide the Hawaii Housing Authority with a source of administrative funds to carry out the lease rent renegotiation activities set forth in Chapter 519.

This bill addresses only HHA's administrative expenses; the actual expenses of the arbitration process are expected to be borne equally by the lessor and lessee under Chapter 519.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1797-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chun and Tom.

SCRep. 17-84 Housing on H.B. No. 1800-84

The purpose of this bill is to increase by \$400 million the amount of taxexempt mortgage revenue bonds which may be issued by the Hawaii Housing Authority (hereafter "HHA") under Chapter 356, Hawaii Revised Statutes. The current authorized limit is \$475 million. This increase will enable the HHA to continue the State tax exempt revenue bond program, known as Hula Mae, for at least

another two and one-half years, contingent upon congressional extension of authorization to states to issue tax exempt housing bonds.

The HHA testified that the program has been a valuable tool in providing home financing assistance to the first-time home buyer. To date, \$371 million of the current \$475 million authorized for mortgage revenue bonds has been issued and some 2,775 families have become home buyers.

Although federal authorization to issue mortgage revenue bonds, known as the Federal Mortgage Subsidy Bond Tax Act of 1980, has elapsed, testimony received indicated that three-quarters of Congress has co-sponsored legislation to extend that authorization. This bill would place the HHA in a favorable position to continue the Hula Mae program without interruption should Congress vote to extend the Mortgage Subsidy Bond Tax Act.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1800-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chun and Tom.

SCRep. 18-84 Water, Land Use, Development and Hawaiian Affairs and State
General Planning on H.B. No. 1759-84

The purpose of this bill is to clarify the intent of Section 206E-12, Hawaii Revised Statutes. The section requires a developer to dedicate land or facilities, or cash payments in lieu thereof, as a condition of developing real property pursuant to the community development plan. Also, where State and county dedication laws, ordinances, or rules differ, the provision for greater dedication prevails. This bill proposes to require that the provisions apply to public facilities.

Your Committees are in agreement with the purpose of this bill. In the Kaka'ako Community Development District Plan, public facilities would include those facilities defined in Section 206E-2, Hawaii Revised Statutes. "Public facilities" are, by this section, streets, utility lines, sites for community facilities such as schools, parks, and garages; and drainage, water, and street lighting facilities.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and on State General Planning are in accord with the intent and purpose of H.B. No. 1759-84 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Shito and Tom.

SCRep. 19-84 Water, Land Use, Development and Hawaiian Affairs and State
General Planning on H.B. No. 1763-84

The purpose of this bill is to allow the Hawaii Community Development Authority to use a 1983 CIP appropriation for plans, design, and land acquisition, in addition to construction.

Act 301, Session Laws of Hawaii, 1983, appropriated a sum of \$11,170,000 in CIP construction funds for the 1983-1985 biennium for the Kaka'ako Community Development District. Your Committees are in agreement that the Authority needs greater flexibility to use these funds not only for the purpose of construction but also for the purposes of planning, design, and land acquisition.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and on State General Planning are in accord with the intent and purpose of H.B. No. 1763-84 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Shito and Tom.

SCRep. 20-84 Water, Land Use, Development and Hawaiian Affairs and State General Planning on H.B. No. 1760-84

The purpose of this bill is to authorize the Hawaii Community Development Authority to issue \$30,000,000 of assessment area bonds for district-wide infrastructure improvement projects in the Kaka'ako District.

Section 206E-6, Hawaii Revised Statutes, directs the Authority to undertake district-wide improvements of public facilities and to issue improvement assessment bonds to pay for part of the cost of such improvements. Specific amounts must be approved by the Legislature. Your Committees are in agreement that the Authority be allowed to issue \$30,000,000 of assessment bonds.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and on State General Planning are in accord with the intent and purpose of H.B. No. 1760-84 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Shito and Tom.

SCRep. 21-84 Consumer Protection and Commerce on H.B. No. 1631-84

The purpose of this bill is to appropriate \$5,000 for the preparation of first aid information for inclusion in the telephone directories distributed in the State.

Accessible first aid information will vastly improve the preparedness of people to effectively respond to aid injured victims. The inclusion of first aid information in Hawaii's telephone directories is an effective way to making such information widely available.

Hawaiian Telephone Company and its directory contractors, GTE Directories Corporation and Time-Mirror Press, are willing to insert public service first aid information in our directories at a cost that includes only the direct paper and printing costs. The costs are their best estimates of what these costs will be for the 1985 books. They include no profit to Hawaiian Telephone, no overhead costs, no shipping or distribution costs.

The printing and paper costs to insert one page of public service information in all four major island books (Oahu, Maui-Molokai-Lanai, Hawaii and Kauai) would be \$1,715. Eight pages, which represent the normal printing signature and the number of pages that appear in the California directories, would cost a total of \$13,720. These are totals for the cost of inserting pages in all four county-wide books.

Your Committee has amended the bill increasing the sum of \$5,000 to \$13,720.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1631-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1631-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 22-84 Consumer Protection and Commerce on H.B. No. 1712-84

The purpose of this bill is to amend Chapter 461, Hawaii Revised Statutes, by requiring the Board of Pharmacy to review all adverse decisions reported by peer review committees, providing that such reports are confidential, adding pharmaceutical committees to those committees whose records are not subject to discovery, and including pharmacy review committee members to those other medical review committee members who are exempt from civil liability for committee actions.

The Hawaii Optometric Association and the Board of Pharmacy both endorsed the formation and recognition of a peer review structure for pharmacists.

Although supportive of the bill, the Department of Commerce and Consumer Affairs opposed the prohibition of subpoenaing testimony or records introduced

during the adverse peer review proceeding. The Department testified that the unavailability of evidentiary records of the peer review committee would hinder the Regulated Complaints Office investigators from obtaining substantiating evidence to support efforts to suspend or revoke pharmacy licenses.

Your Committee in agreement with the testimony submitted by the Department of Commerce and Consumer Affairs, has amended this bill by deleting references to pharmacy review committee reports being exempt from discovery and pharmacy review committee members from being exempt from liability.

Your Committee has made other nonsubstantive changes for purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1712-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1712-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 23-84 Education on H.R. No. 101

The purpose of this resolution is to designate the week of February 12-19, 1984, as Free Enterprise/National DECA Week.

Your Committee finds that distributive education is an instructional program, which emphasizes the essential marketing, merchandising, and management skills necessary to pursue a successful career in the field of marketing and distribution.

The Distributive Education Clubs of America allows students with common objectives and interests to interact academically and socially while enhancing their understanding of the American free enterprise system.

Your Committee on Education concurs with the intent and purpose of H.R. No. 101 and recommends its adoption.

Signed by all members of the Committee except Representatives Albano, Hee and Jones.

SCRep. 24-84 Education on H.C.R. No. 42

The purpose of this concurrent resolution is to designate the week of February 12-19, 1984, as Free Enterprise/National DECA Week.

Your Committee finds that distributive education is an instructional program, which emphasizes the essential marketing, merchandising, and management skills necessary to pursue a successful career in the field of marketing and distribution.

The Distributive Education Clubs of America allows students with common objectives and interests to interact academically and socially while enhancing their understanding of the American free enterprise system.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 42 and recommends its adoption.

Signed by all members of the Committee except Representatives Albano, Hee and Jones.

SCRep. 25-84 Consumer Protection and Commerce on H.B. No. 1632-84

The purpose of this bill is to amend §467-18, Hawaii Revised Statutes to increase the interest rate on repayments to the real estate recovery fund from 6 percent to 10 percent as set forth under §478-2, Hawaii Revised Statutes.

The interest rate has not been amended since the recovery fund was established in 1967 and does not reflect the current cost attributable to the loss

of the use of the money paid out.

On the other hand, §478-2, Hawaii Revised Statutes was amended in 1979 to increase the interest rate from 6 percent to 8 percent and again in 1981, from 8 percent to the present rate of 10 percent.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1632-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 26-84 Consumer Protection and Commerce on H.B. No. 1630-84

The purpose of this bill is to amend the provision which exempts persons from civil liability who publish first aid information without remuneration by clarifying "remuneration" to be remuneration which exceeds actual costs of publication.

The State Adjutant General and Director of Civil Defense, General Alexis Lum, testified that the accessibility of telephone directories would make it an excellent source of reference for rendering first aid.

Similarly, the Hawaii Department of Health testified that it is interested in increasing public access to first aid information, and that this bill would be of value in providing such information in telephone directories.

Finally, Hawaiian Telephone Company while supporting the intent of this bill, expressed serious concern as to the potential for civil liability. This in part is based on their lack of medical expertise in judging the quality of information that would be published.

Your Committee in view of the litigious nature of today's society, has adopted Hawaiian Telephone's suggestion that the Department of Health coordinate the collection of this first aid information.

Your Committee has amended this bill by deleting the existing exception (for gross negligence or wanton acts or omissions) from civil liability exemption and by requiring the telephone company to coordinate development of the first aid guidelines with the Department of Health and American Red Cross.

Your Committee has further amended the bill by rearranging sections within the bill for the purpose of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1630-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1630-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 27-84 Water, Land Use, Development and Hawaiian Affairs and State General Planning on H.B. No. 1754-84

The purposes of this bill are to restore subparagraphs (11) and (12) of Section 171-6, Hawaii Revised Statutes, which were inadvertently deleted by Act 170, Session Laws of Hawaii, 1983; and to add a new subparagraph to Section 171-6, Hawaii Revised Statutes, to enable the Board of Land and Natural Resources to set, charge, and collect reasonable fines for violation of the provisions of Chapter 171 or any rule promulgated thereunder, as misdemeanors.

Your Committees are in agreement that the Board of Land and Natural Resources be able to treat violations of provisions of Chapter 171 in the manner now applicable to encroachment on State lands and to violations of conservation districts. Moreover, your Committees recommend two amendments:

(1) That the phrase "per day" be inserted after the word "\$500" on line 18, page 4 of the bill, because the phrase was inadvertently omitted; and

(2) That the phrase "and shall be liable for administrative costs incurred by

the department and for payment of damages" be added at the end of subsection (14) after line 18, page 4 of the bill, to be consistent with the language in subsection (12) of the bill.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and on State General Planning are in accord with the intent and purpose of H.B. No. 1754-84, as amended herein, and recommend that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 1754-84, H.D. 1.

Signed by all members of the Committees except Representatives Shito and Tom.

SCRep. 28-84 Water, Land Use, Development and Hawaiian Affairs on H.B.
No. 1682-84

The purpose of this bill is to amend Section 188-35, Hawaii Revised Statutes, by adding the phrase "and except as limited by Section 188-44" in order to restrict pole fishing in certain areas of Hawaii.

Section 188-35 permits pole fishing at any time in several specifically defined areas. The proposed amendment would, in effect, prohibit mullet fishing in any area during the spawning season--an exception to the present situation.

According to testimony by the Department of Land and Natural Resources, the closure of mullet fishing during the spawning season may reinforce desirable conservation practices.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1682-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Crozier and Hashimoto.

SCRep. 29-84 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 1755-84

The purpose of this bill is to amend Section 171-7, Hawaii Revised Statutes, to better enable the Board of Land and Natural Resources to prevent illegal activities on public lands or to bring such activities to a halt.

Your Committee received testimony from the Department of Land and Natural Resources which indicated that examples of illegal activities include the cultivation of marijuana and cock fighting.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1755-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 30-84 Finance on H.B. No. 1807-84

The purpose of this bill is to clarify the new Estate and Transfer Tax Law by: 1) redefining the term "executor" as used under the definition of "Personal representative", and 2) specifying who are persons considered not having control and custody of a decedent's property.

Your Committee finds that, presently, HRS section 236D-2 provides that only the duly appointed personal representative of the estate will be responsible for filing the estate tax return with the State. This bill would expand and clarify the definition of personal representative to include any person who is in actual or constructive possession of a decedent's property. This clarification of the term "executor" by the adoption of Internal Revenue Code section 2203 provides the Tax Department with a better means of administering this chapter.

Further, your Committee is aware that under HRS section 236D-12 banks,

safe-deposit companies, life insurance companies, etc., are not deemed to be persons who have possession of the decedent's property provided that they are not primarily responsible for paying the tax due. This bill would amend HRS section 236D-12(c) to provide that banks, safe-deposit companies, life insurance companies, etc., are, in addition, not deemed to have custody, control or possession of a decedent's property. The amendment would clearly mandate the right of the aforementioned entities to deliver property of the decedent to the personal representative without first setting aside the taxes due under the chapter. Your Committee finds that the amendment would be in accord with the intent of the new Estate and Transfer Tax Law.

Your Committee had amended pages 1, 2 and 3 of this bill to correct certain typographical and drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1807-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1807-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 31-84 Finance on H.B. No. 1725-84

The purpose of this bill is to increase the amount of the bond for contracts for the construction of public works, buildings, roads, and other site improvements from fifty per cent to one hundred per cent of the contract price.

Your Committee finds that surety companies presently charge the same fee for a bond of fifty per cent of the contract amount as they do for a bond of one hundred per cent of the contract amount. Since the State and its counties pay this fee as part of the contract cost, your Committee further finds that it makes good sense to obtain the added protection that a bond amount of one hundred per cent of the contract price would give.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1725-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 32-84 Finance on H.B. No. 1723-84

The purpose of this bill is to allow the comptroller to accept copies of bills in vouchers, rather than original bills, if there is a related encumbrance in the State's control accounting records.

Your Committee finds that under the present law (HRS sections 40-56 and 40-57) vouchers submitted to the comptroller for payment must contain the original of the bills (invoices) to be paid, to minimize the likelihood of duplicate payments by the State.

However, the requirement of original bills has resulted in problems when the original bill is lost, and has sometimes delayed payment to the vendor. Moreover, current printing technology has made it increasingly difficult to determine whether or not a bill is an original.

Under the State's new accounting system, encumbrances are routinely recorded in control accounting records; when payment is made, the related encumbrance is liquidated. Your Committee further finds that it is highly unlikely that a duplicate payment would be made if the expending agency is using the encumbrance system for all vendor related payments, as a duplicate payment cannot be made without re-encumbrance of the obligation.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1723-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 33-84 Finance on H.B. No. 1726-84

The purpose of this bill is to allow the use of instruments issued by savings and loan institutions as bid deposits and to raise the maximum amount of cashier's checks, certified checks, and certificates of deposit used as bid deposits.

Under HRS section 103-28, bids for public works contracts must be accompanied by a deposit of legal tender or by a certificate of deposit, cashier's check, or certified check on a bank that is insured by the Federal Deposit Insurance Corporation. Your Committee finds that savings and loan institutions issue similar instruments insured by the Federal Savings and Loan Insurance Corporation. This bill will allow certificates of deposit, cashier's checks, or certified checks of savings and loan institutions insured by the Federal Savings and Loan Insurance Corporation as bid deposits for public works contracts.

Further, pursuant to HRS section 103-28, a certificate of deposit, cashier's check, or certified check may be utilized only to a maximum of \$40,000. Your Committee finds that banks and savings and loan institutions have had their insured account limit raised to \$100,000. This bill increases the maximum amount of cashier's checks, certified checks, and certificates of deposit allowed as bid deposits from \$40,000 to \$100,000.

Your Committee has amended this bill to correct certain typographical and drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1726-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1726-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 34-84 Finance on H.B. No. 1720-84 (Majority)

The purpose of this bill is to provide an appropriation for the 1984 Hawaii Statehood Silver Jubilee Committee which was established by Act 4, Special Session of 1981, and charged with the responsibility of making all arrangements for the State's official celebration of twenty-five years of statehood.

Your Committee finds that expenses required to fund all of the scheduled programs and events for the 1984 Hawaii Statehood Silver Jubilee celebration are projected to be \$315,000. Of this total, the 1984 Hawaii Statehood Silver Jubilee Committee is requesting an appropriation of \$200,000 from the general revenues of the State of Hawaii; the balance will be received from Hawaii's business community and other private sources.

Your Committee also finds that this House is in receipt of the Governor's Message No. 2 which, pursuant to Article VII, Section 9, of the Constitution of the State of Hawaii, urges the immediate passage of this bill.

Finally, your Committee strongly recommends that a permanent and substantial memento commemorating Hawaii's twenty-fifth year of statehood be created or established.

Your Committee has amended this bill for the purpose of changing the date unencumbered funds will lapse into the general fund from June 30, 1985, to December 31, 1984.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1720-84, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1720-84, H.D. 1.

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

SCRep. 35-84 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2039-84

The purposes of this bill are to increase the existing loan ceiling of \$100,000 to \$250,000 which the Department of Planning and Economic Development may not exceed in making loans to any applicant with small business concerns, and to change the loan interest rate of seven and one-half per cent to ten per cent.

According to testimony by the Department of Planning and Economic Development, the current loan program needs greater flexibility to participate in major projects involving substantial employment and diversification activities. Approximately ten per cent of the loan applicants are already in excess of the \$100,000 ceiling. Moreover, the program is considered as a lender of last resort, and many of the applicants' needs are not only capital injection but also a reduced monthly payment until the applicants' firms are able to meet current obligations in a timely manner. A favorable low interest rate gives these firms the added cash flow assistance during their time of greatest financial need. Your Committee is in agreement that the interest rate of seven and one-half per cent should be retained. Therefore, your Committee recommends amending the bill by retaining its original language on line 11, page 2.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2039-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2039-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 36-84 Finance on H.B. No. 1827-84

The purpose of this bill is to amend HRS sections 235-2.3(a) and 235-2.3(b) by changing the date of adoption of the provisions of the federal Internal Revenue Code as they are operative in the State to December 31, 1983, and by providing that provisions of the "Social Security Amendment of 1983" (Public Law 98-21) shall not be operable for Hawaii income tax purposes, respectively.

Under Hawaii law, a bill to conform the state income tax law with the federal Income Tax Code is to be submitted each year to the legislature. This bill meets that requirement by updating those sections of the federal law which are operable for state income tax purposes. Your Committee has received testimony from the state tax department outlining, in detail, the amendments made to the federal Internal Revenue Code that would be adopted into our state tax statutes.

Further, the "Social Security Amendment of 1983" (section 86) amended the Internal Revenue Code to provide for the taxation of Social Security benefits if the sum of a taxpayer's modified adjusted gross income (all income received by a taxpayer including tax-free income) plus one-half of the benefits received during the taxable year exceeds the base amount. The base amount for taxpayers filing jointly is \$32,000 and \$25,000 for individuals. The amount which is taxable is the lesser of one-half of the excess over the base amount. This bill would make this provision inoperable for Hawaii income tax purposes.

Your Committee has received testimony in strong support of the provision of the bill making section 86 of the federal Internal Revenue Code inoperable. Further, your Committee finds that this provision is consistent with HRS section 235-7 which excludes retirement income from Hawaii net income taxation and conforms to the long-established policy of the legislature not to tax retirement benefits.

Your Committee on Finance is in accord with intent and purpose of H.B. No. 1827-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 37-84 Housing on H.B. No. 1432

This bill as received added a new section to Chapter 359L, Hawaii Revised Statutes, to avoid perceived duplication of Federal and State requirements in the area of factory-built housing. Testimony presented, however, indicated that the effect of the bill would be to by-pass state and county requirements relating to health and safety which are not covered under existing federal regulations.

Testimony was presented by the Department of Commerce and Consumer Affairs, which currently administers the subject chapter, and the Hawaii Housing Authority that while there exist federal regulations governing the structural aspects of factory-built housing, these regulations do not cover health and safety aspects, such as electrical and plumbing standards.

Moreover, your Committee was informed that, as the respective counties have the responsibility in all other instances to approve, inspect and certify that structures meet county building code standards, this function, with regard to factory built housing, should more properly rest with the counties than with the State. In fact, were it not for Chapter 359L, any approvals required for erecting factory built housing would rest with the counties. To eliminate what appears to be an unnecessary interjection of the State in a county function, your Committee has amended the bill to repeal Chapter 359L in its entirety by deleting Section 2 of the bill and by amending Section 1 of the bill to read as follows:

"SECTION 1. Chapter 359L, Hawaii Revised Statutes, is repealed."

For the purposes of consistency, your Committee has also amended the bill by renumbering Section 3 to Section 2.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1432, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1432, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 38-84 Judiciary on H.B. No. 786

The purpose of this bill is to enable the supreme court to determine the care, custody and disposition of all judiciary records. The bill requires the judiciary to maintain a record of dispositional activity to be filed with the court in which the records originated, the office of the attorney general, the comptroller and the public archives and exempts the judiciary from submitting to the state comptroller judiciary records for disposal.

The judiciary has testified in support of this bill stating that authority to control its own records would help facilitate in the management of its administrative functions. The measure is in accordance with a recommendation by the National Center for State Courts.

Your Committee has made technical non-substantive changes to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 786, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 786, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 39-84 Transportation on H.R. No. 21

The purpose of this resolution is to urge the Governor to release funds immediately for the construction of the Ahukini cutoff road project on Kauai.

Your Committee finds that the highly congested Hanamaulu/ Lihue corridor of Kuhio Highway on Kauai poses a hazardous traffic problem. The State has studied the problem and has recommended the construction of the cutoff, which would divert an estimated fifty per cent of the traffic away from the town of Hanamaulu. In 1978 the Governor declared construction of the cutoff to be the highest priority state highway project on Kauai. Your Committee further finds that the beginning phases of the project have been completed since 1979 and that money has been appropriated for the project but not released.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 21 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 40-84 Transportation on H.R. No. 22

The purpose of this resolution is to request the State Department of Transportation to review the dredging and navigational problems at Waikaea Canal near Kapaa, Kauai, and coordinate remedial efforts with the Department of Land and Natural Resources and the United States Coast Guard.

Your Committee finds that in 1970, the Statewide Boat Launching Facilities Master Plan identified the Waikaea Canal boat launching ramp as the most popular on Kauai. The Master Plan concluded that due to sand accumulation in the access channel, boaters are required to push their boats over a sand bar during low tides and this is causing damage to vessels. Your Committee also finds that the situation has not changed since publication of the Master Plan and that fishermen and other boaters have, on numerous occasions, requested the State to provide adequate dredging of the canal. Your Committee further finds that money has been appropriated for the dredging in the past but has yet to be released by the governor. Therefore, your Committee believes that it is appropriate for the State Department of Transportation to review the situation at the Waikaea Canal and to report to the House of Representatives.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 22 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 41-84 Transportation on H.R. No. 70

The purpose of this resolution is to request the State Department of Transportation to prepare a report on the effect of the federal Surface Transportation Assistance Act of 1982 on Hawaii. This report is to include information regarding the amount granted or obligated by the federal government for highway projects in Hawaii; the timetable for completion of such projects; the amount of State funds necessary to match the federal monies; the location of highway projects in Hawaii which have been, and which are eligible to be constructed or renovated through the use of federal funds; and the amount of federal revenues raised in Hawaii under the Act.

Your Committee finds that it is critical for rational transportation planning and financing that the State legislature be informed as to the availability of federal funds for highway projects. It is also important for state legislators to understand the system of federal highway grants in order that the states may best use available federal monies. Therefore, your Committee on Transportation believes that the requested report will be of assistance to the House of Representatives in its budgeting process.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 70 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 42-84 Corrections and Rehabilitation on H.B. No. 1911-84

The purpose of this Act is to appropriate out of the general revenues of the State of Hawaii the sum of \$50,000, or so much thereof as may be necessary for fiscal year 1984-1985, for the purchase of small tools, equipment and for overtime payment to inmate supervision.

The community service program provides not only a service to the community, but also provides meaningful activity for the inmates. The appropriation would enable the Division to continue and expand this program which has been funded for the entire biennium.

Your Committee received testimony requesting that the Corrections Division of the Department of Social Services and Housing be the expending agency for the funds instead of the Paroling Authority.

Your Committee adopted the recommendation of the Department of Social Services and Housing amending H.B. No. 191184, Section 2, by deleting the words "paroling authorities" and submitting the following words "Corrections Division, Department of Social Services and Housing".

The purpose of the amendment to the bill is that the Corrections Division, Department of Social Services and Housing can move easily accommodate possible expansion on all islands. Corrections Division has staff and resources on all islands to implement and monitor this program.

Also, the Hawaii Paroling Authority could more easily resume its statutory role of being completely neutral and detached when evaluating prisoners for parole readiness.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1911-84, 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. 1911-84, H.D. 1.

Signed by all members of the Committee.

SCRep. 43-84 Corrections and Rehabilitation on H.B. No. 1910-84

The purpose of this Act is to appropriate funds to expand and improve the livestock and agricultural program of Hawaii's correctional system.

Your committee finds, based on plans developed by the Corrections Division, in cooperation with the University of Hawaii, the following estimates by facility were submitted:

Hawaii Youth Correctional Facility	\$157,118
Kulani Correctional Facility	<u>\$107,652</u>
Total Cost	\$264,770

Your Committee has amended this bill for the purpose of appropriating the funds necessary to carry out the purpose of this Act by adding the sum of \$264,770 to SECTION 2.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1910-84, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1910-84, H.D.1.

Signed by all members of the Committee.

SCRep. 44-84 Corrections and Rehabilitation on H.B. No. 1909-84

The purpose of this Act is to appropriate funds to expand and improve vocational educational programs for persons incarcerated in Hawaii's correctional facilities.

Your Committee finds, based on plans developed by the Corrections Division, in cooperation with the University of Hawaii, the following cost estimates by facility were submitted:

Hale No Na Wahine (Women's Facility)	\$ 79,018
Hawaii Youth Correctional Facility (HYCF)	\$ 15,900
Halawa High Security Facility (HSF)	\$ 6,450
Kulani Correctional Facility (KCF)	<u>\$ 54,618</u>
Total Cost	\$155,986

Your Committee has amended this bill for the purpose of appropriating the funds necessary to carry out the purpose of this Act by adding the sum of \$155,986 to SECTION 2.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1909-84, as amended herein, and recommends that it be

referred to the Committee on Finance in the form attached hereto as H.B. No. 1909-84, H.D. 1.

Signed by all members of the Committee.

SCRep. 45-84 Corrections and Rehabilitation on H.B. No. 1986-84

The purpose of this Act is to appropriate out of the general revenues of the State of Hawaii the sum of \$20,000, or so much thereof as may be necessary for fiscal year 1984-1985, for computer maintenance contract expenses and for the purchase of computer software.

The amount of \$20,000 will fund the following: 1) continuation of the COMPAS software maintenance agreement (\$10,000), and 2) acquisition of the SCREENPAC software package (\$10,000). The State's current software maintenance agreement with INSLAW, Inc. will expire on May 1, 1984. There is a 90 day grace period which will renew the maintenance agreement with no additional penalty. The INSLAW JAILTRAC software package in a multi-agency environment includes the pretrial investigation activities, pretrial detention, sentenced felon detention, and parole activities. Enhancements to the software package will increase the agency's support staff capabilities. Maintenance after the 90 day grace period will regain a new five year license for \$55,000.

Your committee finds that the "data base adjustment package" along with the SCREENPAC software will allow the data processing staff to modify the COMPAS records.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1986-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46-84 State General Planning and Energy, Ecology and Environmental Protection on H.R. No. 78

The purpose of this resolution is to request the State Plan Policy Council to determine the appropriate functional plan for inclusion of an implementing action to implement a program of recycling urban plant wastes.

Your Committees find that presently, vast quantities of Hawaii's urban forest waste are being underutilized in terms of their potential beneficial uses. These uses include organic mulching and bio-mass energy generation.

Testimony received by your Committees indicate that much of Hawaii's urban forest waste is discarded in landfill areas or along vacant roadsides. Your Committees find that the potential for the reuse of urban forest waste merits consideration by the State Plan Policy Council for possible inclusion in a State Functional Plan or related document.

Your Committees on State General Planning and Energy, Ecology and Environmental Protection concur with the intent and purpose of H.R. No. 78 and recommends its adoption.

Signed by all members of the Committees except Representatives Bunda and Souki.

SCRep. 47-84 Housing on H.B. No. 1796-84

This bill, as received, would clarify that the expenses and fees incurred by the Hawaii Housing Authority or its designee in arbitrating lease rent renegotiations pursuant to Chapter 519, Hawaii Revised Statutes, shall be paid equally by both the lessees and lessors.

Under current law, in the event that parties to a lease are unable to achieve an agreement under any lease rent reopening provision, the Hawaii Housing Authority or its designee shall arbitrate, and its findings shall be binding and conclusive on both parties. However, the law does not specify which party or

parties shall bear the costs of such arbitration. Testimony received from the Hawaii Housing Authority indicated that the absence of specific language to address this problem may, and has been, misconstrued to mean that the State should bear the burden of all expenses incurred in lease rent arbitration proceedings. Such an interpretation is clearly contrary to the provisions of most lease documents and does not represent legislative intent. Therefore, your Committee finds that apportioning the financial burden of lease rent arbitration proceedings equally between lessees and lessors constitutes an equitable and necessary resolution of the issue.

Your Committee adopted the recommendation of the Hawaii Housing Authority to have this provision apply to both the lease rent arbitration proceedings of residential leases and cooperative housing corporation leases by amending Section 2 of the bill to read as follows:

"Section 519-3, Hawaii Revised Statutes, is amended by amending subsection (b) to read:

(b) In the event the parties to a lease are unable to achieve an agreement under any reopening provision, the Hawaii Housing Authority or its designee shall arbitrate, and its findings shall be binding and conclusive on both parties. All expenses and fees of arbitration proceedings incurred by the authority or its designee while acting as the arbitrator shall be paid equally by lessors and lessees."

For the purposes of consistency, your Committee has also amended the bill by renumbering Sections 2 and 3 to Section 3 and 4, respectively.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1796-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1796-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 48-84 Employment Opportunities and Labor Relations and Health on
H.B. No. 1679-84

The purpose of this bill is to establish a three year job sharing pilot project to be conducted by the Department of Health. Job sharing, for the purpose of this bill, is the voluntary, equal division of one full-time permanent nursing position between two nurses, each performing one-half of the work required for the full-time position.

This project is intended to increase the options of nurses who wish to pursue alternative interests and responsibilities, while remaining in step with their profession. Job sharing will permit a greater number of nurses to remain technically proficient while discouraging nurses from seeking employment outside of their profession. This project is targeted to areas where the shortage of nurses is chronic and spaces are often left unfilled.

Your Committees, after hearing testimony from the Department of Health, nurses and the Hawaii Government Employee Association, find that all concerned are in agreement with the concept of a three year pilot project.

Non-substantive technical amendments have been made for clarity.

Your Committees on Employment Opportunities and Labor Relations and Health are in accord with the intent and purpose of H.B. No. 1679-84, as amended herein, and recommended that it pass Second Reading in the form attached hereto as H.B. No. 1679-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Albano.

SCRep. 49-84 Agriculture on H.B. No. 1696-84

The purpose of this bill is to provide funds to the Department of Agriculture to assist Hawaii's papaya industry in seeking an extension to the September 1984

effective date of the Environmental Protection Agency's ban on the use of EDB for treatment of Hawaiian papaya.

Your Committee finds that since 1981, the papaya industry has been vigorously searching for alternatives to EDB treatment of papaya for fruit fly control, and a means to reduce worker exposure to the chemical. As a result of three years of coordinated research efforts by the Papaya Treatment Technical Ad Hoc Committee, alternative treatments to EDB disinfestation are close to fruition. At present, however, there is no guarantee that an approved method of disinfestation will be in place in Hawaii's papaya packing houses by the September 1, 1984 effective date of the EDB ban.

Your Committee also finds that almost 80 percent of the annual Hawaiian papaya crop is shipped out of the State, and all of this fruit must be treated for fruit fly infestation. Testimony received from the President of the Hawaii Papaya Industry Association indicates that should the use of EDB be banned as scheduled, and should no suitable alternative be perfected, approved, and instituted by that time, the papaya industry would not remain viable. Estimated industry costs in 1984 for fruit fly control amount to a minimum of \$150,000. This sum includes \$50,000 to cover legal fees for the appeal for the extension.

Your Committee finds that it would be in the interest of the State to assist in the development of Hawaiian agricultural commodities and to support Hawaii's papaya industry in developing alternatives to EDB treatment of papaya for fruit fly disinfestation. Your Committee, however, is hesitant to appropriate funds for the extension of the effective date of the Environmental Protection Agency's ban on the usage of EDB for treatment of Hawaiian papaya.

Your Committee has therefore amended the purpose section of this bill to specify that the funds appropriated are to be used by the papaya industry for the research, development and implementation of alternatives to EDB treatment of papaya, and has increased the sum appropriated for that purpose from \$20,000 to \$60,000.

Your Committee has adopted the recommendation of the Chairman of the Board of Agriculture by changing the expending agency from the department of agriculture to the Governor's Agriculture Coordinating Committee.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1696-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1696-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 50-84 Agriculture on H.B. No. 1727-84

The purpose of this bill is to allow the Department of Agriculture to collect fees for the inspection, sampling, and testing for adulteration of all animal feed other than that for domestic pets.

In 1983 the Legislature passed Act 214 which amended Chapter 144, HRS, to allow the department of agriculture to inspect, sample, and test for adulteration or misbranding all animal feed other than that for domestic pets. Prior to passage of that Act, the department of agriculture had been authorized to inspect, sample, and test only commercial feed. Act 214 did not, however, provide for fees to cover the cost of the additionally authorized feed inspections and analyses.

Your Committee finds that the inspection fees currently provided for in Chapter 144 do not equitably distribute the costs of feed inspection.

Your Committee has received testimony in support of this bill from the Chairman of the Board of Agriculture.

Your Committee has made one amendment to this bill to correct a typographical error.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1727-84, as amended herein, and recommends that it pass Second

Reading in the form attached hereto as H.B. No. 1727-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 51-84 Agriculture on H.B. No. 1906-84

The purpose of this bill is to provide funds to support statewide agricultural activities including the State Farm Fair, commodity group research, pesticide education programs for farmers, and research on plant parasitic nematode control.

Your Committee has received testimony in support of this bill from the Chairman of the Governor's Agriculture Coordinating Committee; the Hawaii Farm Bureau Federation; the Dean of the College of Tropical Agriculture and Human Resources, University of Hawaii; and the Pineapple Growers Association of Hawaii.

Your Committee finds that the commodity group and pesticide education programs and the State Farm Fair have been very successful in developing and promoting Hawaii's diversified agricultural products. Continued support from the State in these areas will ensure expanded outreach of programs and increased promotion and marketability of Hawaiian produce.

Your Committee also finds that the root knot nematode and the reniform nematode are the major limiting factors in the production of Hawaiian pineapple. Soil fumigation has been the standard method of nematode control since the 1940's. However, of the principal fumigants used by the pineapple industry, both DBCP and EDB will soon be discontinued, D-D has been withdrawn from the market, and Telone has not been proven effective against the reniform nematode.

The three-year, \$65,000 per annum, nematode control project outlined in this bill involves research on biological and cultural control measures which may reduce the need to use chemicals or increase the effectiveness of those being used.

Your Committee also finds that in an on-going project, new fumigants, fumigant formulations, and non-volatile materials are being screened for their effectiveness in nematode control, and drip irrigation water management information is being developed. The Governor's Agriculture Coordinating Committee provided \$70,000 to fund the first year of this three-year project. Funding for an additional two years of research, at \$70,000 per annum, will be required for the completion of the project.

Your Committee finds that it is vital to the continued success of Hawaii's pineapple industry to examine both (1) bio-cultural methods of reducing nematode populations to economically acceptable levels, and (2) various nematicides and methods of application.

Your Committee further finds that several species of nematodes are major pathogens on other crops in Hawaii. It is hoped that research on nematode control in pineapple will also generate information that will be of value to other agricultural crops in the State which are faced with similar problems.

Your Committee has therefore amended this bill to appropriate \$393,000 for agricultural activities, including \$140,000 for the final two years of the on-going nematode control project. One technical, non-substantive amendment to the bill has also been made.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1906-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1906-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 52-84 Human Services on H.B. No. 1946-84

The purpose of this bill is to appropriate \$500,000 for personal care services to eligible medical assistance recipients.

The Department of Social Services and Housing estimated that approximately 900 individuals may immediately request or require personal care services. The Department has estimated that this new service may cost between \$5 million to \$6 million per year if an average four-hours-per-day of service is provided to each recipient.

Section 346-64, Hawaii Revised Statutes, enacted in 1982, specifies certain limitations on the amounts of personal care services an eligible recipient may receive per month. Furthermore, the Department may offer personal care services within the funds available and has the option of placing a cap on the services offered.

Your Committee agrees that with the rising cost in institutional care, alternatives to institutionalization to assist the disabled and elderly to remain in their own homes are of considerable importance.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1946-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 53-84 Human Services on H.B. No. 1945-84

The purpose of this bill is to appropriate \$73,200 for expansion of the Senior Companion Program.

The Senior Companion Program has shown that it is a viable way to provide supplementary income to able-bodied, low income senior citizens 60 years old and over, as well as to provide community-based services to frail elderly to sustain them in their homes.

Your Committee finds that the Department of Social Services and Housing has maintained, over the last two years, a waiting list of approximately 100 individuals awaiting the assignment of a senior companion. The additional funds identified in this bill will permit the Department to extend services to most of these individuals.

Your Committee agrees that the availability of the part-time services of the senior companions has made it possible for families of frail elderly to continue to care for the elderly at home while permitting the families to continue their employment and other business. If the services were not available, the frail elderly person would either be left alone and be potentially neglected or be institutionalized.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1945-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 54-84 Human Services on H.B. No. 1794-84

The purpose of this bill is to provide a means of charging a fee for performing child support enforcement services to non-welfare clients.

The Child Support Enforcement Program is a Federal/State Program which was created for the purpose of enforcing the support obligations owed by absent parents to their children, locating absent parents, establishing paternity, and obtaining child support. This service is federally mandated and is available to any custodial parent or his/her personal representative.

Your Committee finds that this bill clarifies that services may be provided to individuals not receiving Aid to Families with Dependent Children (AFDC) and who have completed an application for child support services and that a fee may

be charged. Currently, these services are being provided to individuals not receiving AFDC, who complete an application at no charge.

Currently, 24 states charge application fees and 12 states charge recovery costs.

Your Committee agrees that this bill will reduce administrative cost by allowing the Department of Social Services and Housing to charge a minimal application fee.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1794-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 55-84 Human Services on H.B. No. 1798-84

The purpose of this bill is to allow for the charging of fees for child support enforcement services to non-welfare clients.

This bill amends Section 576-25, Hawaii Revised Statutes, of the Uniform Reciprocal Enforcement of Support Act, allowing fees to be charged to plaintiffs who are otherwise unable to hire private counsel. The Corporation Counsel, Family Support Division, is directed to represent the plaintiffs in these cases.

Your Committee finds that currently, the plaintiffs are referred to the Family Support Division because of their inability to pay for a private attorney. However, your Committee agrees that a fee system based upon ability to pay, is an equitable means to allocate these costs among the users of these services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1798-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 56-84 Human Services on H.B. No. 1801-84

The purpose of this bill is to allow for the charging of fees for child support enforcement services to non-welfare clients.

This bill amends Section 580-15, Hawaii Revised Statutes, which authorizes the Corporation Counsel to represent the Family Court in contempt proceedings for spouse and/or child support, by allowing a fee to be charged to those who may be financially able to pay for such services.

Your Committee agrees that this will reduce administrative cost of the Child Support Program.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1801-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 57-84 Higher Education and the Arts on H.B. No. 1941-84

The purpose of this bill is to link the adjustment of graduate assistant stipends with the average percentage of pay adjustments granted to members of collective bargaining unit 7 of the University of Hawaii Professional Assembly.

Your Committee finds that graduate assistants, who provide important support for research and instruction conducted at the University of Hawaii, have received stipend adjustments substantially less than those received by University faculty. In view of the services provided by graduate assistants, your Committee believes that linking their stipend adjustments with adjustments granted to

faculty will help to avoid the inequities of the past and help to maintain the quality of research and instructional programs at the University.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1941-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Albano, Hee and Jones.

SCRep. 58-84 Higher Education and the Arts on H.B. No. 2087-84

The purpose of this bill is to provide an appropriation to support Hawaii's participation in the 1984 Festival of Pacific Arts and to request the Governor to offer Hawaii as the site for the 1988 Festival.

Testimony before your Committee from the executive director of the State Foundation on Culture and the Arts and an educational specialist from the East-West Center indicates that the cultural heritage and native traditions of the people inhabiting the islands of the Pacific region are of inestimable value and should be recognized as precious resources. It was also pointed out that despite the considerable diversity of cultures and customs across the Pacific, the people of the region share in common a sense of urgency in preserving and revitalizing these resources.

In addition, the testimony indicated that the Festival of Pacific Arts, held every four years, is an important forum for the exchange and perpetuation of the native artistic expression. The people of Hawaii are culturally linked to the other populations of the islands of the Pacific and should be involved in these critical efforts to preserve native traditions and arts.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2087-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Albano, Hee and Jones.

SCRep. 59-84 Higher Education and the Arts on H.B. No. 2042-84

The purpose of this bill is to provide an appropriation for the Hawaii State Dance Council (HSDC), a service organization which is comprised of volunteers dedicated to the support and encouragement of dance of all traditions. The HSDC promotes and encourages the knowledge, appreciation and performance of dance, and serves as a clearing house and coordinator for dance activities throughout the State of Hawaii.

Your Committee finds that the Council has provided the Hawaii community with a valuable public service by sponsoring various workshops, festivals, conferences, and concerts which have featured a number of outstanding local as well as visiting professional dance performers.

Your Committee further finds that a prime project of the Council would be to bring over a small company of dancers who would not only present performances, but would offer workshops, lecture demonstrations, and school presentations for all members of the public. Your Committee believes that such a Project would enable our young people to have the opportunity to learn from some of the best dance performers in the country.

Accordingly, an appropriation of \$25,000 from the general revenues is being requested for the Council's project.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2042-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Albano, Hee and Jones.

SCRep. 60-84 Higher Education and the Arts on H.B. No. 1811-84

The purpose of this bill is to provide the University of Hawaii with the flexibility to grant waivers of the non-resident tuition differential on the basis of a comprehensive educational rationale consistent with its mission, rather than solely on the basis of the country of origin of the student and the tuition practices there.

Under present law the University of Hawaii must provide a non-resident tuition differential for any student from any Pacific Island or Asian jurisdiction without a public institution of higher learning. In exchange the University of Hawaii is accorded a reciprocal arrangement with the public education institutions of the countries of these foreign students.

Testimony from the vice president of Academic Affairs at the University of Hawaii pointed out that this arrangement does not take into account limited opportunities to attend universities in some foreign countries and the non-existence of a non-resident differential in most of these countries. Furthermore, the current law forces the University of Hawaii to attract students in certain numbers without regard for their individual merits.

Your Committee is in agreement that the total number of waivers granted be limited and that eligibility requirements, that include academic merit, be established.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1811-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Albano, Hee and Jones.

SCRep. 61-84 Finance on H.B. No. 1976-84

The purpose of this bill is to appropriate \$35,000 to supplement prior appropriations for the maintenance of current patient hours in the Patient Employment Program of the Hansen's Disease Program within the Department of Health.

Your Committee finds that the Department of Health needs this appropriation to continue the Patient Employment Program through the fiscal year ending June 30, 1984.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1976-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 62-84 Housing and Judiciary on H.R. No. 49

The purpose of this Resolution is to express continued support of the goals and objectives of the Hawaii Land Reform Act and to request that the members of the Hawaii State House of Representatives explore alternative approaches to effectuate these goals and objectives.

Your Committees find that from its enactment in 1967 through June 30, 1983, the Hawaii Land Reform Act has facilitated the conversion of 5,791 leasehold lots to fee simple and fulfilled the dreams of those lessees to own their lots in fee.

Your Committees find further that despite the fact that the Hawaii Land Reform Act is the only means by which residential lessees could be assured an opportunity to obtain fee simple ownership of their lots, thereby furthering the goals articulated by the Legislature of enabling as many as possible to enjoy fully the privileges of owning land in fee simple, its constitutionality will shortly be argued before the United States Supreme Court. It is thus appropriate for the Legislature to reiterate its support of and belief in the goals and objectives of the Hawaii Land Reform Act. Moreover, during this period of uncertainty over the fate of the Hawaii Land Reform Act, your Committees also recognize the

appropriateness of exploring alternatives to the current law, should such alternatives become necessary.

Your Committees on Housing and Judiciary concur with the intent and purpose of H.R. No. 49, and recommend its adoption.

Signed by all members of the Committees except Representative Tungpalan.

SCRep. 63-84 Higher Education and the Arts on H.B. No. 2126-84

The purpose of this bill is to authorize the Director of Finance to issue general obligation bonds in the sum of \$150,000, or so much as may be necessary to construct a new theatrical facility for the Hawaii Performing Arts Company (HPAC).

Your Committee received testimony from HPAC, and the State Foundation on Culture and the Arts in strong support of this measure. Your Committee finds that during the past fifteen years the Company has provided the Hawaii community a valuable public service by sponsoring a number of excellent theatrical performances, thereby facilitating the State in its efforts to promote the creative arts, and at the same time, increasing the public's awareness of the performing arts.

Your Committee further finds that the existing theatrical facility, the Manoa Valley Theatre, is small and cannot be renovated or repaired to correct existing inadequacies and will not permit HPAC to achieve its full artistic and financial potential.

On Page 2, Section 2, Line 9, Your Committee has amended this measure, by deleting the number "4" and inserting in its place the number "5" in the last year designated on this line to correct a typographical error.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2126-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2126-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Albano, Hee and Jones.

SCRep. 64-84 Consumer Protection and Commerce on H.B. No. 1765-84

The purpose of this bill is to clarify the kinds of licensees which must pay into the compliance resolution fund, to add three new types of filings and licensees which must pay into the fund and to insure that errant licensees or unlicensed entities pay into the fund any fines or penalties assessed against them.

Presently, all licensees of the Professional and Vocational Licensing Division must pay a \$10 annual assessment into the compliance resolution fund. The division has interpreted the word "license" to include permits, certificates, and registrations issued through the licensing process. Amendment of the statute would clarify the assessment process.

Chapter 514E, "time sharing", section 485-6(15), "private offerings of securities" and section 485-14 "securities salesmen and dealers" require an inordinate amount of departmental resources to monitor. If an errant entity must be prosecuted, a large amount of time and money must be spent in attorneys' time, court costs, and obtaining financial records. A typical prosecution conservatively costs the state over \$20,000. Assessing these filings a compliance resolution fund fee would insure that the department has adequate resources to monitor these activities.

The attorneys hired under the compliance resolution fund are paid out of fees collected solely from licensees. No other monies are utilized to pay for them. They prosecute errant licensees and civilly enjoin business entities from operating without first obtaining a license. Because the salaries of the attorneys are paid out of a special fund all fines and penalties should be earmarked for that fund. Ultimately, law abiding licensees and the state as a whole will benefit in

insuring that the continued funding of these attorneys is maintained. Fines and penalties which may be collected are estimated to be less than \$20,000 a year.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. 1765-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 65-84 Consumer Protection and Commerce on H.B. No. 1773-84

The purpose of this bill is to extend the provisions of Act 153, SLH 1983, to allow the Business Registration Division to retain the additional staff hired with the special fund. The termination date of the additional fees of Act 153 will now coincide with the termination date of the special fund.

The Business Registration Division of the Department of Commerce and Consumer Affairs requested the additional funds for the following reasons:

1. The positions which were to be funded by these added sources have been filled for six months and training has just been completed in some cases. The Division would be at a loss to have the full benefit from these positions just for a few months and lose the time and energy of training these persons. Permitting the positions funded by the added sources will greatly aid the Division's operation and keep up with the ever increasing workload.

2. The Division's special fund has a termination date of June 30, 1984, and will permit all positions to end at the same time. The purpose of the limited life of the fund was to determine the additional staffing requirements for the Division and to see whether the newly established and increase fees could support these positions.

3. In the operating budget for fiscal years 1984 and 1985, two temporary and one permanent position were transferred to the division by reallocation of permanent positions from other divisions within the Department. These positions were expected to keep the division in a holding position while the special fund position were to be used to give the division additional help. However, the three general fund positions have been frozen due to the state's fiscal problems and have resulted in no real benefit from the special fund positions other than just keeping up with the workload.

Your Committee has adopted the recommendation of the Department of Commerce and Consumer Affairs, and will extend the provisions of Act 153, SLH 1983, until June 30, 1985.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1773-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 66-84 Consumer Protection and Commerce on H.B. No. 1790-84

The purpose of this bill is to permit the speedier formation of business within the state by simplifying the standards used to determine the acceptability of business names for registration purposes.

Currently, the Business Registration Division of the Department of Commerce and Consumer Affairs utilizes a "confusingly similar" standard to all business names registered, whether corporate, partnership or trade names. The department has adopted a number of rules for determining the acceptability of business names by utilizing rules gleaned from federal trademark law.

In trying to implement this standard, the Business Registration Assistants of the division must spend approximately 30 percent of their time in trying to clear business names. The number of names submitted each day for clearance averages 120, which must be reviewed against over 80,000 business names on file with the division. A majority of the day to day problems experienced by the Business Registration Assistants involve either explaining the standard to the

public when a name is determined to be unacceptable or the applicant contesting that a name is not confusingly similar to another on record.

An ad hoc committee formed by the Department of Commerce and Consumer Affairs recommended a change from the "confusingly similar" standard to a "substantially identical" standard so that only those names which were almost identical would not be registered. This new standard would place the businesses affected in the position of resolving problems regarding any confusing similarity of business names.

Not only does this bill aid the business climate in Hawaii by eliminating one governmental impediment to starting a business, but would also serve to speed up the registration process within the Business Registration Division.

The term of the initial registration has been changed from ten years to one year for trade names. The reason for this is that unlike corporations or partnerships which the division can remove for being inactive, trade names cannot be canceled involuntarily. Since sole proprietorships which register the majority of trade names rarely stay in business for more than a year, the committee felt that a one-year registration would be adequate to remove those trade names of defunct businesses and thus freeing up more names for possible use. However, if the registrant of the trade name was fairly sure that it would use the name for more than a year, the renewal of the trade name within the registration period of one year would be good for ten years.

A typographical error was noted in Section 1, second paragraph, the term "certificate of incorporation" is used. It has been amended to "articles of incorporation."

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1790-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1790-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 67-84 Corrections and Rehabilitation on H.C.R. No. 7

The purpose of this Resolution is that the office of the Legislative Auditor is requested to conduct a program and management audit of the correctional system, which includes the Corrections Division, the Intake Service Centers, the Hawaii Paroling Authority and the Probation Divisions of the Judiciary.

Your Committee finds that an independent audit may be the best means in determining whether there is a common directional course to be taken by the criminal justice agencies for efficient and effective administration of justice.

Your Committee adopted the recommendation of the office of the State Public Defender that this office be included within the ambit of concerned agencies to be contacted by the Legislative Auditor in connection with his study and evaluation.

The purpose of the amendment to this resolution is to enable the State Public Defender to provide input into the study and therefore an expanded review of the correctional system.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.C.R. No. 7, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 7, H.D. 1.

Signed by all members of the Committee.

SCRep. 68-84 Corrections and Rehabilitation on H.R. No. 35

The purpose of this resolution is to request that the Department of Social Services and Housing (DSSH) conduct a study on the feasibility of developing and implementing a systematic process of prison population management.

Your Committee finds the need to focus in on a concensus in forming an over-all policy within the criminal justice system in Hawaii to alleviate the overcrowded condition in our prison.

Your Committee has amended page 2, paragraph 1 by deleting it and adding the following paragraph:

"BE IT FURTHER RESOLVED that the DSSH in undertaking this study conform a policy group consisting of, for example, representatives from the Judiciary, the State Intake Service, the Hawaii Paroling Authority and any other agencies deemed important to address the concerns expressed in this resolution."

The purpose of this amendment to the resolution is to conform a corrections and judiciary policy in regards to the future of the criminal justice system in the State of Hawaii.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. No. 35, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 35, H.D. 1.

Signed by all members of the Committee.

SCRep. 69-84 Judiciary on H.B. No. 787

The purpose of this bill is to require the attorney or the party to an action to remove the exhibits or things in evidence within six months after the final termination of the action. This bill will also remove the requirement that the clerk shall provide written notice or file an affidavit as to such notice and disposition.

The judiciary has testified in support of the bill because the measure will facilitate the disposition of case exhibits. This bill is in accordance with a recommendation by the National Center for State Courts.

Your Committee has made technical, non-substantive changes to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 787, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 70-84 Judiciary on H.B. No. 788

The purpose of this Act is to require each notary public to keep the notary public records until the resignation, death, expiration of term of office, or removal from or abandonment of office, and thereafter to deposit the notary public records with the clerk of the circuit court of the judicial circuit in which the notary resides.

Your Committee has heard testimony from the judiciary and the attorney general.

Presently, Section 456-16, Hawaii Revised Statutes, requires that a notary deposit with the chief clerk of the court all notary records made during the preceding year. This has resulted in notary records to be accumulated in the judiciary since disposition of records may take up to ten years. The judiciary has testified that certification of authentication of notary records does not occur frequently. This measure is in accordance with a recommendation by the National Center for State Courts.

The attorney general has testified that it is necessary to have a central place for the certification of authentication of notary records.

Accordingly, your committee has amended the bill by requiring that a notary public deposit notary records upon the expiration of each term of office, or upon

the resignation, death, or removal from or abandonment of office. Your committee also has made technical, nonsubstantive amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 788, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 788, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 71-84 Judiciary on H.B. No. 789

The purpose of this bill is to permit the clerk of the court to send by regular mail rather than by certified or registered mail the registration notices of foreign support orders.

The judiciary has testified in support of this bill. This measure will reduce postage fees and clerical time. This bill is recommended by the chief clerks of the four judicial circuits of the State and is in accordance with the Uniform Reciprocal Enforcement of Support Act.

Your Committee has made technical, non-substantive changes to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 789, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 72-84 Human Services on H.B. No. 1662-84

The purpose of this bill is to develop a statewide children's mental health services plan on a four-year rather than the current five-year cycle.

The Department of Health submitted testimony in support of this bill, which will permit a single coordinated plan for all mental health services.

Your Committee finds that planning for all mental health and substance abuse services is being done on a four-year basis to permit the closest possible relationship between planning and biennial budgeting. Developing children's mental health services on a different basis results in considerable planning inefficiency.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1662-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 73-84 Human Services on H.B. No. 1740-84

The purpose of this bill is to clarify ambiguous language concerning membership and quorum for the Commission on the Handicapped.

In accordance with past interpretation of Section 348-E, Hawaii Revised Statutes, the Commission on the Handicapped has been operating with 15 voting members and six ex-officio non-voting members, for a total of 21 members. However, a recent opinion by the Attorney General's Office interprets the statute as requiring 21 members appointed by the Governor and six ex-officio non-voting members, for a total of 27 members.

Your Committee finds that this opinion of the statute by the Attorney General further interprets the number of members necessary to constitute a quorum as being 14 members. However, a problem arises because: 1) the Commission has been operating with 15 instead of 21 appointed members; and 2) six members who are counted in the quorum, by statute, do not have voting privileges, thereby

making it difficult for the Commission to validate actions taken on matters concerning policy.

Your Committee agrees that this amendment would remedy the situation by providing for 15 members to be appointed by the Governor, which is consistent with the manner of operation for the past six years. This bill will only change the language to conform to present practices. This bill will define a quorum to be eight of the voting members.

Your Committee further agrees with the provisions in this bill, adding the directors of the Department of Transportation and Accounting and General Services to the list of departmental representatives, since the Commission's decisions on policy issues often affects these two departments.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1740-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 74-84 Consumer Protection and Commerce on H.B. No. 1777-84

The purpose of this bill is to have the Legislative Auditor instead of the Director of Commerce and Consumer Affairs analyze new regulatory measures being considered for enactment and to make the Board of Pilot Commissioners subject to the Hawaii Regulatory Licensing Reform Act.

The Director of Commerce and Consumer Affairs testified that, just as the Legislative Auditor under section 26H-5, Hawaii Revised Statutes is designated to evaluate the existing board, commission and regulatory programs, it is the appropriate agency to analyze new regulatory measures being considered for enactment.

When the Hawaii Regulatory Licensing Reform Act was enacted in 1977, the Director of Commerce and Consumer Affairs was designated to evaluate the existing board, commission and regulatory programs. However, in 1980, the law was amended to have the Legislative Auditor instead of the Director of Commerce and Consumer Affairs do the evaluation since the latter provides staff and administrative services to the boards and commissions and is not suited to do an impartial evaluation. The Legislative Auditor is a disinterested third party.

The director further testified that since new regulatory measures would very likely be placed in the Department of Commerce and Consumer Affairs, it would not be in the best interest to have that agency do a study on new regulatory measures. The Legislative Auditor's Office, which is an independent body and an arm of the Legislature, is in a more impartial position to do the analysis.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1777-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 75-84 Consumer Protection and Commerce on H.B. No. 1786-84

The purpose of this bill is to require only the president, instead of each member of the Board of Dental Examiners, to sign a license certificate and to delete an outdated requirement.

The present requirement for all license certificates to be signed by each member of the eleven-member board is time-consuming, costly and delays the issuance of licenses. Members of the board reside on all counties and it is difficult to obtain the signatures of all eleven members. Among the thirty boards and commissions in the Department of Commerce and Consumer Affairs, the Board of Dental Examiners is the only board that requires the signatures of all members on the license certificates. The signature of the president alone should suffice.

The phrase "and attested by the secretary" is deleted because the records clerks under reorganization of the department have custody of all licensing records.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1786-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 76-84 Consumer Protection and Commerce on H.B. No. 1788-84

The purpose of this bill is to repeal Chapter 470, Hawaii Revised Statutes. It is an attempt to eliminate regulatory hurdles adding to problems for non-resident businesses who must temporarily operate within the state.

The Department of Commerce and Consumer Affairs testified that currently, the statute is unenforceable with many vendors unaware of the statute or unwilling to comply. Vendors may be in and out of town within a week or two. Enforcement usually is after the fact with no real remedy for the consumer and no person to hold responsible.

Also, those businesses who do try to comply are those which are not prone to cause problems to the consumer. In actuality, the statute tends to penalize the law-abiding businessman and is a paper tiger to the fly-by-night artist. The statute does not aid in Hawaii's pro-business image.

Lastly, the statute has been misinterpreted by neighbor island businesses who believe this statute is applicable to Honolulu businesses which have temporary operations on the neighbor islands. This statute has a tendency to promote regional rivalry within the state.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1788-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 77-84 Housing on H.B. No. 1799-84

This bill would clarify that any offers, counteroffers, or other substances of negotiations made after a leasehold tract has been designated for conversion to fee simple shall not be used as evidence in a court of law.

Under current law, offers, counteroffers, and the like which are made during preliminary negotiations of the leasehold to fee simple conversion process shall not be used as evidence in a court of law. Preliminary negotiations are defined by Chapter 516-51(b) to be those negotiations made prior to designation of a leasehold tract for conversion to fee simple. Testimony received from the Hawaii Housing Authority indicated that this may be construed to mean that any offers, counteroffers, or substances of negotiations made after designation of a leasehold tract can be used as evidence, since the law is silent on this matter. Your Committee finds that in order to promote full and free discussions between lessors and lessees undergoing the leasehold to fee simple conversion process, it is necessary to assure these parties that information disclosed during negotiations, both prior to and after designation of a tract, will not be used against them in a court of law.

Your Committee on Housing concurs with the intent and purpose of H.B. No. 1799-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 78-84 Housing on H.B. No. 1985-84

This bill would clarify the type of deed to be delivered by the Hawaii Housing Authority in dispositions of property under Chapter 359G, Hawaii Revised

Statutes, such that unless otherwise provided by law, the authority shall issue quitclaim deeds.

Testimony received from the Hawaii Housing Authority indicated that while other state agencies, notably the Department of Land and Natural Resources, which is responsible for the disposition of State land, normally issue quitclaim deeds, and while the authority itself has successfully issued such deeds to individuals, corporations, partnerships, and other County agencies, in recent years Hawaii County has required the authority to deliver warranty deeds to accomplish a proper disposition of property. Moreover, it is normally the practice of Hawaii County to issue quitclaim deeds when that county seeks to transfer property to another. Your Committee finds, therefore, that the Hawaii Housing Authority should not be held to a higher standard with regard to the issuance of deeds than the counties themselves, unless otherwise required by law.

Your Committee on Housing concurs with the intent and purpose of H.B. No. 1985-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 79-84 Employment Opportunities and Labor Relations on H.B. No.
1922-84 (Majority)

The purpose of this bill is to appropriate monies to fund the training, staffing, wage and equipment costs involved in the hiring of temporary hearing officers to investigate claims, hear cases and render decisions on workers' compensation claims.

Currently the Disability Compensation Division of the Department of Labor and Industrial Relations faces a six month backlog in the hearing of workers' compensation cases. To help alleviate this backlog the Committee requests that monies totaling \$300,000 be appropriated for the hiring of temporary hearing officers and clerical support personnel. These funds may further be used as overtime compensation paid to the permanent staff of the Disability Compensation Division as they will be needed for the training of new personnel and dispensing of workers compensation claims. Your Committee has amended the bill to allow the use of these funds to hire clerical support personnel required to process documents, review files, schedule hearings and type decisions. Further, some funds may be allotted for equipment costs and to finance overtime compensation for the permanent hearing officers.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1922-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1922-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.
(Representative Anderson did not concur.)

SCRep. 80-84 Employment Opportunities and Labor Relations on H.B. No.
1923-84

The purpose of this bill is to allow the Director of the Department of Labor and Industrial Relations to hire temporary hearing officers to investigate claims, hear cases, and render decisions on claims whenever he feels that such action is necessary to reduce or eliminate the number of workers' compensation cases pending before disability compensation division of the department.

Testimony has been received from the representatives of Labor unions, Insurance companies and the Department of Labor and Industrial Relations in recognition of the need for temporary hearings officers to hear workers' compensation cases. All parties feel that the current backlog is unfair and unnecessary.

Your Committee is in agreement with this testimony. Your Committee finds that the Department of Labor and Industrial Relations should take special steps to hire retired Disability Compensation hearing officers to fill the temporary

positions. Contracting out to retirees would spare the State the time and expense of training new personnel.

Your Committee has amended the bill to empower the Director of the Department of Labor and Industrial Relations to hire clerical support staff to aid the temporary hearing officers in carrying out their duties. The amendments also allow the director to instruct the permanent hearing officers to work overtime in order to clear up the backlog.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1923-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1923-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 81-84 Judiciary on H.B. No. 1952-84

The purpose of this bill is to make an appropriation in the sum of \$250,000 for fiscal year 1984-1985 to fund training programs for criminal justice agencies. This appropriation is to be known as the Criminal Justice Training Fund.

Your Committee has heard testimony from the Office of the Prosecuting Attorney of the County of Hawaii, the State Intake Service Center, the Police Department of the City and County of Honolulu, the Office of the Prosecuting Attorney of the County of Kauai, and the Office of the Attorney General in support of providing training programs for criminal justice personnel.

Your Committee finds that there is a need to develop expertise through training to improve and strengthen personnel skills, improve performance, and overall effectiveness so that crime and criminal activities in this State can be curtailed.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1952-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 82-84 Judiciary on H.B. No. 1951-84

The purpose of this bill is to make an appropriation of \$90,000 to Hawaii County, \$75,000 to Kauai County, \$75,000 to Maui County, and \$150,000 to the City and County of Honolulu to fund the Aid to Victims Coordinator Program for fiscal year 1984-1985.

Presently, each of the counties' program is under the direction and administration of the prosecuting attorneys of each of the counties. The program serves to reduce trauma and frustration felt by crime victims and witnesses by providing assistance and counseling.

Your Committee has heard testimony from the Office of the Prosecuting Attorney of the County of Kauai, the Department of the Prosecuting Attorney of the County of Maui, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii Statewide Sexual Assault Coalition, and the Attorney General in support of the bill.

Your Committee finds there is invaluable service provided by the program. However, because of the fiscal constraint upon the State, your Committee is requiring that each of the counties shall match 20 per cent of the amount provided by the State in addition to the funds appropriated. Your Committee has amended the bill accordingly.

Your Committee also has amended the bill by requiring that each of the counties submit to the Office of the Attorney General an annual report of its program and that the Office of the Attorney General shall submit to the legislature a report of the expenditures prior to the start of the next legislative session.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1951-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1951-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 83-84 Judiciary on H.B. No. 1950-84

The purpose of this bill is to: (1) increase the number of members of the Criminal Injuries Compensation Commission from three to five members, (2) increase the number of members that constitute a quorum from two to three members, (3) require the commission to record by electronic means the hearings of each applicant and to retain the recording until the applicant's right to appeal to the Hawaii Supreme Court expires, or until the completion of the proceedings before the Hawaii Supreme Court if the applicant appeals the commission's decision, (4) provide that the applicant has the right to appeal an order or decision of the commission on the ground that the order or decision was arbitrary and capricious, (5) allow payment of compensation to a relative of a victim if such relative has incurred expenses as a result of the victim's injury and death, and (6) repeal the provision prohibiting an award of compensation to a victim except for expenses actually and reasonably incurred as a result of the injury or death of the victim if the victim is a relative of the offender or was living with the offender as a spouse or member of the offender's household.

Your Committee has heard testimony from representatives of the Department of Social Services and Housing, Victim/Witness Kokua Services, and the Sex Abuse Treatment Center supporting this bill.

Your Committee finds that enlarging the membership of the commission is necessary to broaden the commission's perspective by increasing community members' input. Recordation of the commission's hearings will provide both the commission and the applicant an accurate record of what transpired during a hearing in the event of an appeal.

Your Committee also finds that the standard of arbitrary and capricious is more objective and more in accordance with standards used by other state boards and commissions.

This bill will expand the class of persons to whom the commission may order the payment if such person has incurred expenses as a result of the victim's injury and death by allowing such payment to a relative rather than to a parent of an adult deceased victim or to an adult son or daughter of a deceased victim. Lastly, this bill repeals the provision prohibiting the award of compensation to a victim except for expenses actually and reasonably incurred as a result of the injury or death of the victim if the victim is a relative of the offender or was living with the offender as spouse or member of the offender's household.

Your Committee has amended the bill by decreasing the rate of compensation for each day's actual attendance to their duties from \$50 to \$30 per day for commission members and from \$55 to \$35 per day for the chairman. Your Committee has also provided that compensation to a commission member shall not exceed \$4,000 per year and compensation to the chairman shall not exceed \$4,600 per year.

To be in accord with previous appointed terms of the commission members, your Committee also has amended the bill by providing that each of the terms of office of the three members serving office at the effective date of the act shall continue and expire at a date four years from the date of appointment for each such term, and that the term of office of the fourth and fifth members taking office 1985 shall expire on December 31, 1987, December 31, 1988, respectively.

For the purposes of consistency your Committee has further amended this bill by renumbering sections 2, 3, 4, 5, 6, 7, 8 to sections 3, 4, 5, 6, 7, 8, 9 respectively.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1950-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1950-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 84-84 Judiciary on H.B. No. 1851-84

The purpose of this bill is to remove gender-specific references to an appointee's co-workers in section 76-1(1), Hawaii Revised Statutes, and references to the Director of Personnel Services in section 76-18, Hawaii Revised Statutes, and to delete "sex" as a basis for limiting the applicant group for civil service employment in section 76-18 of the Hawaii Revised Statutes.

Your Committee has received testimony from the Hawaii State Commission on the Status of Women and the State Director of Personnel Services.

Your Committee finds that making statutory language neutral as to sex is in accord with Hawaii's Equal Rights Amendment and the 1978 State Constitutional Convention's amendment to the Constitution which encourages the replacement of words which may apply to only men or women with words which apply to both genders.

Your Committee has amended the bill by not repealing the limitation as to sex in civil service examinations. The Department of Personnel Services has testified that there may be specific exceptions to sex discrimination when the specific exceptions are a bona fide occupational qualification. It is the intent of your Committee to protect women seeking civil service employment and finds that under current law sex is one of the protected categories in civil service employment as provided in section 76-1(1) of Hawaii Revised Statutes. Accordingly, your Committee has removed the brackets from the word "sex" on page 4, line 4, of the bill.

Lastly, your Committee has made a technical amendment on page 2, line 7, of the bill by removing the words "marital status" which do not appear in section 76-1 of the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1851-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1851-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 85-84 Judiciary on H.B. No. 1854-84

The purpose of this bill is to enable the Revisor of Statutes to change statutory language by removing gender-specific terminology without altering the sense, meaning, or effect of any act, when the Revisor prepares supplements and replacement volumes of the Hawaii Revised Statutes.

Your Committee has received testimony from the Hawaii State Commission on the Status of Women and the City and County of Honolulu's Committee on the Status of Women in support of this bill.

Your Committee finds that the removal of stereotyped language in the Hawaii Revised Statutes is in accordance with the 1978 State Constitutional Convention's amendment to the Constitution which encourages the replacement of words which may apply to only men or women with words which apply to both genders.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1854-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 86-84 Consumer Protection and Commerce on H.B. No. 2012-84

The purpose of this bill is to require licensed contractors who advertise to include their assigned license number in their advertisements, including advertisements on vehicles and equipment.

The Contractors License Board was concerned with the requirement relating to equipment. It felt that this could be misinterpreted to mean all equipment, which would create a hardship on all contractors, since it would require proper markings on the largest crane to the smallest saw.

Your Committee has amended the bill by deleting the requirement that license numbers appear on equipment. Other nonsubstantive amendments have been made to the bill for clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2012-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2012-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 87-84 Consumer Protection and Commerce on H.B. No. 1766-84

The purpose of H.B. No. 1766-84 is to give the Department of Commerce and Consumer Affairs' enforcement personnel the authority to issue citations to individuals who engage in contracting without first obtaining a license under Chapter 444, Hawaii Revised Statutes. This citation system would give the department the ability to expeditiously sanction unlicensed contractors.

Currently, when the department receives a complaint the matter is investigated. A civil complaint must be filed in order to obtain an injunction against the individual. It may be months before the individual is duly sanctioned for unlicensed activity. Secondly, even if the injunction is ordered, the order must be served on the individual to notify him that should he continue to conduct business that he may be prosecuted for civil contempt. This process can be frustrating in that a number of unlicensed contractors maintain no permanent address at which they can be found.

The proposed citation system would permit the department to issue citations ordering the unlicensed individual to discontinue unlicensed activity and also assess penalties. The most significant aspect of the citation system is that the citation can be issued immediately after a violation has been observed at the job site. The servicing of the citation can be effected immediately and the sanction imposed immediately rather than the months it takes under the current system.

The Citation system also insures that the department does not overstep its authority by insuring that persons cited have the right to a hearing before an administrative hearings officer. All decisions of the hearings officer are final and can be appealed to circuit court.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1766-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 88-84 Consumer Protection and Commerce on H.B. No. 1818-84

The purpose of this bill is to extend the Sunset Review of the Board of Nursing for another six years to December 31, 1990.

Testimony in favor of the bill was given by the Board of Nursing which maintained that there is continued need to regulate the nursing profession and the training of nurses to ensure the protection of public health and safety.

Further testimony in favor of the bill was given by the Hawaii Nurses Association.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1818-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 89-84 Ocean and Marine Resources on H.B. No. 1954-84

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$25,000, or so much thereof as may be necessary for fiscal year 1984-1985, for an engineering plan to establish a diesel fuel storage and delivery station at Midway Island for the American fishing fleet, thereby enabling domestic fishermen to stay on the North Pacific fishing grounds instead of refueling in Honolulu.

Your Committee has received testimony from the Chairman of the Board of Land and Natural Resources, recommending a broad approach to include all of the shoreside infrastructure within the meaning of a diesel fuel storage and delivery station. Accordingly, your Committee has amended Section 1 of the bill by expressly providing that the diesel fuel storage and delivery facility shall include the shoreside infrastructure.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1954-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1954-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 90-84 Higher Education and the Arts on H.B. No. 2048-84
(Majority)

The purpose of this bill is to amend Section 26-52, Hawaii Revised Statutes, which would empower the University of Hawaii Board of Regents to set the University of Hawaii President's salary.

Your Committee finds that under existing Hawaii law, the University of Hawaii President's salary is determined by the Legislature. Your Committee, however, believes that the salary should instead be determined by the Board.

The Chairperson of the Board of Regents testified in support of this bill and indicated that the bill would provide the Board with greater flexibility in administering and managing the University of Hawaii system.

There was additional testimony provided by the Chairperson concerning the Board's current efforts to find a replacement for the resigning University of Hawaii President. The Chairperson further testified that if the Board was granted the authority to determine and prescribe the President's salary, the Board would be able to attract a greater number of highly qualified scholar-administrator candidates for the University of Hawaii Presidency.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2048-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Albano and Hee.
(Representatives Hashimoto and Say did not concur.)

SCRep. 91-84 Judiciary on H.B. No. 1678-84

The purpose of this bill is to correct technical errors appearing in various portions of the Hawaii Revised Statutes (hereafter "H.R.S.") which have resulted in inconsistencies, redundancies, unnecessary repetition, and lack of clarity.

This bill proposes the amendment of thirteen separate sections of the H.R.S. The proposals originate from the legislative directive contained in section 23G-20, H.R.S., which mandates the revisor of statutes to conduct a continual review of the laws of the State for the purpose of removing inconsistencies, redundancies, unnecessary repetition, and to improve their clarity.

Section 1 amends section 103-55, H.R.S., by changing a reference to section 76-16(16) to 76-16(15). Act 199, Session Laws of Hawaii 1977 (hereafter "S.L.H."), section 1, amended section 76-16, H.R.S., by deleting former

paragraph (13) and renumbering the remaining paragraphs. Section 103-55, H.R.S., which contains a reference to specific paragraphs of section 76-16 has not been amended to reflect the changes in paragraph numbers. To correct this apparent oversight, section 103-55 should be amended so that the reference is to paragraph (15) of section 76-16 rather than to paragraph (16).

The section also has been divided into subsections to facilitate future amendment.

Section 2 makes a nonsubstantive grammatical change in section 188-29(a), H.R.S. Act 87, S.L.H. 1983, section 2, divided section 188-29, H.R.S., into subsections and added paragraph (7) to the newly designated subsection (a). Due to an apparent oversight, the word "and" used to connect the next to the last and the last paragraphs was not deleted from paragraph (5) nor was paragraph (6) amended to conform to the style used in groups of paragraphs. Section 188-29(a) should be amended to incorporate these stylistic changes.

Section 3 changes a reference to "subchapter S corporation" in section 237-34(b), H.R.S., by deleting the word "subchapter". Section 237-34(b), H.R.S., should be amended by deleting "subchapter" from the phrase "subchapter S corporation" to conform to the terminology used in the Internal Revenue Code which was adopted by Act 88, S.L.H. 1983, in section 235-2.3(1), H.R.S.

Section 4 corrects internal references within section 269-1, H.R.S. Act 59, S.L.H. 1974, section 2, amended the definition of "public utility" in section 269-1, H.R.S., by inserting a new paragraph (2) and renumbering the remaining paragraphs. As a result of an apparent oversight a subsequent reference in the definition to paragraphs (3) and (4) was not amended to reflect this renumbering. An analysis of the legislative history of this section reveals that the current definition of public utility was enacted by Act 366, S.L.H. 1949, and contained in paragraphs (3) and (4) the provisions now designated as paragraphs (4) and (5). Section 269-1 should be amended by amending the definition of "public utility" to correct these references. The section also has been revised by blocking the numbered paragraphs to improve readability.

Section 5 substitutes the words "financial assistance" for "money payments" in section 346-29, H.R.S. Act 52, S.L.H. 1979, section 5, amended chapter 346, H.R.S., by substituting the words "financial assistance" for the words "money payments". Through an apparent oversight, the phrase "money payments" remained in section 346-29(3), H.R.S. Act 216, S.L.H. 1982, amended section 346-29 by substituting the appropriate phrase in one instance but failing to correct the section entirely. Section 346-29 should be amended to remove the only remaining "money payments" and to make the proper substitution.

Section 6 updates an obsolete reference regarding criminal contempt, and deletes the word "deputy" as the term modifies bank examiner in section 409-28, H.R.S. Section 409-28, H.R.S., contains an obsolete reference to chapter 729 which was repealed by Act 9, S.L.H. 1972. Under the Hawaii Penal Code, enacted by Act 9, S.L.H. 1972, criminal contempt of court is codified as section 710-1077, H.R.S. Section 409-28 should be amended to incorporate the correct reference to the statute governing contempt of court as was done in Act 147, S.L.H. 1982, section 24, which corrected section 453-11, H.R.S. The section should be further amended to reflect the amendments made by Act 203, S.L.H. 1982, section 11 deleting the word "deputy" when at certain times it modifies bank examiner.

Section 7 similarly updates an obsolete reference regarding criminal contempt, this time in section 442-10, H.R.S. Section 442-10 has also been divided into subsections to facilitate future amendment.

Section 8 amends section 444-25.5 by correcting obsolete references within that section. Act 183, S.L.H. 1975, section 4, enacted section 444-25.5, H.R.S., which included five paragraphs identified by letters in parenthesis. When the section was incorporated into the 1975 supplement, the Revisor of Statutes changed the paragraph designations to numerals in parenthesis. Due to an apparent clerical error, the references in paragraph (3) to the two preceding paragraphs remained as (a) and (b). Section 444-25.5 should be amended so that paragraph (3) will correctly refer to paragraphs (1) and (2).

Section 9 updates an obsolete reference to criminal contempt in section 460-14, H.R.S. This is accomplished in the same manner and for the same reasons as

the changes made to other H.R.S. sections by sections 6 and 7 of this bill. Section 460-14 is also divided into subsections to facilitate future amendment.

Section 10 substitutes "license" for "certificate" in section 465-13, H.R.S. Act 95, S.L.H. 1983, amended chapter 465, H.R.S., by replacing the word "certification" and variations of it with the word "license" and variations of it. Due to an apparent oversight, one such substitution was not made in section 465-13. Section 465-13 should be amended so that consistent language is used throughout the chapter.

Section 11 updates an obsolete reference regarding criminal contempt in section 554-4, H.R.S. This is accomplished in the same manner and for the same reasons as the changes made to other H.R.S. sections by sections 6, 7, and 9 of this bill.

Section 12 amends the title of chapter 846. Act 78, S.L.H. 1983, amended chapter 846, H.R.S., by amending existing sections of chapter 846 and designating them "Part I. Data Center" and by adding several new sections which were designated as "Part II. Civil Identification". The title of chapter 846 should be amended to reflect the added scope of the chapter.

Section 13 amends section 846-32, H.R.S., by deleting brackets around the word "shall". Section 846-32, H.R.S., requires that any legal change of the name or citizenship status of a registrant who has received a certificate of identification be reported to the department of the attorney general within thirty days of the change. This provision was initially added in Senate Bill No. 1092, S.D. 1, H.D. 1, Twelfth Legislature, 1983, State of Hawaii, which stated that "the registrant or other person in charge of the registrant (in the case of a minor or incompetent person), within thirty days after the change of name or citizenship status, shall report the change...." Through an apparent clerical error, the word "shall" was deleted from the bill when it was typed as H.D. 2.

The revisor of statutes, pursuant to statutory authority, has remedied this apparent oversight and made this section grammatically correct by reinserting the word "shall". The revisor has indicated the change by the use of brackets and a revision note. Section 846-32 should be amended to enact officially this correction. The section should also be divided into subsections to facilitate future amendment.

This bill also makes technical and nonsubstantive amendments throughout the respective sections.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1878-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 92-84 Judiciary on H.B. No. 1863-84

The purpose of this bill is to correct a technical error appearing in Section 707-726(1)(a) of the Hawaii Revised Statutes by changing the reference from chapter 585 to chapter 586.

Your Committee has received testimony from the Hawaii State Commission on the Status of Women and the City and County of Honolulu's Commission on the Status of Women in support of removing gender-specific language in the bill. However, it is the intent of this Committee to limit the purpose of the bill to a correction of a technical error by amending the reference to a chapter which was repealed in 1982 (L1982, c 123, §1).

Your Committee has made technical, non-substantive amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1863-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1863-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 93-84 Consumer Protection and Commerce on H.B. No. 769

The purpose of this bill is to delete outdated exemptions under sections 244-4(6) and 244-4(7), Hawaii Revised Statutes, as well as remove an exemption for locally produced rum under section 244-4(8), Hawaii Revised Statutes.

Ronald E. Mckee, Executive Vice-President of Better Brands, Ltd. testified that the tax exemption granted the wine and spirits produced in Hawaii has not achieved the original intent of the law, and therefore strongly supported the passing of H.B. No. 769.

Similarly, the Department of Taxation supported the passage of the bill as it would serve to prune outmoded provisions from the Hawaii Revised Statutes.

Your Committee has amended the bill by changing the language to read: "This Act, upon its approval, shall take effect only upon the entering of a judgment by the United States Supreme Court holding that any of the provisions deleted by this Act is unconstitutional".

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 769, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 769, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 94-84 Employment Opportunities and Labor Relations on H.B. No. 1466

The purpose of this bill is to amend Section 388-4 of the Hawaii Revised Statutes which pertains to the payment of wages to relatives of deceased employees. The law presently sets \$1,000 as the maximum amount payable to the surviving spouse or adult child. The proposed amendment would raise to \$2,000 the limit of wages due which the employer is allowed to pay to the surviving spouse or adult child.

Your Committee on Employment Opportunities and Labor Relations recognizes that a deceased employee's survivors often face immediate economic hardship because of low financial reserves and the cost of bereavement expenses. In light of the inflation which has occurred since the \$1,000 limit was set in 1967, your Committee finds it desirable to raise the amount payable to a surviving spouse or adult child to \$2,000.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1466 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 95-84 Employment Opportunities and Labor Relations and Consumer Protection and Commerce on H.B. No. 1926-84

The purpose of this bill is to clarify the intent of the Legislature in regard to subsequent injuries which would increase disability. The bill is intended to encourage employers to hire and retain injured employees by granting payment from the special compensation fund for a previous disability in the event that the employee sustains a subsequent injury. H.B. 1926-84 encourages the hiring of the handicapped and retention of the injured worker.

Your Committees agree with the testimony from labor unions, businesses and insurance companies that in light of the 1983 Hawaii Supreme Court's ruling in Survivors of Wallace Medeiros v. Maui Land and Pineapple Company, the Legislature must clarify its intent regarding the fundings of previous and subsequent injuries. Your Committees feel that an employer must not be penalized for retaining an injured employee. Rather, the special compensation fund should be used to fund previous injuries in order to compensate employers who retain injured workers.

Your Committees accepted an amendment put forth by the Hawaii Insurers Council which deletes Section 2 of H.B. 1926-84 and adds a new subsection to be designated 386-33(c). Your Committees believe that this amendment will aid the courts in adjudicating many workers' compensation cases currently pending as well as those claims to be filed in the future.

Your Committees on Employment Opportunities and Labor Relations and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 1926-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 1926-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Albano.

SCRep. 96-84 Housing on H.B. No. 1820-84

The purpose of this bill is to enable taxpayers who would otherwise qualify and who have an interest in unimproved residential property to establish and utilize individual housing accounts.

Testimony received indicated that under current law, taxpayers who have yet to purchase their first principal residence but who have an interest in unimproved residential property either within or without the State, cannot establish individual housing accounts, for the purpose of purchasing said first residence or for the purpose of constructing said first residence on said unimproved residential property. While the intent of this law is to encourage those who do not already own a principal residence to set aside funds for such a purpose, prohibiting those who happen to own unimproved residential property or who may wish to construct their first principal residence on unimproved residential property they possess runs counter to legislative intent.

Your Committee on Housing concurs with the intent and purpose of H.B. No. 1820-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 97-84 Housing on H.B. No. 2244-84

The purpose of this bill is to close a loophole currently in the statute allowing for exemptions from the general excise tax for persons and non-profit or limited distribution entities involved in certain low and moderate income housing by requiring oversight of these exemptions by the Hawaii Housing Authority and the Department of Taxation.

H.B. No. 2244-84 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill, containing only a general idea as to its purpose and means without specific details. Your Committee has amended the bill to provide the substantive provisions, so that a hearing may be held for the "long-form" bill, detailing the specific means to carry out the intended purpose of the bill.

Your Committee on Housing concurs with the intent and purpose of H.B. No. 2244-84, as amended herein, and recommends that it be recommitted to the Committee on Housing, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2244-84, H.D. 1.

Signed by all members of the Committee.

SCRep. 98-84 Higher Education and the Arts on H.B. No. 1940-84

The purpose of this bill is to increase the maximum limit of funds deposited into the University of Hawaii research and training revolving fund from \$1,000,000 to fifty percent of all moneys received from indirect overhead sources on account of all university held federal and other research and training contracts and grants.

Under existing Hawaii law, moneys deposited into the revolving fund by federal and private sources cannot exceed \$1,000,000 annually.

Testimony from the Acting Vice Chancellor for Research and Graduate Education at the University of Hawaii, Manoa indicates (1) that since 1977, federal research and development contracts and grants to the university have declined, (2) that existing federally-funded university research program and project requirements are not being satisfied, (3) that research program and project money requested by university faculty personnel greatly exceed existing moneys in the revolving fund and, (4) that competition for limited federal research awards has increased.

Based on the above reasons, your Committee finds that the monetary ceiling limitation of \$1,000,000 needs to be substantially increased. Your Committee further finds that enactment of this bill will enhance the university faculty's ability to carry out effectively their research and training obligations, allow for "start-up" funds in new areas of research, and greatly help in the generation of additional extra-mural funds.

Your Committee has amended Section 304-8.1(a) by adding a lapsing funds provision, which stipulates that funds unencumbered as of June 30 of each fiscal year shall be deposited to the credit of the general fund of the State.

Your Committee has further amended this bill by adding Section 304-8.1(c), which establishes a \$2,500,000 account to be funded from indirect overhead sources on account of all university held federal and other research and training contracts and grants. These moneys shall be deposited into a separate account of the revolving fund to provide advanced funding to meet reimbursable costs incurred in connection with federally financed university research and training projects.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1940-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1940-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 99-84 Higher Education and the Arts on H.B. No. 2261-84

The purpose of this bill is to clarify the statutory qualifications for resident tuition fees at the University of Hawaii.

Under existing Hawaii law, University of Hawaii students must fulfill residency requirements prior to their "registration" at the university in order to qualify for resident tuition status.

Testimony from the Vice President for Academic Affairs of the University of Hawaii indicates that students have the option to register any time within a two to three week period prior to, during, or after the first day of instruction. The testimony further indicates that because this sliding registration deadline could lend itself to inconsistent application or unfair manipulation, the university has traditionally determined residency on "the first day of instruction." However, the Attorney General's Office recently rendered its opinion that using the "first day of instruction" as the residence determination date was not legally consistent with the existing statutory language.

Therefore, in order to clarify this inconsistency between the sliding registration deadline and the traditional policy of "first day of instruction" deadline used by the university, your Committee believes it necessary to amend the existing statute to conform with the traditional university policy in making residency determinations. Your committee is in agreement with the Vice President of Academic Affairs who testified that "bringing the statute into conformance with traditional university practice will prove to be fair, equitable, and administratively workable."

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No 2261-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hee, Ige, Kiyabu-Saballa and Jones.

SCRep. 100-84 Higher Education and the Arts on H.B. No. 2219-84

The purpose of this bill is to establish at the University of Hawaii, a Pacific-Asian scholarship program that will provide an opportunity for highly qualified students from Hawaii and the Pacific-Asian region to attend the University of Hawaii at Manoa or the 4-year colleges at Hilo in order to take advantage of the special opportunities afforded by these campuses to pursue baccalaureate and graduate study related to the Pacific and Asian region.

This bill also removes repetitious language from Section 304-15, and clarifies that Section 304-17 applies only to the Hawaii State scholarship program.

Testimony before your Committee from the Vice President for Academic Affairs at the University of Hawaii at Manoa indicates that the establishment of such a scholarship program will support the university's recognized mission to provide relevant education and training to those who will assume positions of leadership and responsibility in the Pacific region.

The testimony points out that the program will provide an additional incentive for the most highly qualified Asian and Pacific students to attend the university. In addition, this program, by being available to residents, will encourage some of our best qualified local students to enter studies at the university that are pertinent to Hawaii's role in the Pacific and Asian region.

While the university has the means to assist well qualified resident students who have financial need, it does not have a program that assists in attracting highly qualified residents and non-residents primarily on the bases of academic merit and their intent to pursue studies relevant to the Pacific and Asian region.

Your Committee has made non-substantive technical amendments to H.B. No. 2219-84 by relettering the subsections of the affected statute.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2219-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2219-84, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hee.

SCRep. 101-84 Higher Education and the Arts on H.B. No. 2169-84

The purpose of this bill is to authorize the Governor of the State of Hawaii to request, pursuant to Section 103(e) of the Internal Revenue Code, that the Hawaii Educational Loan Marketing Corporation (HELMAC) be organized and operated as a private non-profit corporation under the auspices of United Student Aid Funds, Inc., exclusively for the purpose of acquiring educational loan notes incurred under the federal Higher Education Act of 1965 in order to provide a Hawaii secondary market for investments in such loans.

The Vice President for Academic Affairs of the University of Hawaii, the Executive Director of the Hawaii Educational Loan Program (HELP), the Director of Financial Aid at Chaminade University, the President of the Hawaii Credit Union League, and representatives from Cannon's International Business College and the Hawaii Banker's Association provided testimony in support of the bill.

Based on this testimony, your Committee finds that the establishment of a local private non-profit corporation, organized and operated for the exclusive purpose of acquiring educational loan notes, would serve to benefit both students and the lending community in Hawaii.

Your Committee finds that there are certain problems associated with guaranteed student loans which stem from their unique terms. Unlike most consumer loans, guaranteed student loans are governed by a variety of deferment and forbearance provisions. Additionally, because the repayment period is extremely long, a lending institution may find its funds tied up in an illiquid portfolio. In order to continue making or to make more guaranteed

student loans, lenders need to achieve liquidity by being able to sell their loan portfolios to a secondary loan market.

Your Committee believes that the creation and establishment of a corporation, as envisioned, would better serve the needs of Hawaii's lenders, schools and students since it would be staffed by local residents who are already familiar with and committed to continually understanding the needs of our lenders, schools and students. Moreover, your Committee also believes that the establishment of such a corporation would enable many of Hawaii's smaller financial institutions to participate in the secondary market, thereby expanding the availability of student loan institutional sources.

For purposes of consistency, your Committee has amended Section 2, page 3, lines 15 and 16 of the bill, by deleting the words "or Designate a" and substituting in its place the words "the organization of a private non-profit corporation."

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2169-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2169-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hee and Ige.

SCRep. 102-84 Health on H.B. No. 1741-84

The purpose of this bill is to allow the Department of Health to contract for needed mental health services with private, for-profit corporations as well as with private, non-profit corporations.

Presently, Section 3348, Hawaii Revised Statutes, allows the Director of Health to enter into agreements for mental health services only with private, non-profit corporations, whereas Section 422 allows the contracting of services with both for-profit and non-profit corporations. In the interest of consistency and administrative flexibility, your Committee is in agreement that Section 334-8 should conform to Section 42-2.

Your Committee has heard testimony from the Department of Health that this bill will not affect the Department's preference for the services of non-profit groups. The Department has testified that it would seek the services of for-profit corporations only when the services of non-profit corporations are not available.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1741-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 103-84 Health on H.B. No. 1739-84

The purpose of this bill is to allow collection agencies, in collecting moneys from emergency ambulance service accounts written off as bad debts, to retain a portion of such receipts as their fee for services rendered.

Your Committee is in agreement that under the present law, the Department of Health is constrained in its administration of emergency ambulance service accounts receivables because all monies collected through collection agencies must now be deposited into the State general fund. Collection agency fees are then paid out of the departmental budget.

Your Committee finds that this bill provides a more efficient system of collection and payment which will maximize the collection of bad debt accounts, currently estimated at approximately \$1 million.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1739-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 104-84 Health on H.B. No. 1738-84

The purpose of this bill is threefold: to continue until June 30, 1989, the requirement that women applying for a marriage license receive serologic testing for rubella (german measles); to require that the Department of Health notify women who are susceptible to rubella; and to eliminate the provision of rubella immunization as a responsibility of the Department of Health.

Under present law, the Department's mandatory premarital rubella screening program lapses on June 30, 1984. Your Committee heard testimony from the Department that 16 percent of women tested now for rubella are still susceptible, compared to 24 percent when the program was started in 1979. Despite the progress of the past five years, testing should continue in order to reduce the susceptibility of women to the recommended level of less than 10 percent. Your Committee finds that a five-year extension of the premarital testing requirement, as proposed by this measure, is vital and necessary.

This bill also eliminates the requirement that the Department be responsible for rubella immunizations, a provision for which your Committee has reservations. The Department still provides 13 percent of all rubella immunizations in the State, with the majority delivered by the private medical community. This works out to approximately 400 immunizations provided by the the Department over the past five years.

Although the number of Department of Health administered immunizations is small and diminishing each year, your Committee finds that the Department of Health holds ultimate responsibility to provide this service and should be required to do so until women no longer seek immunization services from the Department.

Your Committee finds that the cost of immunization, \$2 to \$3, is nominal compared to the costs of lifetime care for persons handicapped as a result of rubella. Accordingly, your Committee has amended the bill by retaining the original language of Act 143, Session Laws of Hawaii 1979, Section 2.

Finally, this bill will statutorily recognize the Department's current practice of notifying rubella susceptible women. For purposes of clarity and style, your Committee has reworded the proposed amendment on page 1, line 7 of the bill as follows:

"The Department shall be responsible for notifying those women found to be susceptible to rubella by mailing notice thereof to their last known address".

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1738-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1738-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 105-84 Judiciary on H.B. No. 1394

The purpose of this bill is to establish the Hawaii Commission on the Bicentennial of the United States Constitution, whose members shall be appointed by the governor with the advice and consent of the senate. The commission shall plan and coordinate the commemoration of the bicentennial of the United States Constitution which will be on September 17, 1987.

Your Committee has received testimony from the American Civil Liberties Union of Hawaii and the Hawaii Council on Legal Education for Youth.

Your Committee finds that establishing a commission for the commemoration of the bicentennial of the Constitution will provide an excellent opportunity to educate the general public on the fundamental principles of the Constitution and the individual's constitutional rights and responsibilities. The celebration of the bicentennial of the Constitution will also provide opportunity to educate the young and the old alike on the law and government. The commemoration of the

bicentennial is an excellent time also to reaffirm America's belief in democracy and in the values which the Constitution has provided for America.

Your Committee has amended the bill as follows:

- (1) Provided January 1, 1985 as the date by which the governor must appoint the commission members;
- (2) Provided September 1, 1985 as the date for the commission to submit a comprehensive report with the commission recommendations for the commemoration of the bicentennial;
- (3) Replaced the language describing the duties of the commission in planning and implementing activities to commemorate the bicentennial with the language described in Public Law 98-101, Section 6b;
- (4) Made technical, non-substantive amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1394, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 106-84 Judiciary on H.B. No. 1949-84

The purpose of this bill is to make an appropriation in the sum of \$250,000 for fiscal year 1984-1985 to fund the Witness Security and Protection Program, which provides security and protection to government witnesses.

Your Committee has heard testimony from the Office of the Prosecuting Attorney of the County of Hawaii, the Police Department of the City and County of Honolulu, the Office of the Prosecuting Attorney of the County of Kauai, and the Office of the Attorney General in support of the need to continue funding the program.

Your Committee finds that providing protection assures the safety and comfort of victims and witnesses and increases the chance of witnesses testifying and the successful conviction of violent crime offenders.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1949-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 107-84 Judiciary on H.B. No. 2102-84

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii for the purpose of satisfying claims for legislative relief for overpayment of taxes, judgments against the State and settlement of claims, and other miscellaneous claims.

Your Committee has amended this bill to include seven additional judgments against the State and settlement claims in the total amount of \$1,175,447.99 and three miscellaneous claims in the total amount of \$5,814,182.79. The miscellaneous claims include interest refunds to Aloha Airlines, Inc. in the amount of \$1,911,727.53 and to Hawaiian Airlines, Inc. in the amount of \$2,285,085.31 and a claim under section 70-1111, Hawaii Revised Statutes, by the City and County of Honolulu in the amount of \$1,616,369.95.

This bill makes an appropriation in the total amount of \$7,933,493.64 for the payment of 21 claims.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2102-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2102-84, H.D. 1, and be referred to the

Committee on Finance.

Signed by all members of the Committee.

SCRep. 108-84 Consumer Protection and Commerce on H.B. No. 1789-84

The purpose of this bill is to empower the attorneys within the Department of Commerce and Consumer Affairs to exercise authority granted to the Attorney General and other county attorneys under section 92-51, Hawaii Revised Statutes, and to clarify the boards' and commissions' authority to impose fines in appropriate disciplinary cases.

Presently, section 92-51, Hawaii Revised Statutes, empowers the Attorney General and the responsible attorneys of the various counties to withhold records from public inspection when such records pertain to the preparation of the prosecution or defense of any action or proceeding, prior to its commencement, to which the State may be a party, or when such records do not relate to a matter in violation of law and are deemed necessary for the protection of a character or reputation of any person.

Since the prosecutorial function in disciplinary cases were transferred from the Attorney General to Regulated Industries Complaints Office legal staff, the latter has within its custody and/or control, records which may be withheld from public inspection under section 92-51, Hawaii Revised Statutes. By authorizing Regulated Industries Complaints Office legal staff to exercise authority granted under section 92-51, Hawaii Revised Statutes, records which were intended to be protected under section 92-51, Hawaii Revised Statutes, can continue to be protected by Regulated Industry Complaints Office legal staff and without the necessity of intervention by the Attorney General.

Secondly, the enabling statutes for various Boards and Commissions placed within the department for administrative purposes provide for the imposition of fines as appropriate remedies in certain disciplinary cases. Conspicuously absent from the enumeration provided in section 92-17, Hawaii Revised Statutes, is the authority to impose fines. The proposed amendment would more accurately and completely reflect the various options that are available to the Boards and Commissions in disciplinary cases.

Your Committee believes this bill will authorize the Regulated Industries Complaints Office attorneys to exercise authority granted under section 29-17, Hawaii Revised Statutes, to prevent the disclosure of documents and records in appropriate cases and authorize Boards and Commissions to impose monetary fines as appropriate relief in certain disciplinary cases.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1789-84 and recommends that it pass Second Reading, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 109-84 Health on H.B. No. 1933-84

The purposes of this bill are to merge the state health planning and development agency (SHPDA) into a health care cost control agency, require the health care cost control agency to have the primary objective of controlling costs, abolish the review panel and subarea councils, and replace the existing criteria for certificate of need approval with criteria more relevant to health care cost control.

Your Committee in the standing committee report for House Bill No. 2255-84 has provided a limited discussion of some of the urgent reasons to seek to control health care costs, whose rapid rise is so great as to disrupt society's resources and threaten to differentiate among economic classes as to the quality of care.

Much more could be said on this subject, but it is sufficient here to say that vigorous action is needed to restrain costs. Unfortunately, in the voluminous literature on health care cost control, few strategies have been identified as effective.

In the current national debate over health care cost control, recommendations for changes in health care financing fall into two groups: competitive and regulatory.

Competitive strategies for the most part remain untried or, where they are proposed, are fiercely resisted by professional groups.

Regulatory strategies have a longer track record, but not a very satisfactory one. One of the oldest, health facilities planning and capital expenditure control, remains a subject of debate as to efficacy. Part of the reason for this is that the legislation which created health planning has diverse goals, including both capital expenditure control and improvement of access to health care services.

Hawaii's existing health planning and development law embodies this same confusion of goals, inasmuch as it is closely modeled on the national legislation. Following interim hearings and study, your Committee has concluded that the operations of SHPDA will be improved by clearer statements of purpose in the law.

Initially, your Committee proposed merging SHPDA into a new agency which would have the sole objective of cost control. SHPDA in hearings argued persuasively that this would too greatly distort its function. Following further discussion, your Committee amended this bill to accomplish the purpose of providing proper guidance on matters of cost control to SHPDA without doing violence to its existing structure.

Generally, the existing health planning law is amended to provide: (1) a new function of cost control as a principal duty of SHPDA, with additional authority to perform this function; (2) a requirement that SHPDA report annually to the legislature on methods of controlling health care costs; (3) a planning process that looks toward the economical delivery of health care; (4) new and more stringent criteria for the granting of certificates of need for health care services and facilities; and (5) elimination of existing lengthy and ill-understood certificate of need review criteria.

The major amendments to the bill, as received, are the following:

- (1) Retention of SHPDA as an independent agency, as discussed previously.
- (2) Retention of the review panel and subarea councils. These bodies have testified that they perform functions valuable for the public interest and your Committee agrees with the sentiment.
- (3) Alteration of the statewide health coordinating council by reducing the maximum membership from thirty to twenty and deleting the rigid criteria of composition. Your Committee has added a provision that the terms of all members of the council shall end on June 30, 1985. The governor is to appoint members after that date in accordance with the new composition requirements.
- (4) Require the state health services and facilities plan to emphasize the economical delivery of health services. Your Committee intends that SHPDA be primarily responsible for establishment and revision of the plan and that the statewide health coordinating council's role be secondary, but in compliance with federal law.
- (5) Change the purpose of the annual implementation plan to conform with the basic intent of this bill.
- (6) Require each application for a certificate of need to include information on the impact of the proposed action on health care costs.
- (7) Replace the criterion for certificate of need review proposed for section 323D-43(b)(3), Hawaii Revised Statutes, in the bill, as received. That criterion has been replaced by "the cost of the facility or service will not be unreasonable in the light of the benefits it will provide and its impact on health care costs".
- (8) Streamline the certificate of need review process by limiting the statewide health coordinating council's review to the recommendation of the review panel, instead of the entire application.
- (9) Repeal SHPDA's authority to grant approval or a revised certificate of need for expenditures over the maximum amount specified in a certificate of need.

(10) Repeal SHPDA's authority to increase unilaterally the statutory expenditure minimums for certificate of need review.

(11) Allow SHPDA to decertify health care facilities and services which are redundant, excessive, or inappropriate.

Your Committee expects SHPDA to aggressively implement the new functions and duties and anticipates that future sessions of the legislature will be enlivened by informed discussion of means to control relentlessly rising health care costs.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1933-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1933-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 110-84 Health on H.B. No. 1636-84

The purpose of this bill is to appropriate \$2,700,000 for fiscal year 1983-1984 to equip the new Hilo Hospital, which is intended to serve as the major medical center for the Island of Hawaii.

Your Committee finds that the new Hilo Hospital, a replacement for one currently serving the island, can be made ready for use in July 1984 if new equipment needed for hospital services and operations can be procured. Since new equipment purchases require lead time to be appropriately processed, State funds for the current fiscal year are needed to ensure their timely arrival.

Your Committee acknowledges receipt of a letter from Governor George R. Ariyoshi dated February 10, 1984 which describes the conditions that justify the bill's appropriation. Most importantly, the letter also concludes that the bill is deemed by the Governor to be urgent and appropriate for immediate passage pursuant to Article VII, Section 9 of the State Constitution. Your Committee has amended this bill to include this declaration as section 1 of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1636-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1636-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 111-84 Health on H.B. No. 2255-84 (Majority)

The purposes of this bill are to abolish the state health planning and development agency (SHPDA), establish a Hawaii hospital commission, authorize the commission to regulate revenues and rates of hospitals, and transfer to the commission functions concerning health planning and development and licensure of hospitals and require the coordination of these regulatory powers to control the costs of hospital care.

One of the more compelling problems facing our society is the high cost of health care. It now consumes more than ten per cent of the gross national product, and there is every reason to believe that if the trends of the last two decades continue, the share will grow larger to the detriment of economic development and social welfare expenditures.

The high costs of health care are attributable in part to the third party payment system which pays for the health care of nearly all of the people. The system, while socially and financially necessary, has the perverse influence of shielding consumers from a real awareness of the costs involved when receiving health care. It is entirely understandable that people should wish for the highest standards of care, but a lack of consideration of costs results in indiscriminate utilization and renders vain the reliance on traditional economic competition concepts to reduce costs.

Thus, government regulation is a necessity and, even more, an obligation.

It is much less understandable that the billions lavished on health care produce little measurable increase in the quality of life. On the contrary, there is much evidence that money invested in reduction of environmental hazards would be much more likely to improve the health of the population.

All major third party payors are concerned and urge a variety of actions to inhibit the growth in health care costs. And, government has reached the end of its tether. Medicare, the health insurance program for the elderly, projects a deficit of \$300 billion within a few years, notwithstanding the fact that the program has just instituted the most radical change in health care financing in nearly two decades.

Even in Hawaii, where health care costs are moderate by comparison with other states, Medicaid, which pays for the care of poor people, has grown so rapidly that it has become necessary to reduce payments to providers of care.

Conscious of these facts, your Committee during past and the present sessions embarked on an assessment of strategies for controlling health care costs. The conclusion was that few of the strategies thus far suggested during the protracted debate are successful. Indeed, the only one that has been confirmed to be reliable is hospital rate regulation, originally enacted in northeastern states with some of the nation's highest costs of care, and now spreading slowly to other states.

Costs of hospital care are particularly high, and for a number of years have increased faster than the underlying rate of inflation by a large margin. There is no indication whatsoever that this trend will be abated. Your Committee, through this bill, addresses one component of health care costs. This bill proposes a solution to the problem of increasing hospital care costs by establishing for Hawaii a variation of the regulatory scheme proven effective in other states.

During the Regular Session of 1983, the legislature approved an appropriation for the state health planning and development agency to develop an all-payors hospital rate regulation system suitable to the State of Hawaii. An all-payors rate regulation system requires everyone liable for payments for hospital care, including governments, insurers, and individuals, to pay the same rates, with no indirect subsidization by one payor for another.

SHPDA entered into a contract with Lewin and Associates, a Washington, D.C. based consulting firm widely known for its expertise on a wide range of health issues. This bill is the product of that contract. It was drafted by a professor of hospital finance at Johns Hopkins University who has background in economics and law and who also is a member of the Maryland health care cost control commission. The bill, as received, proposes creation of a hospital rate regulation commission which, in addition to rate setting, would perform the functions of SHPDA, and provides for a standby system of rate regulation, in which the commission would establish a statewide hospital revenue limit and leave it to the hospitals' collective initiative to keep costs below the limit. Exceeding the limit would trigger rate regulation.

Your Committee heard testimony from the author of the bill and representatives of the health care industry and came away more convinced that a rate regulation system must be established.

Your Committee has amended the bill to ensure equity among payors, an important principle which puts an end to the shifting of costs by hospitals from one class of payors to another. In the initial year of implementation, this provision could cause Medicaid costs to increase since Medicaid now does not pay the full costs of its incurred obligations and is, in effect, being subsidized by other payors. Thereafter, however, all payors would benefit from a moderation in rate increases.

Your Committee has amended the bill further to provide a formula for the statewide revenue limit which is calculated to meet Medicare standards for participation in state rate regulation systems and to provide that the bill shall not take effect until such time as approval of Medicare participation is obtained. This precludes the possibility that a rate regulation system would go into effect which applies only to one or two of the major payors and continues in altered, but no less diminished, form the cost shifting among payors.

The rate regulation system envisioned in the bill is deliberately designed to intrude as little as possible on hospital management and operations, the steps to be taken to achieve compliance with the statewide revenue limit being left entirely to the hospitals. It is the intent of your Committee that, if the revenue limit is exceeded and rate regulation is triggered, the rate regulation should apply only to those hospitals that exceeded the rate of increase allowed for the statewide revenue limit. There should be no regulation of hospitals that remained below the rate of increase.

Your Committee, upon consideration, concluded that while there is charm to the merger of rate regulation and health planning functions, there is no urgency to the merger, particularly as your Committee is recommending in related proposed legislation substantial changes in the functions and operations of SHPDA. Thus, your Committee has amended the bill to retain SHPDA in its present semiautonomous status, but to leave with the commission the duty to set a statewide capital expenditure limit which would be binding on SHPDA's administration of the certificate of need program. This action should not be construed as a compromise of your Committee's conviction that capital expenditures and hospital rates are related. Nor should it be construed as absolving SHPDA of consideration of the effects of capital expenditures on rates. Rather, the statewide capital expenditure limit is retained as the mechanism for coordination between the commission and SHPDA toward the effort to reduce the rate of increase of hospital care costs.

Your Committee also has made the following amendments to the bill, as received:

(1) References to the power of the commission over capital expenditures have been deleted, except for the provision previously mentioned concerning establishment of a statewide limit on capital expenditures.

(2) Membership of the commission has been reduced from seven to three members. This amendment is intended to promote maximum efficiency by reducing the potential for divisiveness on the commission.

(3) The assessment on hospitals to pay for the operating costs of the commission has been deleted. Deletion of the provision will require the commission to be funded by general revenues. Thus, an appropriation of \$250,000 in general revenues for the commission has been included in the bill, as amended.

(4) Opportunity by hospitals to voluntarily comply with the statewide revenue limit is made mandatory, instead of discretionary. This amendment conforms to the original intent of the bill.

(5) Responsibility of the commission for licensing and regulating hospitals has been deleted. The amendment will have the effect of maintaining the department of health's responsibility over the matter. Your Committee feels that the commission should not be burdened with this extra duty. Provisions of the bill, as received, which conformed various statutes to reflect the transfer of responsibility originally proposed have been deleted.

(6) Various provisions relating to the internal operations of the commission have been deleted. The deletions do not affect the main purpose of the bill: the regulation of hospital revenues and rates.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2255-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2255-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Tom and Jones did not concur.)

SCRep. 112-84 Employment Opportunities and Labor Relations on H.B. No. 1133

The purpose of this bill is to amend Section 396-7 of the Hawaii Occupational Safety and Health Law by amplifying the employer's obligation to inform and protect employees from exposure to toxic materials and harmful physical agents.

Your Committee on Employment Opportunities and Labor Relations is in agreement with the Department of Labor and Industrial Relations that information pertaining to toxic materials and harmful physical agents must be made obviously available in

the work place whenever possible. However, several members expressed concerns over the burden being placed solely on the employer. Your Committee decided that the employer cannot be responsible for investigating and determining which chemicals are potentially hazardous. Consequently, it was decided that employers should be responsible for posting only such information which is readily available to them. As such, your Committee added the phrase "which is readily available" after the word "information" on line 6. Further amendments include deleting the word "potentially" and adding the word "recognized" in line 4 and deleting the word "his" and adding the words "the person's" in line 12.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1133, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 113-84 Employment Opportunities and Labor Relations on H.B. No.
1746-84

The purpose of this bill is to assign the cost of unemployment compensation more equitably and protect program solvency by increasing the maximum contribution tax rate. The bill also seeks to charge extended benefits paid to claimants directly to employers' accounts rather than the Unemployment Insurance Trust Fund.

H.B. No. 1746-84 originally intended to increase the maximum contribution tax rate from the present 4.5% to 5.5% effective January 1, 1985; 6.5% effective January 1, 1986; and 7.5% effective January 1, 1987 and thereafter; and to set the maximum tax rate for new employers at 5.5%. However, on February 8, 1984, the Department of Labor and Industrial Relations received word from the U.S. Department of Labor with respect to rate differential established for negative balance employers. According to provisions of Section 3303 (a) (1) of the Federal Unemployment Tax Act (FUTA), provision must be made under a state employment insurance law's experience rating system for rate differentials between the law's minimum rate and maximum rate which reasonably reflects variations of the experience of individual employers with respect to employment or other factors directly related to unemployment risks. The rate differential established for negative balance employers is grossly disproportionate as compared to the various rates assigned to the positive rate employers and would not meet the test that "rate differentials reasonably reflect variations of the experience of individual employers with respect to employment or other factors directly related to unemployment risks."

As a result, the basic tax rate schedule was revised to provide various rates to negative balance employers. In keeping with the advisory from the U.S. Labor Department, the State is proposing a maximum basic contribution rate of 5.4%. In addition, they are proposing a rate differential of 0.6% assigned to each level of tax rates above 3.0%.

Your Committee has opted for a maximum basic contribution rate of 5.4% rather than the original 5.5% because 5.5% will require differential of 0.7%, which may not meet the FUTA requirements.

Your Committee has also amended the proposed basic contribution tax rate for new or newly covered employers from the 5.5% to 3.6%, the maximum rate for positive employers since it appears fairer to assign a positive rate to these employers rather than rates assigned to negative-rated employers. Including the fund solvency rate, no employer's tax will be more than 5.4% and no negativated employer's tax rate will be below his basic contribution rate.

An amendment is also being made to increase the standard rate from 3.0% to 5.4% beginning calendar year 1985 to conform the FUTA definition.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1746-84, as amended herein, and recommended that it pass Second Reading in the form attached hereto as H.B. No. 1746-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 114-84 Housing on H.B. No. 2246-84 (Majority)

This bill would amend Chapter 519, Hawaii Revised Statutes, by adding a findings and purpose section and by altering the formula for determining the amount of residential lease rent payable pursuant to lease rent renegotiation. Clarifying language is also added to specify that any such renegotiation shall take place at such time as specified in the lease document, but in any event no more frequently than once every fifteen years.

Testimony received in support of the bill indicated that, for one thing, the present formula utilizing "owner's basis" results in under-valuation of the lessee's interest in the leasehold and over-valuation of the lessor's interest. A formula which increases lease rents from a set starting point and by a set percentage rather than upon a determination of owner's basis would be fairer method of computation and would, moreover, obviate the need for costly appraisals, lawyers, arbitration and the State's intervention in the residential lease rent renegotiation process as is currently the case. In addition, the computation approach contained in the bill would provide a measure of predictability and stability that the lease rent renegotiation process presently lacks.

Testimony revealed that a major problem with the owner's basis formula under current law is that determination of owner's basis relies on continually changing factors in the marketplace, thus introducing a large measure of uncertainty as to the level of future lease rents. Furthermore, the formulation of owner's basis utilizing these factors does not provide an appropriate reduction in the owner's basis for the amount of that basis attributable to the lessee which has resulted in lease rents in excess of those being offered new lessees in similar circumstances, as well as in excess of levels affordable to many lessees. Moreover, the utilization of marketplace factors, to the extent these factors reflect appreciation of the asset, is not an appropriate method to calculate lease rent increases, since such factors are appropriate to a calculation of the sale of the asset itself.

Your Committee finds that deleting owner's basis from the formula and replacing it with the lease amount in effect at the time of renegotiation would provide fixed levels of increases in lease rents per year, would alleviate the aforementioned concerns and problems and would be consistent with the State's objective of providing affordable housing to all its residents.

Discussion to determine the appropriate multiplier percentage to be included in the formula centered on whether or not a ratio involving the Consumer Price Index would be preferable to a fixed percentage rate. Testimony indicated that rather than the 3% rate currently in the bill, a ratio based on the United States Consumer Price Index would be a more accurate indicator of how much more a good or service, in this case, lease rents, should cost at the time of renegotiation and would utilize a measure with a high level of credibility. Another proposal was to use 5.5% as the multiplier, analogizing the lease rent increase with the interest paid on a passbook account. Since your Committee was concerned with providing a level of predictability in lease rent increases, your Committee has amended the bill by adopting the 5.5% multiplier, rather than the Consumer Price Index. A fixed percentage rate of increase was considered preferable to lease rent increases based on the Consumer Price Index, since a formula based on a changing Index would retain the current problem of uncertainty future lease rents.

Further, your Committee has adopted the recommendation of the Hawaii Housing Authority to include a provision in the bill enabling lessors to automatically receive fixed yearly increases in the lease rent amount for each year of the lease in question, following the initial lease rent renegotiation pursuant to the formula contained in the bill.

To clarify any ambiguity regarding the renegotiation period to be used in the formula, the terms "renegotiation" and "reopening" referred to in the formula shall mean renegotiations or reopenings occurring subsequent to the effective date of the bill.

In keeping with the above recommendations, your Committee has amended Section 3 of the bill by amending paragraph (a)(2) to reflect the five and one half per cent (5.5%) multiplier percentage and by adding the provision for an automatic lease rent increase of 5.5% per year which shall read as follows:

"(2) Upon renegotiation, the lease rent payable shall not exceed the amount derived by multiplying the amount of the lease rent being paid at the time of the

reopening by five and one half per cent (5.5%) compounded annually for every year that said rent has been in effect up to the date of renegotiation. For the year following said renegotiation, and for every year thereafter, the lease rent payable shall increase by 5.5% over the lease rent of the preceding year. ["owner's basis by four percent. For purposes of this section, "owner's basis" means the current fair market value of the lot excluding onsite improvements, valued as if the fee were unencumbered; less the lessee's share, if any of the current replacement cost of providing existing offsite improvements attributable to the land, which replacement cost shall include an overhead and profit not exceeding twenty per cent of the current replacement cost of the existing offsite improvements, or less the original lot development credit to the lessee, whichever is greater. For purposes of this section, "offsite improvements" means all physical improvements such as, but not limited to, roads, sewer lines, sewage treatment plants, and underground utility cables, constructed or placed in a subdivision or development off the land intended for occupancy, which improvements are to be used in common by occupants of all lands adjoining such improvements or by occupants of all lands for whose benefit the improvements have been constructed or placed; and "onsite improvements" means all physical improvements placed on a residential lot intended for occupancy which improvements are for the benefit of occupants of that lot, including but not limited to, dwelling units, garages, service buildings, stairs, walkways, driveways, walls, trees, shrubs, landscaping, and pools.

(b) In the event that parties to a lease are unable to achieve an agreement under any reopening provision, the Hawaii Housing Authority or its designee shall arbitrate, and its findings shall be binding and conclusive on both parties.]"

Your Committee has also made numerous changes to the findings and purpose section of the bill to reflect more accurately the legislative intent.

Your Committee on Housing concurs with the intent and purpose of H.B. No. 2246-84, H.D. 1 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2246-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Andrews and Morgado did not concur.)

SCRep. 115-84 Corrections and Rehabilitation on H.B. No. 2397-84

The purpose of this Act is to appropriate out of the general revenues of the State of Hawaii the sum of \$130,000, or so much thereof as may be necessary for fiscal year 1984-1985, for a residential program serving females incarcerated in Hawaii's correctional facilities, to be administered by the John Howard Association of Hawaii. The funds appropriated shall be expended by the Department of Social Services and Housing.

Your Committee finds that the overcrowded conditions and absence of programs at Hale No Na Wahine, demands immediate attention to help alleviate this situation.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 2397-84 and recommends that it pass Second Reading and referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 116-84 Employment Opportunities and Labor Relations on H.B. No. 2248-84

The purpose of H.B. No. 2248-84 is to appropriate \$8,810 to fund a series of conferencing activities to address the issue of statewide employment planning needs and to identify the scope, content, and directions to be addressed in a comprehensive employment plan for Hawaii.

After hearing testimony in support of H.B. No. 2248-84 from the Department of Labor and Industrial Relations, the Commission on Manpower and Full Employment, Department of Planning and Economic Development and the State Director for Vocational Education, your Committee concurs that to achieve the goal of comprehensive employment planning, it is first necessary to obtain a consensus on

the scope and content of a statewide employment plan, the interrelationship of its parts, and the overall themes that guide its development. To obtain such a consensus, a comprehensive conference should be held to direct the planning and implementation of economic development and employment opportunities in Hawaii. Such a conference could focus on the areas of tourism, agriculture, electronics, aquaculture, alternate energy and emerging technology such as computers. In order to maximize the use of tax dollars, your Committee recommends that such conferences be held in conjunction with other conferences on tourism and economic development.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2248-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 117-84 Employment Opportunities and Labor Relations and Judiciary
on H.R. No. 61

The purpose of this resolution is to reaffirm the legislature's commitment to equal opportunity and to request that every state department develop a departmental affirmative action plan which will conform to the State Affirmative Action Plan introduced in 1980. Each department is further requested to submit its affirmative action plan to the legislature at least sixty days before the next legislative session is convened.

Your Committees wish to express their unwaivering support for the ideals of Affirmative Action and equal employment opportunities. Therefore, your Committees urge all departments of the State government to actively pursue policies which will turn the goal of equal opportunity into a reality. Your Committees request that the state government take the lead in insuring equal employment opportunities for all of Hawaii's people.

Your Committees on Employment Opportunities and Labor Relations and Judiciary concur with the intent and purpose of H.R. No. 61 and recommend it be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Albano.

SCRep. 118-84 Ocean and Marine Resources on H.R. No. 63

The purpose of this resolution is to request the United States Navy to make available a small part of the inner harbor and land of Midway Island to be used as a base for American fishermen.

Your Committee finds that the future of Hawaii's commercial fishing industry lies in the development of the vast fishing resources in the area north of Midway, including the Northwest Hawaiian chain. Your Committee further finds that some of the major problems in the fishing industry is the lack of fisheries base at Midway Island and the great distance between the albacore fishing grounds to the nearest cannery (Honolulu, 1,300 miles), which contribute to the marginal economic viability of the long-range fishing activities based in Honolulu.

Your Committee believes that this resolution will provide the necessary impetus to sustain the fishing industry in Hawaii.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 63 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 119-84 Ocean and Marine Resources on H.C.R. No. 15

The purpose of this concurrent resolution is to request the United States Navy to make available a small part of the inner harbor and land of Midway Island to be used as a base for American fishermen.

Your Committee finds that the future of Hawaii's commercial fishing industry lies in the development of the vast fishing resources in the area north of Midway, including the Northwest Hawaiian chain. Your Committee further finds that some of the major problems in the fishing industry is the lack of fisheries base at Midway Island and the great distance between the albacore fishing grounds to the nearest cannery (Honolulu, 1,300 miles), which contribute to the marginal economic viability of the long-range fishing activities based in Honolulu.

Your Committee believes that this concurrent resolution will provide the necessary impetus to sustain the fishing industry in Hawaii.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 15 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 120-84 Judiciary on H.B. No. 1991-84

The purpose of this bill is to establish a fund from the forfeitures of money and property used in criminal acts. Moneys from this special fund shall be used to provide funds to combat organized crime, especially with respect to the unlawful trafficking in controlled substances, unlawful gambling activities and unlawful pornographic and prostitution-related activities, and may include payment of overtime to investigators working on organized crime investigations.

Your Committee has heard testimony from the Hawaii Prosecuting Attorneys Association and the Police Department of the City and County of Honolulu in support of this bill.

Your Committee finds that establishing the special fund would increase the investigative capabilities of local law enforcement agencies without placing an excessive burden on their limited resources. The effect of the bill would be to have those involved in criminal activity pay for the special law enforcement efforts to uncover, investigate, and prosecute criminals involved in organized criminal activity.

Your Committee has amended the bill by clarifying that the fund shall be expended only by the county police departments and the Office of Narcotics Enforcement of the State Department of Health and that the moneys expended may be used for payment of overtime to their investigators.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1991-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1991-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 121-84 Education on H.B. No. 1920-84

The purpose of this bill is to appropriate \$5,000,000 for the repair and maintenance of public schools.

The Department of Accounting and General Services, in conjunction with the Department of Education, has identified a total of \$40 million of repair and maintenance work in the Department of Education for the 1983-85 biennium. The total BUF 101 appropriation for all of the State's repair and maintenance projects in 1983-85 biennium is \$3.8 million. Consequently, the Department of Education's share would be only a fraction of its needs.

Your Committee feels that an attractive school environment positively complements learning, and will promote a positive attitude in students who will then take more pride in their schools and themselves.

Your Committee has been informed by Mr. Hideo Murakami, Comptroller of the State of Hawaii, that an additional \$10 million can be utilized to contract out in fiscal year 1984-85 for the statewide repair and maintenance of public schools.

Your Committee has therefore amended this bill by increasing the amount of the appropriation for the statewide repairs and maintenance of schools to \$15 million.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1920-84, 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. 1920-84, H.D. 1.

Signed by all members of the Committee.

SCRep. 122-84 Education on H.B. No. 1921-84

The purpose of this bill is to amend the School Priority Fund Act to allow the use of the Instructional Resource Augmentation (IRA) positions in the intermediate school levels of the public school system.

Your Committee finds that the intermediate level of the public school system, defined as grades 7 and 8, has suffered from an inequitable distribution of resources. Further, the Superintendent's Task Force on the Intermediate School (July, 1982) has reported that the intermediate level of schooling presents particular problems which must be addressed with some degree of immediacy:

These are a slower rate of progress in basic skills achievement, especially in reading, among intermediate students in comparison with the progress of elementary students; increasing violence and vandalism in the intermediate grades; and increasing alienation from school among intermediate students.

Your Committee finds that this bill will allow for additional resources to be directed to the needs of the intermediate schools without affecting the general fund ceiling afforded the Department of Education by the Executive. This bill allows for the use of up to ten per cent of the Instructional Resource Augmentation positions by the intermediate schools. The distribution of these positions will be made by the District Superintendents on a competitive project proposal basis.

Your Committee is in agreement with the intent of this bill. However, an amendment has been made to ensure that School Priority Fund moneys may continue to be used by all levels of the public educational system (elementary, intermediate, and high schools). Your Committee has further amended this bill to allow greater flexibility in the use of the moneys allotted to each district by eliminating the mandate that the district reserve be first used to finance continued participation in the Hawaii English Program. Also, we have amended this bill to allow the District Superintendents greater flexibility in the use of the IRA positions by allowing the fractionating of individual positions.

Your Committee has also made technical, non-substantive amendments to this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1921-84, 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. 1921-84, H.D. 1.

Signed by all members of the Committee.

SCRep. 123-84 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2194-84

The purpose of this bill is to allow, upon the death of a lessee of a homestead grant awarded by the Department of Hawaiian Home Lands, payment of net proceeds for lessee improvements to the spouse and children who are not qualified to succeed in the leasehold.

Current statutes permit pay-out of net proceeds only upon cancellation or surrender of a leasehold interest. When a lessee dies, leaving a spouse or children not qualified to succeed to the homestead interest, and there are no qualified relatives to succeed, the lease is cancelled and the pay-out of the net proceeds is made to the legal representatives of the deceased lessee. However, should the lessee die, having a spouse or children not qualified to succeed to the homestead, and there are qualified relatives to succeed to the homestead, no such pay-out is authorized. According to testimony by the Department of Hawaiian

Home Lands, more and more native Hawaiians with non-native Hawaiian spouses and children are receiving homestead awards. When such lessees are unable to provide for their immediate families upon their deaths, the only feasible alternative would be to surrender their homestead interests.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2194-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 124-84 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2195-84

The purpose of this bill is to allow the Department of Hawaiian Home Lands to make licenses for mercantile establishments available to all native Hawaiians by removing existing specification that licenses be granted only to current homestead lessees.

Current statutes specify that mercantile licenses for uses, such as theaters, service stations, markets and stores, may be issued only to current lessees of Department of Hawaiian Home Lands homesteads, thereby excluding native Hawaiians who are not lessees. According to testimony, the bill would bestow benefits upon as many native Hawaiians as possible, and not only upon those who are lessees.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2195-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 125-84 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2079-84

The purpose of this bill is to appropriate moneys for the acquisition of Makena Big Beach on Maui by purchase, by proceedings in eminent domain, by land exchange, or by other innovative means.

Your Committee is in agreement that the concept of a State park at Makena Big Beach is widely supported, especially by the Maui County Council and administration and by other residents of Maui who view the area at Makena as a source of recreation and enjoyment for generations of residents and visitors alike. Its unspoiled beauty cannot be replaced and must be maintained in its natural surroundings.

Your Committee recommends that the amount of the appropriation be left blank so that the matter could be considered by the Committee on Finance.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2079-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 126-84 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2021-84

The purpose of this bill is to amend Act 300, Session Laws of Hawaii 1983, by deleting:

(1) The last paragraph of Section 3 thereof. This deletion is proposed to avoid the impression that Aloha Studios is a government agency. The paragraph to be deleted says that Aloha Studios shall be part of the Department of Budget and Finance for administrative purposes; and

(2) Section 4 of the Act in its entirety. This section originally appropriated \$10,000 to provide support services to Aloha Studios. The appropriation was vetoed by the Governor, making the section unnecessary.

Act 300, Session Laws of Hawaii 1983, authorizes the Department of Budget and Finance to issue special purpose revenue bonds in a total amount not to exceed \$10,000,000 in one or more series for the purpose of assisting Aloha Studios, a Hawaii corporation, in the generation of new capital for the establishment of industrial enterprise facilities relating to the performing arts, including film and sound studios, post-production facilities, machinery, equipment, furnishings and apparatus, related activities and services, and support facilities.

Your Committee agrees that the proposed amendments to Act 300 are desirable. They would prevent confusion as to the status of Aloha Studios and would delete an unnecessary section in the Act.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2021-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 127-84 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2111-84

The purpose of this bill is to amend Section 10-4, Hawaii Revised Statutes, in order to allow the Office of Hawaiian Affairs the authority to engage in trade and business, including joint ventures and subsidiary corporations.

According to testimony by the Office of Hawaiian Affairs, the current language of Section 10-4 does not explicitly allow the Office to engage directly in participating in consortiums, partnerships, and joint ventures. The bill would permit such participation.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2111-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 128-84 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2192-84

The purpose of this bill is to allow the Department of Hawaiian Home Lands to develop multi-family dwelling units on its residential lands.

Current statutes restrict grants of residential homestead leases by the Department of Hawaiian Home Lands only in the form of subdivided lots. According to testimony, the Department needs greater flexibility to explore alternative development models in order to hasten the process of grants of these homestead awards. The bill would diversify the types of residential units to be made available to potential lessees, accelerate the rate of the grant awards, and reduce the cost of land development and home ownership.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2192-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 129-84 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2113-84

The purpose of this bill is to appropriate funds for the Department of Planning and Economic Development to plan, organize, and convene a statewide conference on economic development in Hawaii.

According to testimony, there is a need to provide for a public forum for the discussion of Hawaii's future growth, trends, and directions for the economy of Hawaii. Your Committee is in agreement that the concept of a "Future Hawaii" conference on economic development is a step in the right direction and that funds should be appropriated in support of the bill.

Your Committee is of the opinion that the proposed appropriation amount of \$50,000 is not necessary. A lower amount of \$10,000 is therefore recommended.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2113-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2113-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 130-84 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2110-84 (Majority)

The purpose of this bill is to amend Section 201-3, Hawaii Revised Statutes, by deleting the effective time period in which the Department of Planning and Economic Development may be the central agency to coordinate film permit activities in the State. Presently, Section 201-3 allows for the effective period to extend from June 9, 1983 to June 30, 1984.

According to testimony by the Department of Planning and Economic Development, there is a need to develop a "one-stop" permit system; however, the Department is reluctant to issue the permits and to determine the permit fees for other jurisdictions. The Department is not a regulatory agency and has no desire to issue any permits.

Your Committee is in agreement with the testimony. Therefore, it recommends an amendment to the bill, on page 5, by deleting lines 5 to 19, beginning with the phrase "and may, subject to". This deletion makes the Department a film permit coordinating agency, not a permit issuing agency.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2110-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2110-84, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 131-84 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2193-84

The purpose of this bill is to allow the Department of Hawaiian Home Lands the option to enter into contracts for the maintenance of its water systems and for the billing and collecting of water fees from consumers.

According to testimony by the Department of Hawaiian Home Lands, this bill would clarify the authority of the Department to contract for services of local water supply departments or qualified private entities in performing tasks related to water system maintenance and customer servicing. Your Committee is in agreement that the bill would reduce costs to the Department's beneficiaries and to the State, without sacrifice of safety and efficiency.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2193-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 132-84 Water, Land Use, Development and Hawaiian Affairs and
Tourism on H.C.R. No. 35

The purpose of this concurrent resolution is to request from the Steering Committee for the Big Island Ocean Recreation and Tourism Project a status report, and from the Sea Grant Extension Service a five-year plan for developing Big Island ocean recreation opportunities available to residents and visitors.

Your Committees received a large number of testimony favorable to the purpose of the concurrent resolution. The Big Island's potential as a recreational retreat, especially in ocean-related activities, still remains a vast and untapped resource. The Steering Committee for the Big Island Ocean Recreation and Tourism Project is now in the process of setting developmental goals aimed toward the enhancement of recreational opportunities for residents and visitors alike. Moreover, your Committees are in agreement that the development of a five-year plan for developing Big Island ocean recreation opportunities is desirable.

Your Committees are of the opinion that two technical amendments to the concurrent resolution are necessary:

(1) To add the phrase "at least 30 days", in the third BE IT FURTHER RESOLVED paragraph, before the word "prior", in order to specify a time period for the submission of the five-year plan; and

(2) To include the Departments of Transportation and of Education as recipients of certified copies of the concurrent resolution, in the final BE IT FURTHER RESOLVED paragraph, in order to correct an omission.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and on Tourism concur with the intent and purpose of H.C.R. No. 35, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 35, H.D. 1.

Signed by all members of the Committees except Representatives Hee, Lardizabal, Takamine and Tungpalan.

SCRep. 133-84 Transportation and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1828-84

The purpose of this bill is to amend the definition of "special facility" in relation to harbor facilities, to specifically include facilities for the "processing and canning of fish and fish products"; to change the expiration date of harbor special facility bond issuance to June 30, 1987; and to delete the \$20,000,000 limit in regard to special facility revenue bonds for harbor facilities.

Your Committees find that, while the definition of "special facility" at present might include those for the "processing and canning of fish and fish products", the specific inclusion of the phrase would eliminate any question as to the intent of Section 266-51, Hawaii Revised Statutes.

Your Committees also find that the extension of the expiration date for the issuance of the bonds is in the best interest of the State. The deletion of the dollar limit for the bonds is also recommended so that further consideration regarding the amount could be given by your Committee on Finance.

Your Committees are of the opinion that conveniently located local fish processing facilities should be encouraged so that Hawaii can become and remain competitive in the rapidly expanding Pacific Ocean fishing industry.

Your Committees on Transportation and on Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1828-84 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hee, Lardizabal, Takamine and Tungpalan.

SCRep. 134-84 Health on H.B. No. 2182-84

The purpose of this bill is to appropriate \$29,000 for the planning of the community mental health system.

Your Committee finds that in 1983, the House of Representatives passed H.R. 473 calling for: 1) a needs assessment of community residential treatment facilities as an alternative and follow-up to the prohibitively expensive hospitalization of the mentally ill; and 2) a facilities plan and budget to implement community-based treatment for the mentally ill.

Pursuant to this resolution, an \$11 million, five-year plan entitled the "Community Residential Facilities Plan" was submitted by the Office of Community Support of the Mental Health Division, Department of Health. Your Committee has heard testimony offering unanimous support and commendation for the plan from such groups as the Hawaii State Mental Health Advisory Council, the Hawaii Nurses Association, and the Mental Health Association in Hawaii. It is considered a cost-effective alternative addressing the requirements of 50 percent of the state population at need.

Your Committee finds that an appropriation of \$29,000 as provided in this bill will enable the Office of Community Support to begin work with community mental health centers towards implementing the Community Residential Facilities Plan.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2182-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 135-84 Health on H.B. No. 2256-84

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Queen's Medical Center and Wahiawa General Hospital in financing or refinancing the acquisition of needed equipment.

Your Committee finds that prior legislative authorization of special purpose revenue bonds for health care facilities have resulted in considerable interest savings over the respective lives of each issue, which have benefitted those institutions, consumers, and the community at large. For example, your Committee heard testimony from Queen's Medical Center that the issuance of \$80 million in fixed-rate tax-exempt revenue bonds in 1982 and \$20 million in floating rate tax-exempt revenue bonds in 1983 resulted in estimated interest savings of \$90,162,872 and \$6,836,745 over the respective lives of each issue.

To obtain further benefits from the substantial interest savings expected to accrue from the issuance of tax-exempt special purpose revenue bonds, this bill authorizes \$5 million for Queen's which would be used for the routine replacement and addition of movable equipment for fiscal year 1985, and \$5 million for Wahiawa General Hospital for the routine replacement of equipment in fiscal year 1985 and possibly subsequent fiscal years.

Your Committee finds that this method of financing is a viable alternative to less cost-effective methods such as the use of operational revenues, expensive lease programs, and/or conventional debt financing, and will further the public interest in promoting lower cost health care.

Your Committee heard testimony and intends that the cost of equipment to be acquired through the resources provided by this bill, individually will be less than the threshold for a required Certificate of Need review.

Your Committee has amended this bill to correct a typographical error concerning the amount of bond funds to be authorized for Wahiawa General Hospital. The \$5 million in special purpose revenue bonds shown for Wahiawa General Hospital has been corrected to \$3 million.

Your Committee has also amended this bill by including, in the bond authorizations, the issuance of \$2 million in special purpose revenue bonds for G.N. Wilcox Memorial Hospital for replacement and addition of new equipment. Your Committee finds that this request for authorization, while advised by the State's bond council and the Department of Budget and Finance, was inadvertently overlooked in the drafting of this measure.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2256-84, as amended herein, and recommends that it pass Second Reading in the

form attached hereto as H.B. No. 2256-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 136-84 Health on H.B. No. 754

The purpose of this bill, as received by your Committee, is to: (1) delete the statutory expenditure minimum of \$250,000 for the operating costs of new health services as one of the thresholds above which a certificate of need review by the State Health Planning and Development Agency (SHPDA) would be required; (2) permit SHPDA, by rule, to adjust all of the expenditure minimum thresholds for certificate of need reviews; and (3) authorize SHPDA to impose an administrative fine on any person who violates the State's health planning statutes (Chapter 323D, HRS) or any SHPDA rule.

Your Committee finds that SHPDA currently lacks any means to enforce compliance with Chapter 323D or its own rules short of filing for injunctive relief through the courts (Section 323D-51) or by invoking the sanction for criminal misdemeanors (Section 323D-50). Your Committee believes that the authorization to levy an administrative fine provided for in this bill will assist SHPDA in encouraging compliance with pertinent statutes and rules.

Regarding the authorization for SHPDA to adjust the expenditure minimum thresholds for certificate of need reviews as provided in Section 1 of the bill, your Committee is reluctant to confer such broad discretion to SHPDA given the tremendous consequences for health planning and regulation that an adjustment of these thresholds could present. In view of the nonsubstantive impact of the other amendment contained in Section 1 of the bill which deletes the operating cost threshold, your Committee has determined that the amendments proposed in Section 1 are inappropriate or unnecessary and has therefore deleted the contents of Section 1 from the bill and renumbered the remaining sections accordingly.

Your Committee on Health is in accord with the purpose and intent of H.B. No. 754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 754, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 137-84 Health on H.B. No. 1895-84

The purpose of this bill is to include practitioners under State prescription dispensing and labelling statutes. The bill also makes numerous clarifications and reorganizations of the statutes for the sake of clarity and readability.

Your Committee finds that practitioners, who nationally are responsible for dispensing 12% of all prescriptions issued, are currently exempt from existing State statutory requirements relating to prescription dispensing and labelling, requirements with which pharmacists must now comply. Your Committee believes this bill is needed to correct this double standard and to ensure that prescription drugs are issued properly and utilized effectively by individuals.

Your Committee received testimony from the Hawaii Pharmaceutical Association which expressed support for the bill and recommended the exemption of professional sample drugs from the prescription requirements (at page 2, line 14 of the bill) and also recommended updating the terminology used at several places in the bill. Your Committee is in agreement with these numerous proposed technical amendments and has amended the bill accordingly. Your Committee made further nonsubstantive amendments to correct punctuation and to improve the readability of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1895-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1895-84, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 138-84 Health on H.B. No. 1979-84

The purpose of this bill is to appropriate \$115,231 for fiscal year 1984-1985 to support the provision of 24-hour emergency health services by the Waianae Coast Comprehensive Health Center.

Your Committee finds that presently there are no emergency room services from 12:00 midnight to 8:00 a.m. on the Waianae Coast, which has been federally recognized as a medically underserved area with a low-income population. The appropriation provided by this bill would subsidize the provision of emergency health services for the Waianae Coast from midnight to 8:00 a.m. only on week-ends, the time period during which emergency medical services are most needed in this area. Your Committee has heard testimony in support of this measure from the Director of the Department of Health of the City and County of Honolulu, from the Waianae Coast Comprehensive Health Center, and from residents of the Waianae Coast.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1979-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 139-84 Health on H.B. No. 1992-84

The purpose of this bill is to appropriate \$35,000 for fiscal year 1984-1985 to supplement funding of the Department of Health's Patient Employment Program which enables Hansen's Disease patients to be employed at any hospital, settlement, or place for the care and treatment of Hansen's Disease sufferers.

Act 183, Session Laws of Hawaii 1983, amended Section 326, Hawaii Revised Statutes, relating to the employment of Hansen's Disease patients at their treatment facilities, by raising the compensation paid to employed patients from a percentage of the State minimum wage to not less than the State minimum wage. Your Committee finds that this wage increase requires a supplemental appropriation of \$35,000 for fiscal year 1984-1985 in order to maintain the current number of hours in the Patient Employment Program.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1992-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 140-84 Health on H.B. No. 2184-84

The purpose of this bill is to extend the enabling legislation authorizing the issuance of special purpose revenue bonds under Section 39A-52, Hawaii Revised Statutes, by extending the sunset provision from June 30, 1986 to June 30, 1999.

Your Committee finds that tax exempt bonds, with their low interest rates, have proved to be a popular method of financing health care facilities. Since legislation authorizing such bonds was first enacted in June, 1980, your Committee finds that the cost savings thereby realized have benefited providers, consumers, and third-party payors of health care, and therefore agrees that the sunset provision should be extended beyond 1986. Your Committee finds, however, no justification for a 13-year extension and prefers a time period more similar to that of the enabling legislation. Your Committee has heard testimony from the Hospital Association of Hawaii also supporting an extension of the sunset provision that would provide a five-year period during which floating rate bonds currently being issued may be converted to fixed-rate bonds to take advantage of low interest rates. Your Committee has amended the bill accordingly, by extending the sunset provision to June 30, 1991.

Your Committee on Health is in accord with the purpose and intent of H.B. No. 2184-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2184-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 141-84 Health; Human Services; and Judiciary on H.B. No. 2013-84

The purpose of this bill is to increase the fees for issuing birth certificates, marriage licenses, and divorce actions. As stated in Section 1 of the bill, the intent of these fee increases is to generate new revenues that would be deposited into the general fund and then be appropriated to support child abuse and neglect primary prevention programs.

Your Committees find that the number of children in Hawaii reported as abused or neglected have tripled over the last ten years, from 1,079 cases in 1973 to 2,997 in 1982. However, although this problem has grown, primary prevention programs for child abuse and neglect have not been funded to their desirable levels because of the State's fiscal limitations.

Your Committees therefore find that this bill provides a much needed alternative source of funding for essential child abuse and neglect programs, and does so by increasing certain fees relating to child rearing without establishing a special fund or a new revenue collection and administration system.

With regard to fees for birth certificates, your Committees received testimony from the Department of Health that the amount of such fees are currently set by administrative rule pursuant to Section 388-14, Hawaii Revised Statutes, and that a statutorily established fee amount would restrict the Department's flexibility in this regard. The Department further testified that the bill inappropriately proposes to amend Section 338-42, which pertains to the old-style "Hawaiian Birth Certificates" only. Your Committee has therefore amended this bill by deleting Section 2 of the bill which pertains to birth certificate fees and by raising the proposed fees for divorce actions to \$40, which should help compensate for foregone birth certificate fee revenues. The sections of the bill have also been appropriately renumbered, and a typographical error on page 10, line 13 was corrected.

Your Committees on Health, Human Services, and Judiciary are in accord with the intent and purpose of H.B. No. 2013-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2013-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 142-84 Consumer Protection and Commerce on H.B. No. 1815-84

The purpose of this bill is to amend Section 26H-4, Hawaii Revised Statutes, to delete the repeal of Chapter 448 relating to the Board of Dental Examiners, and providing for the extension of the Board of Dental Examiners for six years expiring on December 31, 1990.

Dr. George Uesato, Chairman of the State Board of Dental Examiners, testified in support of the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1815-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 143-84 Judiciary on H.B. No. 1721-84

The purpose of this bill is to amend sections 574-5 and 574-6, Hawaii Revised Statutes to require that a notice for a change of name signed by the Lieutenant Governor be published once in a newspaper of general circulation. The bill also requires the petitioner to deposit an affidavit executed by an officer of the newspaper publishing the notice that it has been published.

The bill further provides that the change of name shall be effective upon the date of the publication of the notice of the change of name. All cases of change of name by order of the Lieutenant Governor shall be recorded in the Bureau of Conveyances and reported to the registrar of birth within sixty days after the

signing of the order. The Lieutenant Governor also shall promulgate rules in conformance with chapter 91 of the Hawaii Revised Statutes.

Under present law, it is the order of change of name signed by the Lieutenant Governor that is published, and the change of name becomes effective upon the signing of the order by the Lieutenant Governor.

Your Committee received testimony from the Office of the Lieutenant Governor that there are many instances where the change of name may be valid because a petitioner has an order of a change of name signed by the Lieutenant Governor but that the change of name may be defective because the petitioner has failed to publish the order in a newspaper of general circulation thereafter.

Your Committee finds that the proposed changes to the present law will provide the public reasonable notice that a petition for a name change has been granted by the office of the Lieutenant Governor and that these proposed changes will meet the requirement for validity.

Your Committee has amended the bill by requiring that the petitioner for a change of name, within sixty days of the signing of the notice of change of name by the Lieutenant Governor, shall deposit an affidavit executed by an officer of the newspaper that the notice has been published. Your Committee has also provided that failure to deposit the affidavit shall void the petition for the change of name by the petitioner.

Your Committee also has made technical, non-substantive amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1721-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1721-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 144-84 Judiciary on H.B. No. 79

The purpose of this bill is to extend the exclusive jurisdiction to the several circuit courts of the State and the several district courts of the State over all actions brought under chapters 661 and 662 of the Hawaii Revised Statutes.

Your Committee has heard testimony from the office of the State Attorney General in support of this bill.

Your Committee finds that the federal district court had erred in its findings in In re Holoholo, 512 F. Supp. 889 (D. Haw. 1981). It is our expressed intent to have tort actions on claims against the State and certain other claims against the State to be heard by the State district or circuit courts except as otherwise provided by statute or rule.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 79 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 145-84 Judiciary on H.B. No. 1838-84

The purpose of this bill is to remove the requirement that neither of the parties is impotent or physically incapable of entering into the marriage state in order to make a valid marriage contract. This bill also will delete as grounds for annulment that one of the parties was impotent or physically incapable of entering into the marriage state.

Your Committee has heard testimony from the Hawaii State Commission on the Status of Women, the Commission on the Handicapped, the Committee on the Status of Women of the City and County of Honolulu, and the Honolulu Branch of the American Association of University Women in support of this bill.

Your Committee finds that requiring that sexual intercourse as necessary for a valid marriage contract is a value judgment which fails to take into account members of the population which may be physically handicapped, elderly or with temporary physical limitations, but are otherwise capable of entering into a marriage relationship. In addition, your Committee feels that this requirement may be in violation of the due process and equal protection rights of the physically disabled and elderly.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1838-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 146-84 Judiciary on H.B. No. 1846-84

The purpose of this bill is to remove gender-specific references to the ownership and control of community property.

Your Committee has received testimony from the Hawaii State Commission on the Status of Women, the City and County of Honolulu Committee on the Status of Women, and the American Association of University Women in support of this bill.

Your Committee finds that making statutory language neutral as to sex is in accord with Hawaii's Equal Rights Amendment and the 1978 State Constitutional Convention's amendment to the Constitution which encourages the replacement of words which may apply to only men or women with words which apply to both genders.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1846-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 147-84 Judiciary on H.B. No. 1847-84

The purpose of this bill is to remove gender-specific language in section 433-1, Hawaii Revised Statutes, relating to Mutual and Fraternal Benefit Societies.

Your Committee has received testimony from the Hawaii State Commission on the Status of Women and the City and County of Honolulu's Committee on the Status of Women in support of making statutory language neutral as to sex.

Your Committee finds that the removal of stereotyped language in the Hawaii Revised Statutes is in accordance with the 1978 State Constitutional Convention's amendment to the Constitution which encourages the replacement of words which may apply to only men or women with words which apply to both groups.

Your Committee has made a technical amendment to the bill by changing section 1 to conform with Ramseyer format requirements.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1847-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1847-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 148-84 Judiciary on H.B. No. 1722-84

The purpose of this bill is to allow a change of name of a minor pursuant to an order issued by the Family Court after a proceeding for a change of name has been initiated by a parent because the consent of the other parent cannot be obtained. The bill also requires that notice to the other parent and an appropriate hearing by the Family Court, which shall find that the change of name shall be in the best interest of the minor.

Under present law, there is no provision allowing for the change of name of a minor: (1) when the noncustodial parent has moved away from the family and cannot be located to obtain the required consent; (2) when the noncustodial parent refuses to consent to the change of name of the minor; or (3) when the noncustodial parent is missing and has not yet been declared legally dead.

Your Committee finds that there is a need to provide a recourse for a parent who cannot obtain the consent of the noncustodial parent to the change of name of a minor. Your committee further finds that the Family Court can best determine the best interest of the minor in a proceeding concerning the change of name.

Your Committee has received testimony from the Office of the Lieutenant Governor, the Committee on the Status of Women of the City and County of Honolulu, the Americans for Democratic Action, and the Department of Health in support of this bill.

Your Committee has amended the bill by enabling the Family Court also to issue orders for a change of name upon an order, decree or judgment rendered by the courts of other states and territories subject to the jurisdiction of the United States.

Your Committee also has amended the bill by providing that the Family Court shall have exclusive original jurisdiction to hear proceedings for a change of name under section 574-5 of the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1722-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1722-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 149-84 Judiciary on H.B. No. 797

The purpose of this bill is to enable the Family Court to automatically terminate its jurisdiction over a minor or adult upon the transfer of the minor or adult for criminal proceedings as provided under section 571-22 of the Hawaii Revised Statutes and to confer jurisdiction over the minor or adult to a court of competent criminal jurisdiction. Upon such transfer, the jurisdiction of the Family Court will also automatically terminate for the offense which is the subject of the waiver, any acts which would be within the Family Court's jurisdiction, and all unadjudicated acts which are allegedly committed prior to or subsequent to the commission of the transferred offense.

Your Committee has heard testimony from the Family Court, which has recommended this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 797 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 150-84 Judiciary on H.B. No. 1842-84

The purpose of this bill is to repeal section 580-72, Hawaii Revised Statutes, which gives married women the right to sue for separate maintenance and to bring suit for separate maintenance in her own name.

Your Committee has amended the bill so that it no longer repeals section 580-72. Instead, your Committee has amended section 580-72 to make its language gender neutral, giving all married persons, regardless of sex, the right to sue for separate maintenance and allowing suits for separate maintenance to be brought in that person's own name.

Your Committee finds that although section 580-72 may be outdated and superfluous in light of the Constitution of the State of Hawaii which guarantees that "[e]quality of rights under the law shall not be denied or abridged by the State on account of sex", that "[n]o person shall be deprived of life, liberty or

property without due process of law", that [n]o person shall be denied the equal protection of the laws", and that "[n]o person shall be discriminated against in the exercise [of a person's civil rights] because of . . . sex", that valid concerns exist as to whether the repeal of section 580-72 would usher in a return to common law, thereby prohibiting married women from suing for separate maintenance in their own names. Your Committee, finding that a return to common law is undesirable, has accordingly amended the bill to preclude any such possibility while at the same time providing gender neutral language for section 580-72, in keeping with the spirit of equality for all.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1842-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1842-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 151-84 Judiciary on H.B. No. 1852-84

The purpose of this bill is to amend the Uniform Desertion and Nonsupport Act by deleting gender-specific language in sections 575-2 to 575-4 of the Hawaii Revised Statutes.

Your Committee has heard testimony from the Hawaii State Commission on the Status of Women, the Committee on the Status of Women of the City and County of Honolulu, the Honolulu Branch of the American Association of University Women, and the Family Court in support of the bill.

Your Committee finds that the substitution of stereotyped language in the Hawaii Revised Statutes is in accordance with the 1978 State constitutional convention's amendment to the Constitution which encourages the replacement of words which apply to only men or women with words which apply to both genders. By deleting reference to "husband" and substituting the gender-neutral term "person", your Committee also has equalized the obligation of both spouses to each other and to the children.

Your Committee has made amendments to the bill for clarity and technical changes as follows:

1. Deleted the words "any person from one's spouse" and substituted "any spouse or parent from the other spouse" on page 1, line 14, of the bill;
2. Deleted "such person" and substituted "such spouse or parent" on page 2, line 4, of the bill;
3. Deleted person and substituted "spouse or parent" on page 2, lines 15, 16, and 19 of the bill;
4. Made technical, non-substantive changes to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1852-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1852-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 152-84 Water, Land Use, Development and Hawaiian Affairs and Ocean
and Marine Resources on H.B. No. 2108-84 (Majority)

The purpose of this bill is to amend Section 188-29, Hawaii Revised Statutes, by adding a new sub-section (7) which would allow fish caught to be transported to boats or the shore in nets with mesh measurement of not less than one and onehalf inches. The present legal size mesh for netting is two inches stretched mesh as stipulated by the section.

According to testimony by the Department of Land and Natural Resources, the bill proposes to resolve concerns on commercial fishing SCUBA divers that surround schooling fish with legal nets while underwater on the ocean bottom.

Moreover, the Department has suggested a change in the language of the proposed sub-section (7), so that it specifies the use of "surround net fishing with SCUBA", in order to make the language of sub-section (7) consistent with the manner in which other sub-sections of Section 188-29 relate to particular methods of net fishing; and so that there be no stated requirement for the net fishermen "to remain in the immediate vicinity of nets or to be actively engaged in the capture or transportation of the captured fish", since the nature of this type of fishing already requires that the nets be attended at all times.

Your Committees are in agreement that the Department's recommendations be taken. Therefore, sub-section (7) has been amended to read as follows:

"(7) All persons engaged in surround net fishing with SCUBA may use nets with not less than one and one-half inches only to bag and transport the fish captured with legal gear to the shore or the boat."

Your Committees on Water, Land Use, Development and Hawaiian Affairs and on Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 2108-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2108-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.
(Representative Isbell did not concur.)

SCRep. 153-84 Water, Land Use, Development and Hawaiian Affairs and State
General Planning on H.C.R. No. 41

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to pursue the acquisition of Makena Big Beach lands by land exchange for suitable state lands as provided in the Hawaii Revised Statutes.

According to testimony by the Department of Land and Natural Resources, proposed land exchanges between the State and the owners of the Makena Big Beach area have not yet been finalized. Your Committees are in agreement that the acquisition of Makena Big Beach by land exchange should remain a high priority in the Department.

Minor technical and other non-substantive amendments have been made.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and on State General Planning concur with the intent and purpose of H.C.R. No. 41, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 41, H.D. 1.

Signed by all members of the Committees except Representatives Hee and Takamine.

SCRep. 154-84 Transportation on H.B. No. 2093-84

The purpose of this bill is to clarify which persons are guilty of a petty misdemeanor pursuant to Section 290-12, Hawaii Revised Statutes (H.R.S.).

Presently, Section 290-12, H.R.S., states that, "[w]hoever intentionally and knowingly leaves an abandoned vehicle, as defined in Section 290-8, [on certain property], shall be guilty of a petty misdemeanor." Section 290-8, H.R.S., does not define "abandoned" vehicles; that section defines "derelict" vehicles. Section 290-1, H.R.S., indirectly defines certain vehicles as "abandoned".

Your Committee therefore believes that the reference in Section 290-12, H.R.S., to "abandoned vehicles" should be clarified.

Your Committee finds that a person leaving a "derelict" vehicle on any roadway, alley, street, way, lane, trail, bridge or highway, or other public property, or on private property without authorization of the owner or occupant of the private property should be subject to the same penalty as a person leaving an "abandoned" vehicle on such property. Therefore, your Committee believes that it is appropriate that leaving a "derelict" vehicle on the above-described property be a petty misdemeanor as is leaving an "abandoned" vehicle.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2093-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 155-84 Employment Opportunities and Labor Relations and Judiciary on
H.B. No. 1752-84

The purpose of this bill is to provide that decisions and orders made in occupational safety and health cases by the Labor and Industrial Relations Appeals Board be appealed directly to the Hawaii Supreme Court as are the decisions made by the Workers' Compensation Appellate Board.

Your Committees were told by the Department of Labor and Industrial Relations that if they decide to appeal an adverse decision, all avenues of appeal will be pursued and as such the matter will eventually be taken to the Hawaii Supreme Court. Therefore, H.B. No. 1752-84 will not place any additional financial burden on any party involved in an occupational safety and health suit. Rather, this bill seeks to streamline the appeals process. Your Committees concur with the Department of Labor and Industrial Relations' intention of standardizing the appellate process among its respective divisions. H.B. No. 1752-84 provides that appeals of occupational safety and health cases will be handled in the same manner as appeals of workers' compensation cases.

Your Committees on Employment Opportunities and Labor Relations and Judiciary are in accord with the intent and purpose of H.B. No. 1752-84, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Albano.

SCRep. 156-84 Energy, Ecology and Environmental Protection on H.B. No.
1728-84

The purpose of this bill is to redefine "gasohol" in more explicit terms, thereby making the definition compatible with federal interpretation and avoiding probable tax litigation. This bill seeks to establish the minimum standard in mixing gasoline and alcohol for those taxpayers engaged in selling the liquid fuel mixture by specifying that the ten percent ethanol is ten volume percent and that the ethanol includes a denaturant.

Your Committee heard testimony to support the redefinition of gasohol from the Department of Agriculture and the Department of Taxation. The directors both agreed that clarification of the existing definition would be advantageous for the administration of federal standards and to users of the fuel for taxkeeping purposes.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. 1728-84 and recommends that it pass Second Reading and referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 157-84 Consumer Protection and Commerce on H.B. No. 2160-84

The purpose of this bill is to amend the Real Estate License Law to allow brokers to share commissions with brokers lawfully engaged in brokerage activities under the laws of a foreign country, if such broker does not conduct any of the negotiations in this state.

The Real Estate Commission testified that fee splitting with brokers from foreign countries would be no different from fee splitting with brokers from sister states, a practice that for years has been permitted in Hawaii.

Currently, there are 13 states that either permit or might permit fee splitting with brokers from a foreign country. California, Florida, New York, and Texas are four states that do permit fee splitting with foreign brokers. These states, like Hawaii, are centers for international business. Permitting Hawaii brokers to

share a commission with brokers from foreign countries would thus be a recognition of Hawaii's role in Asia-Pacific commerce.

The Hawaii Association of Realtors and the Real Estate Commission testified in favor of this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2160-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 158-84 Consumer Protection and Commerce on H.B. No. 2053-84

The purpose of this bill is to amend section 467-21, Hawaii Revised Statutes, by permitting settlement of any claim against the Real Estate Recovery Fund to be made with the agreement of a majority of the Commission when they consider settlement in the best interest of the Real Estate Recovery Fund.

Previously, settlement of any claim against the Real Estate Recovery Fund could be made only with the agreement of the Commission, Director of Commerce and Consumer Affairs and Attorney General. This bill would delete the Director of Commerce and Consumer Affairs and Attorney General from the section relating to settlement of any claim against the Real Estate Recovery Fund and place that responsibility only with the Real Estate Commission.

The Real Estate Commission has reviewed payments made out of the Real Estate Recovery Fund and noted that many of the payments are made as a result of some fraudulent or deceitful act committed by the same licensees. After the initial order for payment has been submitted to the Real Estate Commission by a claimant, the Commission believes that further claims against the same licensee should be resolved by settlement rather than to require the claimant to seek the legal services to prosecute his claims. This would alleviate the additional legal fees and costs incurred to the claimant.

Further, the fact that the settlement of any claim against the Real Estate Recovery Fund would be made only with the agreement of the majority of the Commission does not mean that the Real Estate Commission would entertain settlement of all claims. The Real Estate Commission would consider whether there were sufficient facts to support a settlement of a particular claim before proceeding to do so. Otherwise, the claimant would be advised that he should have his claims submitted to a court of law and have a court order directing payment from the Real Estate Recovery Fund before any payments were made from the Real Estate Recovery Fund as a result of fraud, misrepresentation or deceit committed by a licensee. The Commission would also utilize the services of its attorney who is retained to handle all matters relating to the Real Estate Recovery Fund to provide proper advice as to whether the Real Estate Commission should entertain settlement of a claim.

The Real Estate Commission testified that it is in favor of this bill since it would expedite settlement of any claim against the Real Estate Recovery Fund.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2053-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 159-84 Consumer Protection and Commerce on H.B. No. 1819-84

The purpose of this bill is to amend section 26H-4, Hawaii Revised Statutes, to delete the repeal of Chapter 453, relating to the Board of Medical Examiners, and providing for the extension of the Board of Medical Examiners for six years expiring on December 31, 1990.

Dr. George Goto of the State Board of Medical Examiners testified in support of the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1819-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 160-84 Judiciary on H.B. No. 2006-84

The purpose of this bill is to increase the amount of the fine levied against violators of those statutes relating to vehicles or their drivers or owners as provided in Section 286G-3 of the Hawaii Revised Statutes.

Under present law, a fine of \$3 is levied on each violation in addition to any fine imposed by the court and the amount is transmitted for deposit in the driver education and training fund.

Your Committee has received testimony from the State Judiciary and finds that an increase of the fine to an amount of \$5 would generate substantial funding to cover services to the additional drivers being referred by the courts.

Your Committee is in accord with the intent and purpose of H.B. No. 2006-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 161-84 Judiciary on H.B. No. 1633-84

The purpose of this bill is to increase the rate of interest on all final judgments against the State in actions instituted under the State Tort Liability Act from four per cent per year to the rate prescribed in section 478-2 of the Hawaii Revised Statutes.

Under present law, the rate of interest on all final judgments against the State in actions under the State Tort Liability Act is four per cent from the date of judgment up to, but not exceeding, thirty days after the date of approval of any appropriation act providing for payment of judgment. Under section 478-2, a party who obtains a judgment in a civil suit is entitled to interest at the rate of ten per cent per year from the date of judgment.

Your Committee has heard testimony from the State Attorney General, the Office of Budget and Finance, and the Hawaii Academy of Plaintiffs' Attorneys.

Your Committee finds that the rate of interest of four per cent per year was established in 1957 when the State Tort Liability Act was first enacted.

The State Tort Liability Act is generally patterned after the Federal Tort Claims Act (28 U.S.C.A., sec. 1346), which allows individuals to sue the federal government in tort. The interest on any judgment obtained against the federal government was established at the rate of four per cent per year. However, in 1982, Congress amended the award of interest on judgment to a rate equal to the coupon issue yield equivalent (as determined by the Secretary of the Treasury) of the average accepted auction price for the last auction of fifty-two U.S. Treasury bills settled immediately prior to the date of judgment.

In enacting the amendment on the interest on judgment, Congress had set a realistic and nationally uniform rate of interest on judgments in federal court that would be keyed to the prime interest rate as determined by the Internal Revenue Service.

Similarly, the rate of interest under the State Tort Liability Act should reflect a reasonable rate of interest. However, unlike private parties, the State cannot pay immediately after the court enters judgment because a legislative appropriation is necessary before payment is possible. In establishing the rate of interest, your Committee also has taken in consideration a reasonable rate that would not impose an excessive burden on public funds.

Accordingly, your Committee has amended the bill and set eight per cent per year as the rate of interest on all final judgments rendered against the State in actions instituted under the State Tort Liability Act.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1633-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1633-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 162-84 Judiciary on H.B. No. 2002-84

The purpose of this bill is to exempt a bailiff for the chief justice of the supreme court from the civil service requirements of chapter 76 of the Hawaii Revised Statutes. The bailiff shall have the powers and duties of a court officer and bailiff under section 606-14 of the Hawaii Revised Statutes.

Your Committee has heard testimony from the State Judiciary in support of the bill.

Presently, the bailiff is under the direct supervision of the chief justice of the supreme court. This bailiff performs the functions of a bailiff in the court room, personal and security services to the chief justice, attends all official functions with the chief justice, and performs research and clerical duties. Because the long and often irregular hours of the bailiff's position and the sensitivity of the personal services performed for the chief justice, your Committee finds that exempt status is appropriate for the bailiff's position.

Your Committee has made technical, non-substantive amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2002-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2002-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163-84 Judiciary on H.B. No. 2007-84

The purpose of this bill is to assess a fine which will defray the cost of providing a fourteen-hour minimum alcohol abuse rehabilitation program, as provided in section 291-4(b)(1) of the Hawaii Revised Statutes.

Under present law, a person convicted of driving under the influence of intoxicating liquor, as a first offense, or an offense not preceded within a five-year period, is sentenced to an alcohol abuse rehabilitation program. The cost incurred to operate this program is paid by the Judiciary.

Your Committee has received testimony from the State Judiciary in support of this bill.

Your Committee finds that the offender should share in the cost to provide that person with education and counseling in alcohol abuse that, in the final analysis, will benefit the offender and the State. Your Committee recommends a fee of \$50. This fee will be at the court's discretion and shall be deposited into the driver education and training fund. Your Committee also recommends that a review of the alcohol rehabilitation program be conducted during the next legislative session.

Your Committee has amended the bill on page 1, line 11, by changing the word "fine" to "fee" and by providing that the amount of the fee shall be \$50, which shall be at the discretion of the court.

Your Committee has made technical, non-substantive amendments to the bill by inserting a hyphen between the words, "Ninety-day", on page 1, line 14; by deleting a hyphen after the word "hundred" on page 3, line 1; and by deleting the comma after the word "liquor" on page 3, line 5.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2007-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2007-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 164-84 Judiciary on H.B. No. 2493-84

The purpose of this bill is to establish a data center which shall serve as the state control terminal agency between the State and the National Law Enforcement Telecommunications System (NLETS) and the Federal Bureau of Investigation's National Crime Information Center (NCIC) and which shall budget for the costs of maintaining access to NLETS and NCIC.

This bill also provides that the electronic data processing division (EDPD) shall be responsible for establishing and maintaining an interface between the State, NLETS and Offender Based Transaction Statistics/Computerized Criminal History computer systems operated by the Department of Budget and Finance and the computer systems of the Honolulu Police Department operated by the Department of Data Systems of the City and County of Honolulu.

Your Committee has heard testimony from the Department of Budget and Finance, the Attorney General and the Police Department of the City and County of Honolulu.

Your Committee finds that there is presently no coordination between the State, the Honolulu Police Department, and the federal government with respect to criminal justice information systems. Hawaii is the only state that does not have a statewide agency act as the control terminal agency. Coordination among the criminal justice agencies would maximize the utility of information, reduce costs, eliminate duplicated effort, and increase efficiency of the agencies' criminal justice information systems.

Your Committee has amended this bill by providing that the effective date of the act shall be on July 1, 1985. This would provide reasonable time to effectuate the establishment of the data center as the state control central terminal agency between the state and the National Law Enforcement Telecommunications System (NLETS) and the Federal Bureau of Investigation's National Crime Information Center (NCIC).

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2493-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2493-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 165-84 Judiciary on H.B. No. 2320-84

The purpose of this bill is to amend the Hawaii Crime Commission by:

1. Amending the commission name to the Hawaii Criminal Justice Commission;
2. Deleting the definition section of chapter 843 of the Hawaii Revised Statutes;
3. Providing that commencing on July 1, 1985, the commission shall be established within the office of the Lieutenant Governor for administrative purposes only and that its existence shall be terminated on June 30, 1988;
4. Providing that the term of each member of the commission shall be for four years and deleting the provision that the chairman shall have the power to vote only in the event of a tie vote;
5. Deleting the provision that a commission nominee shall undergo security screening for criminal history record information which shall be provided to the governor and the senate;

6. Deleting the provisions concerning the committees of the commission and their functions;
7. Providing that the functions of the commission shall be to research, evaluate, and make recommendations regarding the criminal justice system and to develop public education programs relating to the criminal justice system;
8. Replacing gender-specific terms with words that refer to both genders;
9. Appropriating the sum of \$302,000 for fiscal year 1984-85 out of the general revenues of the State for the purposes of this Act, to be expended through the office of the Lieutenant Governor.

Your Committee has heard testimony from the Chairperson and the Executive Director of the Hawaii Crime Commission and the American Civil Liberties Union of Hawaii in support of this bill.

Your Committee finds that there is a need to continue the commission and agrees that the work of the commission should be focused on the evaluation of the criminal justice system and the development of public education programs. During its existence, the commission has provided reports on the criminal justice system to the Legislature which have been beneficial to the legislature. Currently, the commission is developing studies of bail forfeitures and bail bondsmen and will be reviewing the impact of the changes to the exclusionary rule and their effect on Hawaii cases.

The appropriations requested by the commission will provide funds to provide for a staff of eleven persons. The proposed changes to the commission will reorganize the purpose and functions so that the commission will be evaluating and reviewing the operations of the criminal justice system rather than investigating individual criminal activities.

Your Committee has amended the bill by providing that for a twelve-month period commencing July 1, 1984, and ending on June 30, 1985, the presently existing Hawaii crime commission shall remain in existence as established in the office of the lieutenant governor, for administrative purposes only. This will allow the present commission to serve during the interim period so that the continuity of the commission is not lost in the reorganization.

Your Committee also has made technical, non-substantive amendments to this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2320-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2320-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee

SCRep. 166-84 Agriculture on H.B. No. 2170-84

The purpose of this bill is to appropriate funds to provide for a biological control project to control the webworm population on the island of Maui.

Your Committee has received testimony in support of this bill from the Chairman of the Board of Agriculture as well as from representatives of three ranches on the island of Maui.

Your Committee finds that periodic webworm buildups occur in pasturelands on windward Maui during periods of prolonged wind and rain which hamper the attack on webworm larvae by parasitic insects. The webworms' voracious appetite for pasture grasses can lead to the destruction of acres of pasture in a matter of days. The loss of these grasses results not only in the need to truck cattle to uninfested areas for grazing purposes, but also contributes to soil erosion and the loss of the land's regenerative capabilities.

Your Committee finds that the most effective parasites of the webworm are already in Hawaii. Your Committee further finds that the most feasible approach to preventing or minimizing serious webworm buildup would be to develop a parasite augmentation program entailing year-round mass propagation and timely release of established webworm parasites.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2170-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 167-84 Agriculture on H.B. No. 2229-84

The purpose of this bill is to appropriate funds for the development and implementation of a consumer education program on milk.

Your Committee finds that since the 1982 heptachlor crisis, dairy farmers and milk processors in the State of Hawaii have been struggling to restore consumer confidence in the products and integrity of the milk industry.

Your Committee also finds that milk is a source of essential nutrients, and that the finding that per capita consumption of fluid milk is 25 percent less in Hawaii than on the mainland indicates that those nutrients are potentially deficient in the diets of Hawaii's citizens. Your Committee therefore finds that the public needs information on the nutritional qualities of milk and the most effective means of using milk in a diet.

Your Committee also finds that up until now, the milk industry in this state has taken full responsibility for its product promotion and advertising, absorbing all costs without state assistance, through an industry advertising fund which is continually replenished by a portion of the profits received from product sales. Due to a decline in sales, however, the fund has become insufficient to provide for a comprehensive promotional effort to combat the public's lack of confidence in locally produced milk.

Your Committee has adopted the recommendation of the Chairman of the Governor's Agriculture Coordinating Committee and has amended Section 2 of this bill to designate the Department of Agriculture rather than the Governor's Agriculture Coordinating Committee as the expending agency for the purpose of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2229-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2229-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 168-84 Agriculture on H.B. No. 2168-84

The purpose of this bill is to appropriate funds for the continuation of Maui Community College's agricultural program on Molokai in fiscal year 1984-85.

Your Committee has received testimony in support of this bill from the Chancellor for the Community Colleges, University of Hawaii; the Chairman of the Governor's Agriculture Coordinating Committee; and a concerned citizen from the island of Molokai.

Your Committee finds that Maui Community College's practical, hands-on agricultural instructional program on Molokai develops in students technical and management skills necessary to successfully operate a farm. This program has been valuable in training prospective farmers and upgrading the skills of existing farmers.

Your Committee further finds that the agricultural program on Molokai is instrumental in promoting diversified agricultural development on Molokai.

Your Committee also finds that the Board of Regents of the University of Hawaii included funding for the Molokai agricultural program in their budget proposal for fiscal year 1984-85, however, funding was not included in the 1984-1985 Executive Supplemental Budget. This program will end on June 30, 1984 unless an additional appropriation is made during this legislative session.

Your Committee has therefore amended Section 2 of this bill to designate the Governor's Agriculture Coordinating Committee as the expending agency for the purpose of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2168-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2168-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 169-84 Agriculture on H.B. No. 2179-84

The purpose of this bill is to allow the use of electrically charged attachments on fences built along the boundary of any government road or within the exterior boundaries of any leased public land or lot for the purpose of confining animals or protecting farms against the trespass of animals.

Under the present law, as contained in Section 142-61, HRS, the use of electrified fences is prohibited, for reasons of safety, along the boundary of any government road. The proposed amendment to this section would allow the use of such fences, provided that the electrically charged attachments are affixed only to the interior side of the fence, and provided further that no person shall be able to be injured as a result of touching the exterior side of the fence or fence post.

Your Committee has received testimony in support of this bill from the manager of Kahua Ranch, Ltd.

Your Committee finds that the use of electrically charged fence attachments which have been determined to be non-injurious to human beings, and which are installed only along the interior side of fences along the boundary of any government road or within the exterior boundaries of any leased public land or lot would not pose a threat to the public safety.

Your Committee further finds that use of electrically charged fence attachments would increase the efficiency and viability of livestock operations by reducing fence construction and maintenance costs, and would decrease the incidence of stray animals on public highways and lands, which result from the trampling of non-electrified confining fences.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2179-84, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 170-84 Corrections and Rehabilitation and Finance on H.R. No. 82

The purpose of the resolution is to request the Director of Social Services and Housing to report to the House Committee on Corrections and Rehabilitation, during the Regular Session of 1984, on the operations of the Hawaii Youth Correctional Facility (HYCF).

Your Committees finds that HYCF operations goals needs to be defined. Also, there is insufficient data available by which the HYCF can measure its progress.

Your Committees have amended the resolution, so that a hearing by the Committee on Corrections and Rehabilitation be made during the 1984 interim period; and that this Committee submit to the Legislature a report on their findings; and that the report to submitted twenty (20) days prior to the 1985 Regular Session.

Your Committees on Corrections and Rehabilitation and Finance concurs with the intent and purpose of H.R. No. 82, as amended herein and recommends its referral to the Committee on Legislative Management in the form attached as H.R. No.82, H.D. 1.

Signed by all members of the Committees.

SCRep. 171-84 Public Employment and Government Operations on H.B. No. 1550

The purpose of this bill is to transfer the functions and staff of the Hawaii Institute for Management and Analysis in Government (HIMAG) from the Department of Budget and Finance to the Department of Personnel Services.

According to testimony, the intent of this bill is consistent with the present assignment of the statewide training function to the Department of Personnel Services found in Section 265, HRS, and Section 7638, HRS.

Your Committee is in agreement to better utilize state resources by improving coordination of programs and eliminating duplication of effort.

Your Committee is in agreement to amend this bill by deleting the last paragraph of Section 1, regarding Section 81-16, HRS. That section of Chapter 81 was repealed by Act 39, 1979 Session Laws and there is no longer a revolving fund at HIMAG.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1550, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 172-84 Public Employment and Government Operations on H.B. No.
1899-84

The purpose of this bill is to require a department, office, or agency to submit to the legislature a report in response to the recommendations made by the legislative auditor.

Under present law the auditor is required to submit, at each regular session, a report to the legislature of the audits and examinations conducted by him for the following fiscal year.

Your Committee is in agreement to require from a department, office, or agency a report in response to the recommendations made by the legislative auditor which shall include the actions taken to implement the recommendations, if any are taken, and the reasons for not implementing recommendations, if any are not taken.

Your Committee is in agreement to amend this bill to allow the report by the department, office, or agency to be sent first to the legislative auditor 30 days prior to the convening of the regular session for the purpose of compiling all reports into one document. In turn, the auditor shall submit all such reports to the legislature for review. Your Committee believes that this action will assist the efficiency of the legislature when receiving all such reports.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 1899-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1899-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173-84 Public Employment and Government Operations on H.B. No.
1718-84

The purpose of this bill is to permit flexibility in the time frame of the public sector collective bargaining process regarding mediation, fact-finding and arbitration.

Under present law a set time frame must be met when an impasse exists. Your Committee agrees that there should be some degree of flexibility to allow the parties to extend the time periods allowed for the impasse resolution procedure through mutual agreements of the parties and concurrence of the Hawaii Public Relations Board. On occasions, additional time could prove beneficial in further resolving major issues possibly leading to a settlement.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1718-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 174-84 Education on H.B. No. 2058-84

The purpose of this bill is to make an appropriation for a third vice principal position at Kahuku High and Elementary School.

Kahuku High and Elementary School is a multi-level school which services students in the kindergarten through twelfth grade level with a total enrollment of approximately 1,830 students. The unique needs and problems of the three major grade levels (K-6, 7-8, 9-12), which are combined into one school, place an extra burden upon administrative staff. The addition of a third vice principal would allow one vice principal to concentrate on each of the three major grade levels.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2058-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 175-84 Education on H.B. No. 2183-84

The purpose of this bill is to authorize the issuance of general obligation bonds and to make an appropriation for the Liliha Library on Oahu.

The 95th United States Congress enacted the Emergency Jobs Act (PL 98-8) administered under Title II of the Library Services and Construction Act, which would provide federal funds to the individual states for public library construction. The purpose of this law is to provide needed employment in areas of high unemployment by spurring public library construction, expansion or renovation projects through federal and state-local matching funds. The match of funds is forty-seven per cent federal and fifty-three per cent state-local. Hawaii's share of this one-time program is \$216,857, which is targeted for the Kapaa, Kauai Community Library expansion project.

According to Washington, and agreed to by the State Attorney General's office, Hawaii must provide \$250,507 in state funds to match the \$216,857 that the Federal government has earmarked for the Kapaa Library project. The \$250,507 in state matching funds may be used for other public library construction, expansion or renovation projects. If the state does not provide the \$250,507 for a public library project, they will not be eligible to receive the \$216,857 in Federal funds. The \$216,857 in Federal funds must be spent or encumbered by September 30, 1984, or it shall then be returned unspent to the Federal government.

A project that meets the Federal government's criteria as a public library construction, expansion, or renovation project is the Liliha Library's roof renovation project.

In a review of the Hawaii State Library System's six-year capital improvement project list, the project of highest priority that meets the Federal government's criteria is the Liliha Library's CIP roof renovation, costing approximately \$250,000. In 1982, the Department of Accounting and General Services inspected the roof, which also serves as a public parking deck, and discovered major structural damage to the facility. Because of the additional weight and stress of the parking deck, the facility requires major roof renovations to correct the problem.

Your Committee has amended this bill by increasing the amount of the general obligation bonds and appropriation for the Liliha Library roof renovation project to \$250,507.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2183-84, 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. 2183-84, H.D. 1.

Signed by all members of the Committee.

SCRep. 176-84 Consumer Protection and Commerce on H.B. No. 2028-84

The purpose of this bill is to amend the Hawaii Insurance Law and the Mutual and Fraternal Benefit Societies law by adding a new section to Chapters 431 and 433, Hawaii Revised Statutes, which will provide that licensed psychologists shall be paid by individual or group accident and sickness insurance plans, and group hospital or medical service plan contract for services rendered.

Testimony in support of this bill were from the State Department of Health, the Hawaii Medical Service Association, the Hawaii Psychological Association, the Hawaii School of Professional Psychology and by several clinical psychologists.

Your Committee in agreement with the testimony offered in support, finds that this bill will allow for "freedom of choice" and unrestricted access to the services of licensed psychologists. Further, this legislation ensures that whenever an individual or group accident and sickness insurance policy provides payment or reimbursement for any service which is within the lawful scope of practice of a psychologist licensed under Chapter 465, Hawaii Revised Statutes, such service shall be reimbursable whether provided by a licensed psychologist or licensed physician.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2028-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 177-84 Consumer Protection and Commerce on H.B. No. 2054-84

The purpose of this bill is to make it mandatory for pawnbrokers to provide pledgors with a written contract enumerating the material terms and conditions of the pawn agreement, and to provide receipts for payments received from pledgors.

The Office of Consumer Protection testified in favor of this bill.

The Office of Consumer Protection testified that it has received a few consumer complaints against pawnbrokers alleging the following acts or practices:

1. Pawnbrokers charged interest on loans which exceeded the rates allowed by Section 445-133, Hawaii Revised Statutes; or
2. Pawnbrokers sold pledged items before the time allowed for redemption of those items by pledgors, even though pledgors made timely payments on their loans.

These allegations may be difficult to prove in the absence of written documentation of the pledge agreement and the payments made by the pledgor.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2054-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 178-84 Consumer Protection and Commerce on H.B. No. 2420-84

The purpose of this bill is to require that the advertisers and publishers of the "Yellow Pages" list only contractors who are properly licensed under Chapter 444, Hawaii Revised Statutes.

Presently, because of its traditional use as an information source and close affiliation with the telephone company, the "Yellow Pages" have acquired credibility unparalleled in other advertising media. Many consumers let their fingers do the walking, making judgments about the reputation and reliability of an advertiser, merely because of the size of the ad, or its inclusion in the "Yellow Pages".

Because of this credibility factor, the Contractors License Board testified in support of the bill. The Board felt that it was fruitless to spend thousands of dollars from the Contractor Education Fund for the purpose of advising consumers to use licensed contractors, when the same consumer could find unlicensed contractors in the "Yellow Pages".

Your Committee also heard favorable testimony in support of the bill from the Subcontractors Association of Hawaii, the Building Industry Association of Hawaii, the Hawaii Flooring Association and the Construction Industry Legislative Organization, Inc.

Hawaiian Telephone's contract agent, GTE Directories, testified that although the bill was well intended, there were some flaws. They argued that display and in-column ads are worked and processed from the beginning of February through September on an ongoing basis and the final work is done in the Los Angeles and Chicago areas, respectively. To make a series of checks and possible changes at the close of a directory would put a tremendous strain on resources and manpower and possibly create errors in other subscriber ads. Also, additional time would have to be budgeted between GTE and Hawaiian Telephone Company from the close of the directory to the publication date to allow additional time for validation procedures.

In addition, once notified that a contractor who is advertising in the "Yellow Pages" is unlicensed, this bill seeks to have Hawaiian Telephone disconnect that party's phone number at the end of thirty days. There is a waiver of liability clause included in the bill at the top of page 4 to protect GTE once it refuses to list an unlicensed contractor, but it does not protect GTE or Hawaiian Telephone in the disconnection of a contractor's advertised phone number. If there is a time when someone is going to sue, it is when Hawaiian Telephone disconnects their number.

Your Committee is in support of the intent of the bill. However, in view of the testimony offered by the telephone company, your Committee felt that the bill was unacceptable in its present form. Therefore, the bill has been amended to reflect the concerns of the various industries, as well as the logistical and legal problems that may arise for the telephone company.

Your Committee, upon further consideration, has made the following amendments:

- (1) New language has been added to the definition of the term "Advertise" as used in section 444-9.2(a), Hawaii Revised Statutes.
- (2) The bill has been amended to add new subsections (b) and (c) to section 444-9.2, Hawaii Revised Statutes.
- (3) The effective date has been amended to November 1, 1984.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2420-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2420-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 179-84 Consumer Protection and Commerce on H.B. No. 2187-84

The purpose of this bill is to revise Chapter 281, Hawaii Revised Statutes, entitled Intoxicating Liquor, by amending Sections 281-57, 281-58 and 281-59, relating to hearing notices and procedures, protests against the granting of liquor licenses and hearing procedures in connection with the granting of liquor licenses.

Your Committee agrees with testimony submitted by G.A. Morris of Hawaii TMK Service and has inserted the words "of record" to indicate that notices setting forth the time and place of the hearing on liquor license applications, shall be sent to not less than two-thirds of the owners and lessees of record of real estate and, in addition, to owners of record of shares in a cooperative apartment. Owners of record of shares in a cooperative apartment may also file protests against the granting of liquor licenses to an applicant.

Your Committee also agrees with testimony submitted by The Kalia, Inc., a cooperative apartment complex, and has amended the bill to provide that notices to one co-owner and one co-lessee of an individual unit shall be sufficient notice to all co-owners and all co-lessees of that unit.

Finally, your Committee has deleted the amendments to Section 281-79, Hawaii Revised Statutes, relating to inspections concerning possible noise violations, as requested by the Department of Health.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2187-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2187-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 180-84 Consumer Protection and Commerce and Education on H.B. No. 847

The purpose of this bill is to amend section 294-35.5, Hawaii Revised Statutes, to provide that insurer fees assessed for the purpose of driver education be increased from \$1.00 to \$1.25 per insurance policy on each insured vehicle, and be allocated forty percent to the driver education program operated by the Judiciary and sixty percent to the Department of Education for high school driver education.

The Department of Education testified that the additional funds will make it possible to provide needed services to 1,800 students on the schools' driver education waiting lists.

The Department of Education and the Judiciary testified in favor of this bill.

Your Committees on Consumer Protection and Commerce and Education are in accord with the intent and purpose of H.B. No. 847 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 181-84 Consumer Protection and Commerce on H.B. No. 2254-84

The purpose of this bill is to appropriate out of the State General Fund for fiscal year 1984-1985 to be expended by the Legislative Auditor for the purpose of conducting a comprehensive review of the Hawaii No-Fault Law.

The Insurance Commissioner, Hawaii Independent Insurance Agents Association, Hawaii Insurers Council, Hawaii Academy of Plaintiff's Attorneys, and ILWU Local 142 testified in support of this bill.

Your Committee concurs with the necessity of a complete review of the no-fault law in order to analyze whether it is achieving the results intended by the Legislature.

Your Committee upon consideration has amended this bill to appropriate the specific amount of \$50,000 from the State General Fund.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2254-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2254-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 182-84 Consumer Protection and Commerce on H.B. No. 2497-84

The purpose of this bill is to amend Section 468K-3, Hawaii Revised Statutes, to allow an aggrieved person who sustained damages as a result of an act, representation, transaction or conduct of a registered travel agency or registered sales representative to recover from the travel agency recovery fund for a violation of the statutes pertaining to travel agencies.

Presently, an aggrieved person may seek recovery from the fund only when a registered travel agency violates the Chapter; however, since Chapter 468K, Hawaii Revised Statutes, is primarily a registration statute, violations of the Chapter most frequently involve the failure to register. In practice, therefore, the recovery fund is rarely available to consumers who have incurred damages due to the misconduct of the registered travel agency.

H.B. No. 2497-84 will allow consumers to seek recovery from the fund for violations of rules which may later be promulgated, as well as for violations of the Chapter.

The Department of Commerce and Consumer Affairs and the Office of Consumer Protection testified in support of this bill.

The Office of Consumer Protection suggested further amending this bill by allowing consumers to seek recovery from the fund when registered travel agencies engage in unfair or deceptive conduct. Currently, a narrow reading of Chapter 468K, Hawaii Revised Statutes, precludes a consumer from seeking recovery from the fund even if a registered travel agency receives compensation from a consumer but fails to arrange for travel services, as promised.

Your Committee concurs with the need to amend Section 468K-3, Hawaii Revised Statutes. Also, in view of testimony offered by the Office of Consumer Protection, your Committee has further amended the bill in order to make the recovery fund available to consumers seeking restitution from registered travel agencies for unfair or deceptive conduct.

Your Committee, upon consideration, has amended the bill:

(1) to add the following language to Section 468K-3: "... or rules, which constitutes an unfair or deceptive act or practice in violation of Section 480-2, ..."

(2) to add the following language to Section 468K-5(b): "... , which constitutes an unfair or deceptive act or practice in violation of Section 480-2, ..."

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2497-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2497-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 183-84 Consumer Protection and Commerce on H.B. No. 1912-84

The purpose of this bill is to amend Title 26, Hawaii Revised Statutes, by adding a new chapter concerning the regulation of health clubs. During the past few years, numerous consumer complaints have been registered with the office of Consumer Protection against health clubs and their operators. The most common complaint alleges the failure of health clubs to honor membership agreements because the health clubs either failed to open for business or ceased doing business prior to the expiration of membership agreements. Some of these complaints allege that health clubs sold lifetime or multi-year memberships shortly before going out of business.

Your Committee heard testimony from the office of Consumer Protection, the Escrow Association of Hawaii, the Hawaii Business League, the Association of Physical Fitness Centers, the Spa Health & Fitness Center, Inc., and the Hawaii Kai Health Club.

Your Committee agrees with the testimony presented and has revised the affected sections as follows:

Section -4 Right of cancellation. Subsection (a) is revised to provide that a health club contract may be cancelled by the buyer within three business days after the date of receipt by the buyer of a copy of the contract, by registered or certified mail or by delivering written notice to the health club at an address specified in the contract. Subsection (d) is revised to provide that within 20 days of receipt of the notice of cancellation, the health club shall refund to the buyer

the entire consideration the buyer paid for the contract, less the fair market value of the services and facilities actually used by the buyer.

Section -6 Duration of contracts. Subsection (a) is revised to provide that health club contracts shall not have a duration longer than thirty-six months or be measured by the life of the buyer or the life of the health club. Subsection (b) is revised to provide the buyer with an option to renew the contract provided that the buyer pays a reasonable consideration of not less than 15 percent of the cash price of the original contract.

Section -8 Pre-operative requirement. Subsection (b) has been revised to provide that the health club will be operative on a specified date no later than twelve months after the contract is signed by the buyer. Subsection (d)(3) has been revised to provide that the escrow account is to protect the buyer in the event that the health club fails to be fully operative within twelve months following the advancement of any moneys by the buyer. Further, such buyer may maintain a representative action to close the account and to release such moneys if the health facility is not operative within twelve months. Subsection (d)(5) has been revised to provide that the escrow agreement shall be in effect at the time that the health club commences the sale of health club contracts. Subsection (d)(6) has been added to provide that a buyer shall not be released from the escrow account unless the buyer has exercised a right of cancellation in accordance with this chapter, or until thirty days from the date notice is sent by mail to the buyer that the health club is fully operative. Subsection (e) has been revised to provide in lieu of the escrow required by this section, that the health club may maintain a bond equal to the total amount of prepayment received for all health club contracts entered into prior to the health club being fully operative, or \$25,000, whichever is greater. Subsection (e)(1) has been revised to provide that the bond required in this subsection shall be fully operative within twelve months following advancement of any moneys from the buyers.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1912-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1912-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 184-84 Ocean and Marine Resources on H.R. No. 7

The purpose of this resolution is to request the University of Hawaii Sea Grant College Program to conduct a comprehensive study of Hawaiian Fisheries and the Director of the Sea Grant College Program to submit a progress report on the study 30 days prior to the convening of the Regular Session of 1985; further, the Hawaii Fisheries Coordinating Council is to monitor the progress of the study.

Testimony from the Department of Land and Natural Resources (DLNR) indicated that the Department's comprehensive 1979 Hawaii Fisheries Development Plan (HFDP) is being updated. The Plan was designed to offer direction for the State's optimal utilization of its fisheries resources. New information and developments, relating to Hawaii Fisheries, have necessitated updating.

Testimony further indicated that the Sea Grant College Programs at the University of Hawaii (UH) provides partial funding for projects relating to fishery. The Program is a unit of the Federal National Oceanic and Atmospheric Administrative, Department of Commerce, which provides Federal funding to marine-related research at UH. The DLNR expressed confidence that the Sea Grant College Program can provide assistance and expertise to the updating efforts, based upon its funding and history of assistance.

Although supportive of the resolution, the University of Hawaii Sea Grant College Program expressed some concern that a comprehensive look at the total spectrum of the State's activities in the fishery sector will take more than the time available between the end of the current legislative session and the convening of the Thirteenth Legislature in 1985. Notwithstanding, they would be prepared to coordinate and cooperate with agencies which have legal regulatory and/or monitoring responsibilities.

Your Committee expressed concern that there appears to be little accurate data on how much fish are being caught, what varieties are being affected, whether

catches are declining, and whether certain species are being depleted. Your Committee believes that this type of information would be helpful for management purposes and should be a part of this analysis.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 7 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 185-84 Ocean and Marine Resources on H.C.R. No. 3

The purpose of this resolution is to request the University of Hawaii Sea Grant College Program to conduct a comprehensive study of Hawaiian Fisheries and the Director of the Sea Grant College Program to submit a progress report on the study 30 days prior to the convening of the Regular Session of 1985; further, the Hawaii Fisheries Coordinating Council is to monitor the progress of the study.

Testimony from the Department of Land and Natural Resources (DLNR) indicated that the Department's comprehensive 1979 Hawaii Fisheries Development Plan (HFDP) is being updated. The Plan was designed to offer direction for the State's optimal utilization of its fisheries resources. New information and developments, relating to Hawaii Fisheries, have necessitated updating.

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Although supportive of the resolution, the University of Hawaii Sea Grant College Program expressed some concern that a comprehensive look at the total spectrum of the State's activities in the fishery sector will take more than the time available between the end of the current legislative session and the convening of the Thirteenth Legislature in 1985. Notwithstanding, they would be prepared to coordinate and cooperate with agencies which have legal regulatory and/or monitoring responsibilities.

Your Committee expressed concern that there appears to be little accurate data on how much fish are being caught, what varieties are being affected, whether catches are declining, and whether certain species are being depleted. Your Committee believes that this type of information would be helpful for management purposes and should be a part of this analysis.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 3 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 186-84 Energy, Ecology and Environmental Protection on H.B. No.
2523-84

The purpose of this bill is to increase the public information notification requirements of the director of the Department of Health (DOH) when a contaminant is present in or likely to enter into a public water system.

Your Committee is in accord with testimony received by the DOH stating that the public information requirements of the director of the DOH should be required when a contamination in the public water system presents an imminent and substantial danger to the public. Due to the ambiguity of the term "imminent and substantial danger", the DOH testified that its director should notify the public upon learning that a contaminant is present in or is likely to enter a public water system and shall, instead of may, present an imminent and substantial danger.

Testimony also revealed that if DOH or a water supplier were required to public notices every two weeks instead of the current three months, an excessively expensive and time consuming amount of notices would be required.

Your Committee therefore recommends that the bill be amended by changing the first sentence in Section 1, Subsection 340-4:

"The director shall upon learning a contaminant is present..."

Also, in the same sentence, a comma has been inserted in front of the first word "shall" in the sentence to clarify the wording.

In Section 2, Subsection 340E-6, the amount of time allowed between public notices has been amended to three months versus the original amendment in the bill of every two weeks. In the same subsection, (to correct a technical error) "notices" was changed to the singular "notice". Also, in the same paragraph, the original amendment requiring that the corrective action being taken to resolve a contamination problem be included on the public notice has been lengthened to conform with federal standards. The new amendment now reads:

... and the corrective action being taken when appropriate.

This amendment allows corrective action that has already been completed and resolved to be included on the public notice.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2523-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2523-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 187-84 Energy, Ecology and Environmental Protection on H.B. No.
2612-84

The purpose of this bill is to delegate to the Office of Environmental Quality Control (OEQC) for the interim period of one year, the additional and specific responsibility of establishing and coordinating an integrated, statewide pesticide policy. In addition, a technical advisory committee shall be appointed by the Governor to assist and advise OEQC in carrying out and effectuating these responsibilities, and the State Department of Agriculture shall become responsible for notifying the legislature whenever a pesticide registration exemption in Hawaii is applied for from the Federal Environmental Protection Agency.

Your Committee finds that State responsibilities with respect to the regulation, monitoring and enforcement of pesticides, and the maintenance of environmental quality are dispersed among several state and county agencies, and as such, timely and coordinated action with respect to pesticide contamination problems has often been hindered. Your Committee is of the opinion that a single agency should assume responsibility for coordinating all state agencies with a responsible role in either pesticide management or environmental quality.

In accordance with testimony received from the Environmental Council and the Environmental and Policy Planning Company, your Committee has amended the title of the proposed new chapter from "Pesticides and Water Quality" to "Pesticides and Environmental Quality" to reflect the broad base coverage of the bill. Your Committee has also amended Section 6 of the proposed new chapter, relating to the Advisory Committee, to include the chairman of the Environmental Council as a designated member of the committee, while also reducing the number of at-large members from six to five.

Your Committee further finds that efforts and activities pertaining to pesticide related research, water monitoring, and pesticide related data gathering and information reporting are already being successfully directed by existing agencies, and that as such, OEQC's role in these endeavors should not include direction, but rather be limited to interagency coordination. Your Committee therefore, has amended subsections 1, 2, 3, and 5 of Section 3 of the proposed new chapter, Duties in general, to delete the first two words "Direct and".

Your Committee further finds, and is in agreement with the testimony received from the chairman of the Board of Agriculture, the director of the OEQC, and the chairman of the Environmental Council, that in order to perform the functions detailed in the bill, additional funding will be required to fill the necessary positions. Accordingly, your Committee has amended Section 5 of this bill to provide an appropriation of "\$160,000" to OEQC to carry out the purposes of this Act.

Your Committee has also made technical, non-substantive amendments to correct spelling errors contained in the proposed new chapter.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2612-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2612-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

SCRep. 188-84 Energy, Ecology and Environmental Protection on H.B. No.
2203-84

The purpose of this bill is to increase energy conservation in residential water heaters, thereby saving the consumer added monthly utility costs and reducing the State's dependence on imported fossil fuels. This bill seeks to amend Chapter 196, Hawaii Revised Statutes, by requiring that all water heaters sold in Hawaii after June 30, 1985, meet the energy efficiency standards of the American Society of Heating, Refrigerating and Air Conditioning Engineers, Inc. (ASHRAE), which are currently set forth as ASHRAE Standard 90-75.

According to testimony by the Department of Planning and Economic Development and PRI Energy Systems, if this measure were to pass, the consumer could recover the slightly higher cost of purchasing an energy efficient water heater in less than one year due to savings in lower utility bills. PRI Energy Systems estimated that Hawaii residents could save over \$12 million in their gas and electric bills by using hot water heaters which meet ASHRAE 90 Standards.

Your Committee has made the following amendments to the bill:

(1) To provide flexibility in updating future revisions to these water heater standards, your Committee has substituted all references to the phrase "ASHRAE Standard 90-75" with "the current ASHRAE 90 Standard";

(2) To avoid applying these regulations to hot water heaters that need not comply with ASHRAE 90 Standards due to instantaneous water heating capability, your Committee has substituted all reference to water heaters regulated under ASHRAE 90 Standards with "storage hot water heaters" since instantaneous heaters do not store large amounts of hot water; and

(3) To better reflect the high rate of turnover that retailers and wholesalers are able to sell out their existing inventory of water heaters, your Committee has moved up the cutoff date for selling or installing uncertified heaters from June 30, 1985 to December 31, 1984.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2203-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2203-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 189-84 Energy, Ecology and Environmental Protection on H.B. No.
2230-84

The purpose of this bill is to provide the necessary financing for Kamakani Ikaika, Inc., to fully develop a five megawatt wind farm at South Point on the Island of Hawaii. Special purpose revenue bonds will provide the necessary capital funding to expedite the development of the wind farm which will, in turn, help promote Hawaii's energy self-sufficiency and reduce Hawaii's import of fossil fuels.

Your Committee received testimony from the Director of the Department of Planning and Economic Development which stated that special purpose bonds would help accelerate the development of alternate energy by supplying necessary capital funding for developing wind energy at South Point, Hawaii. The Director further stated that, in spite of the great potential for alternate energy development in the State, its growth has been slow. Special purpose revenue bonds would help accelerate that growth.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2230-84 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2230-84, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 190-84 Energy, Ecology and Environmental Protection on H.B. No.
2277-84

The purpose of this bill is to establish an energy conservation revolving loan fund to be administered by the Department of Planning and Economic Development to make loans to eligible households for the purchase and installation of solar or wind energy devices, heat pumps, and other energy conserving devices as deemed appropriate.

Testimony from the Director of the Department of Planning and Economic Development indicated the need for such a fund to provide loans or loan guarantees to low-income families. These families are virtually excluded from receiving the benefits of present Federal and State energy tax credit because (1) they often do not have sufficient income to purchase energy conservation equipment; (2) they often do not qualify for a credit rating which would allow them to obtain commercial loans to purchase such equipment; and (3) they may not have sufficient tax liability against which to apply a tax credit. In response to questions, the Director of the Department of Planning and Economic Development indicated that he felt the inclusion of "wind energy devices" might be inappropriate because they are not presently allowed in residential areas. He also indicated that loan guarantees would be an appropriate use.

The Director indicated, in addition, that, contrary to earlier expectations, none of the funds received by the State as a result of the Crude Oil Windfall Profit Tax Act of 1980 (P.L. 96-223) can be deposited into the energy conservation revolving fund as outlined in subparagraph (d) of the bill.

Your Committee believes that the establishment of an energy conservation revolving loan fund as outlined in the bill would fairly and equitably extend the benefits of State and Federal energy tax credits to low income families. It would also assist in reducing the demand for electricity, which is presently 90 percent generated by petroleum fuels, thus lessening the State's dependence upon imported petroleum.

Your Committee has amended Section 196- (b) by inserting the words "loans or guarantee."

Your Committee has further amended the bill in Section 196- (b) to eliminate the words "or wind" in line 9 on page 1 and lines 2 and 4 on page 2. Section 196- (d) has been eliminated.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2277-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2277-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 191-84 Energy, Ecology and Environmental Protection and Judiciary
on H.R. No. 59

The purpose of this resolution is to urge United States federal officials and the U.S. Congress to immediately begin serious negotiations between the United States and the Soviet Union so that major, mutual, and verifiable reductions of existing

SCRep. 194-84 Education on H.B. No. 2463-84

The purpose of this bill is to establish a School Attendance Review Board in each school district. The Review Boards will assist in the handling of truancy cases on an intermediate level between the schools and the Courts.

Your Committee finds that the Courts are burdened with truancy cases which may be resolved with appropriate counseling rather than through the judicial process. We further find that when such cases end up in the Courts, they overburden the Court's docket and add to the unnecessary costs of operating the judicial system. Your Committee, therefore, finds that an intermediate mode of handling such truancy cases, between the school level and the Courts, is highly desirable.

Your Committee has amended Section 1 of this bill to include a statement of purpose for the School Attendance Review Boards as follows:

"Each attendance review board shall be responsible for reviewing, conducting hearings, and taking action on cases of unexcused absences of students in the public school system, as referred to the boards by the individual schools."

Your Committee has further amended this bill to allow for the appointment of the Board members by the Superintendent of Education to serve two-year terms, and for each Board to be constituted with the following membership:

"(1) One member from the department of education, who shall serve as the chairperson; and

(2) Two members from the general public who reside in the school district."

Your Committee has amended this bill to provide for the Department of Education to adopt rules and forms necessary for the operations of the Boards, under procedures established via Chapter 91, Hawaii Revised Statutes. We have further amended Section 1, page 2, line 13, to delete the word "consecutive," and Section 1, page 3, line 14, to delete the word "consistently."

Your Committee has also made technical non-substantive amendments to this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2463-84, 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. 2463-84, H.D. 1.

Signed by all members of the Committee except Representatives Nakasato and Jones.

SCRep. 195-84 Education and Public Employment and Government Operations on H.B. No. 2407-84

The purpose of this bill is to: (1) extend the current term of the job-sharing pilot project in the public library system through fiscal year 1985-86, and (2) to expand the scope of the project to include library assistants and library technicians.

Act 139, Session Laws of Hawaii, 1982, established a voluntary job-sharing pilot project for full-time librarians in the public library system. This project has proven to be successful in two ways. First, it creates a higher degree of employee satisfaction by enabling the participants to pursue both personal and professional goals. Secondly, it allows the state to utilize the talents and resources of the two individuals at a cost-savings to the state.

This bill would also expand the job-sharing project to include library assistants and library technicians. Your Committees have found that the Department of Personnel Services and the Legislative Auditor's office favor this concept.

Your Committees on Education and Public Employment/Government Operations are in accord with the intent and purpose of H.B. No. 2407-84 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Honda, Levin, Nakasato and Wong.

SCRep. 196-84 Education and Public Employment and Government Operations on
H.B. No. 2406-84

The purpose of this bill is to establish a permanent job-sharing program within the Department of Education.

Your Committees find that the job-sharing pilot project in the Department of Education has been successful in providing employment to teachers who wish to simultaneously take a more active role in the rearing of their own children, as well as to unemployed teachers. Your Committees are further satisfied that this program provides an attractive employment alternative to the growing number of tenured teachers within the Department of Education.

Your Committees have amended this bill to allow the Department to fill half of each participating full-time position with a new hire.

Your Committees on Education and Public Employment/Government Operations are in accord with the intent and purpose of H.B. No. 2406-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 2406-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Honda, Levin, Nakasato and Wong.

SCRep. 197-84 Transportation on H.B. No. 2143-84

The purposes of this bill are: (1) to permit, for a one-year period following its enactment, commercial vessel owners holding valid mooring or commercial permits to transfer ownership of the vessel to a corporation without losing their rights under the permits to moor or operate the vessel; (2) to remove the authority the State Department of Transportation (DOT) has to renew or issue such permits to vessel lessees, except for demise charterers or lessees with exclusive possessory rights to the vessel; (3) to statutorily require the owner of a vessel permitted to moor in a state small boat harbor to notify the DOT of any transfer of interest or possession in the vessel and to exempt corporate stock transfers from this requirement; and (4) to amend Section 266-25, Hawaii Revised Statutes, relating to penalties for violation of certain DOT regulations and the lawful commands of certain harbor personnel.

Under present DOT rules, any transfer of an interest in a vessel from a natural person holding the permit to moor the vessel at a state small boat harbor (the "permittee") to a corporation automatically terminates any right to moor or operate the vessel under the permit. Also, most significant transfers of stock in a corporate permittee are deemed changes in ownership which terminate the permittee's rights.

Your Committee received testimony from numerous owners and operators of commercial vessels moored in state small boat harbors stating that the waiting list for commercial mooring at state small boat harbors is long. Also, upon losing a mooring permit, a commercial vessel might have to wait several years to obtain another permit at the same harbor. They also testified that the inability of a non-corporate permittee to use the corporate form due to the automatic loss of the permit severely hampers the ability to obtain capital and expand the permittee's business. Finally, because no significant stock interest in a corporation can be transferred without causing loss of the vessel's permit, if the holder of the commercial vessel's stock dies, retires, or simply wishes to sell the stock, the employees of the corporation are out of work.

Therefore, your Committee believes that it is appropriate to allow a one-time, one-year "window" period during which vessel permittees may transfer their vessel ownership to a corporation without losing their permit. Your Committee also feels that a change in the stock ownership of a corporate permittee should not be considered a change in the ownership of the vessel because the owner, the corporation, remains the same before and after the stock transfer.

In order to clarify which persons are included in the definition of "owner", your Committee has amended Section 1 of the bill, page 2, line 6, to add the words "or charterer".

Your Committee does not believe that all violations of DOT harbors regulations or of the commands of harbor masters, harbor assistants, or harbor district managers should be punishable by imprisonment. Therefore, it has amended Section 2 of the bill, page 3, lines 8-9 and 12-13, to delete references to imprisonment as a possible penalty for such violations.

Your Committee on Transportation also changed the designation "harbor attendant" to "harbor agent" at page 3, lines 5-6 of the bill to conform the language to Department of Personnel Services job classifications. Finally, your Committee also made technical, non-substantive amendments to the bill to conform it to recommended bill drafting style.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2143-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2143-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 198-84 Transportation on H.B. No. 1831-84

The purpose of this bill is to permit disabled veterans to obtain a number plate, often called a "license plate", issued pursuant to Section 249-7, Hawaii Revised Statutes, on which the international symbol for the handicapped is displayed.

Your Committee finds that a license plate displaying the international symbol for the handicapped will facilitate the identification of motor vehicles as being owned or operated by a disabled veteran.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1831-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 199-84 Transportation on H.B. No. 2398-84 (Majority)

The purpose of this bill is to require every person in a motor vehicle of which the State is the registered owner or which is leased by the State to use the safety belt assembly required to be in the vehicle under federal law.

The bill proposes to penalize both the person failing to use the seat belt assembly and the operator of the State vehicle in which the violation occurs.

Your Committee received testimony stating that there are approximately 3,100 insured vehicles in the State's fleet and that there are approximately 130 accidents per year involving these vehicles. Annually, property damage costs for these accidents average \$158,000 and bodily injury costs for vehicle occupants average \$85,000. Your Committee finds that based on a reasonable estimate of seat belt effectiveness, the use of seat belts by all occupants of vehicles in the State fleet would save the State almost \$70,000 per year in direct costs and would cut down on employee absenteeism.

Your Committee also received testimony from representatives of the Army and navy relating to programs requiring use of seat belts in certain federally owned vehicles and on military bases.

Your Committee has amended the bill to replace the word, "use" by the phrase, "be properly restrained by" at page 1, line 7 of the bill and has replaced the word, "using" by the phrase, "properly restrained by" at page 1, line 12 of the bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2398-84, as amended herein, and recommends that it pass Second

Reading in the form attached hereto as H.B. No. 2398-84, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives Levin and Anderson did not concur.)

SCRep. 200-84 Transportation on H.B. No. 2144-84

The purpose of this bill is to amend section 266-21, Hawaii Revised Statutes (H.R.S.), to include "commercial vessel activities" as one of the purposes for which state small boat harbors are constructed, maintained, and operated. It also defines "commercial vessel activities" as the "utilization of vessels for carrying passengers and freight."

There are not sufficient harbor facilities on the neighbor islands to permit all commercial vessels to moor in a strictly commercial boat harbor. Hence, commercial vessels operating out of the neighbor islands must often share harbor facilities with recreational and fishing vessels.

Act 107, Session Laws of 1983, gave statutory authority for commercial vessels to moor in certain Oahu small boat harbors and in small boat harbors on the neighbor islands. Your Committee believes that this proposed amendment to section 266-21, H.R.S., will add further legitimacy to the presence of commercial vessels in those small boat harbors that are not on Oahu and those on Oahu that are not within three statute miles of a commercial harbor.

Your Committee is concerned that despite section 1-18, H.R.S., relating to the construction of the words "and" and "or", the definition of "commercial vessel activities" in the bill could be interpreted to require that a vessel carry both passengers and freight in order to be deemed to be engaging in "commercial vessel activities". Therefore, your Committee has amended Section 1 of the bill, page 1, line 11 to replace the word "and" with "or". It is also the intent of the Committee that the carriage of both passengers and freight be deemed "commercial vessel activities".

Your Committee also made technical, non-substantive amendments to the bill to conform to recommended bill drafting style.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2144-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2144-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 201-84 Transportation on H.B. No. 2486-84

The purpose of this bill is to amend section 286-51, Hawaii Revised Statutes, relating to fees chargeable by county ordinances for certificates of vehicle registration and to expand the permissible uses for such fees from the beautification of county primary highways to the beautification of all county highways.

Under present law, in addition to any other vehicle registration fees set by law, the counties may, by ordinance, establish a fee for the registration of a vehicle of not more than 50 cents per certificate of registration. The bill, in the form referred to your Committee on Transportation, would permit each county to determine the fee chargeable for each such certificate. Your Committee is concerned that the counties might significantly increase the cost of obtaining a certificate of registration. Particularly in a year in which the State is considering an increase in the cost of registering a vehicle, your Committee wishes to protect persons registering vehicles from being financially overburdened.

Your Committee has therefore amended section 2, lines 10-13 of the bill to retain the present statutory scheme except that it has raised the present 50 cents per certificate maximum to \$1 per certificate. Your Committee has also made a technical, non-substantive amendment to correct a punctuation error at page 3, line 21, of the bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2486-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2486-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 202-84 Transportation on H.B. No. 2547-84

The purpose of this bill is to appropriate the sum of \$100,000, or so much thereof as may be necessary for fiscal year 1984-1985, to the Governor's Agriculture Coordinating Committee for the planning and development of an inter-island marine highway system to provide economical transportation for persons and agricultural and commercial enterprises.

Your Committee believes that it is in the interest of Hawaii's citizens, and particularly in the interest of promoting diversified agriculture and other commercial ventures, that the State begin planning for a marine highway system connecting, initially, Oahu, Molokai, Maui, and Hawaii. Your Committee finds that having such a marine highway system would greatly encourage the growth of diversified agriculture and other commercial ventures, particularly on the neighbor islands.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2547-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 203-84 Transportation and Human Services on H.B. No. 2553-84
(Majority)

The purpose of this bill is to allow a \$25 tax credit for the purchase of each new child passenger restraint system, retroactive to taxable years beginning after December 31, 1982.

Presently, under Section 235-15, Hawaii Revised Statutes, a single tax credit of \$25 is granted to taxpayers who purchase qualified child passenger restraint systems, regardless of whether that purchase is of one or more such systems.

Testimony in support of this bill was received from the State Departments of Transportation and Health as well as from the Chamber of Commerce of Hawaii. Your Committees find that the use of child passenger restraint systems is in the best interest of infants and toddlers, and that such systems have proven to be effective in reducing injuries and death from motor vehicle accidents.

Your Committees further find, however, that the current law which grants only one \$25 tax credit per year on the purchase of qualified child passenger restraint systems, inequitably treats those families which have and must transport more than one infant at a time by motor vehicle. Your Committees believe that the proposed bill would remedy this inequity and would further encourage the use of child passenger restraint systems, thus promoting the safety of children transported in motor vehicles.

Your Committees on Transportation and Human Services are in accord with the intent and purpose of H.B. No. 2553-84, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kiyabu and Jones.

(Representative Gaulty did not concur.)

SCRep. 204-84 Energy, Ecology and Environmental Protection on H.B. No.
2571-84

The purpose of this bill is to amend HRS Section 235-12, so that building or construction permits shall be required by the county of residence for a solar or

wind energy device or heat pump be obtained and that the permit number(s) be submitted to the Department of Taxation when the tax credit is claimed.

Your Committee heard testimony from the Departments of Planning and Economic Development Taxation, the Tax Foundation of Hawaii and various solar companies. All agreed that this bill would monitor the sale and installation of solar wind and heat pump devices, thus decreasing illegal contractors. The bill will also assist the counties in the administration of statutes regarding the application for building permits as well as the subsequent loss of revenues in the absence of such an application. Because the bill will require building and construction permits, it will increase the health and safety concerns for residential and commercial installations.

Your Committee concurs with the recommendation of the Department of Taxation that the administration of the provisions of this bill would be facilitated by changing the effective date of the taxable year from December 31, 1982 to December 31, 1983. Your Committee therefore amends the bill accordingly.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2571-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2571-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

SCRep. 205-84 Consumer Protection and Commerce on H.B. No. 1913-84

The purpose of this bill is to require all insurers to issue for each insured motor vehicle a no-fault decal showing the existence of a current no-fault policy.

The Insurance Division testified in support of the bill. It was expressed that the decal system embodied in H.B. No. 1913-84 would permit greater enforceability of the sanctions available under Chapter 294, Hawaii Revised Statutes.

The Honolulu Police Department also testified in support of the bill. The Department did however, have reservations in regards to the placing of the decal and the requiring of the insurer to give written notice of no-fault insurance cancellation to the Director of Finance and the Chief of Police of the appropriate county of registration.

The Hawaii Insurers Council testified in opposition to the passage of this bill. Although in agreement with the intent of the bill, the Council opposed the method in which the bill proposed to reduce the number of uninsured motorist.

Your Committee concurs with the necessity of dealing with the problems caused by uninsured motorists who comprise approximately 19.4 per cent of drivers in Hawaii. This minority of drivers who refuse to obtain the motor vehicle insurance coverage required under the law, exercise the privilege of driving without assuming the concomitant responsibility to obtain and maintain valid no-fault insurance. These uninsured motorists pose a threat to the rest of society.

Your Committee is aware that this decal system is not foolproof. There may be instances in which a person could possess a decal without being covered by an effective no-fault policy. However, the prospect of increased compliance with the no-fault insurance law, which this bill is aimed at accomplishing, justifies implementation of a decal system.

Your Committee, upon further consideration, has amended the bill:

(1) To provide that failure to display the no-fault identification card or decal as required under section 294-8.5, Hawaii Revised Statutes, shall be prima facie evidence of a violation of this section.

(2) To provide that the decal shall have included a large number signifying the month of expiration of the no-fault policy, and shall be of such size, color, and print size as determined by the commissioner by rule adopted pursuant to Chapter 91. The insured shall affix the decal to the rear license number plate of the insured motor vehicle.

(3) To provide that nothing herein prohibits an insurer at its discretion from accepting at its discretion a lesser amount of premium and issuing a policy;

however, a temporary no-fault identification card and decal will not be issued for a period longer than the proportion that the premium collected relates to the total policy premium.

(4) To provide that a no-fault identification card and decal in compliance with section 294-8.5, Hawaii Revised Statutes, will be issued by the insurer once any outstanding premium balance for the policy is paid.

(5) To provide that section 294-9(b)(2) shall not apply to the subsequent renewal of the policy with the same insurer.

(6) To provide that the insured shall return the no-fault identification card and decal if the policy is canceled before the end of the policy period.

(7) To provide that if the premium has been prepaid, the insurer may withhold the unearned portion of the premium until the identification card and decal have been returned.

(8) To provide that such a violation for failure to display a no-fault decal shall be subject to a fine of not less than \$350, \$200 of which shall be deposited into the General Fund, and the balance to be deposited into the Assigned Claims Fund.

(9) To delete language providing that, upon cancellation or refusal to renew an insurance policy, written notice shall be given to the insured, not less than thirty days prior to the effective date of such cancellation or refusal to renew, and within ten days following the insured's receipt of such notice, the insured shall provide to the Director of Finance a photocopy of a current binder, insurance policy, or no-fault identification card.

(10) To delete language providing that a citation for a violation of the no-fault law shall be issued to the operator of the vehicle if the operator is not the same person as the owner.

(11) To delete the June 30, 1987, automatic repeal date.

(12) To provide that this bill shall take effect on January 1, 1986, provided that any provision of the Insurance Commissioner concerning the adoption of rules shall take effect upon approval.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1913-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1913-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 206-84 Consumer Protection and Commerce on H.B. No. 582

The purpose of this bill is to transfer the licensing of physical therapists from the Department of Health and to establish a Board administratively placed within the Department of Commerce and Consumer Affairs to license and regulate physical therapists and physical therapist assistants.

During testimony, questions concerning the need for a board were raised. As a result, the Legislature adopted House Resolution No. 287 and Senate Resolution No. 122 requesting the Legislative Reference Bureau to conduct a study on the advisability of establishing a board as proposed. This study, entitled Regulation of Physical Therapy in Hawaii, has been completed and has been distributed to members of the Legislature.

It is the recommendation of the study that a board to regulate physical therapists and the practice of physical therapy be established within the Department of Commerce and Consumer Affairs. The study found that there is no need to regulate or license physical therapist assistants. The Board as envisioned by the study report would set standards for the practice of physical therapy in this State and would be responsible for ensuring the quality of the licensing and examination processes. The Board also would be given the responsibility for evaluating the need for temporary licenses and establishing rules to guide their use. While the report recommended extending the scope of regulation beyond physical therapists

to include the practice of physical therapy, it pointed out the need for exemptions within the law to allow other licensed professionals to operate within the scope of their licenses.

Your Committee is in agreement with the recommendations of this report and has amended H.B. No. 582 to reflect these recommendations.

Your Committee has amended this bill by changing the name of the Board from the Board for Physical Therapy Quality Assurance to the Board of Physical Therapy in response to comments that the original name was too cumbersome and to be more consistent with the names of other boards within the Department of Commerce and Consumer Affairs.

To conform with standard bill drafting practices, your Committee deleted the title and purpose sections of the new chapter, moved the section containing the definitions to be the first section of the chapter, and renumbered the remaining sections accordingly.

Your Committee has adopted the recommendations of the Legislative Reference Bureau regarding the scope of regulation, has deleted all references to physical therapist assistants from the bill, and has clarified the scope of what is being regulated by amending the bill to prohibit anyone from offering physical therapy or physical therapy services without being licensed as a physical therapist.

As recommended in testimony by the Hawaii Chapter of the American Physical Therapy Association, section -2(c) of the new chapter has been amended by adding the phrase "except as licensed pursuant to this chapter" to clarify the conditions under which a person may practice as a physical therapist.

Your Committee has added a new section to the new chapter to exempt certain persons from the scope of this chapter as recommended in the study report. Subsection (a) of this new section provides that this chapter should not be construed as prohibiting any person licensed under another chapter from acting within the scope of that license as long as the person does not claim to be a physical therapist or offer or bill for physical therapy services. This section also exempts students training to be physical therapists and licensees from other jurisdictions who are participating in educational programs from the requirements of this chapter.

In response to testimony that the bill is unnecessarily lengthy, your Committee has deleted some of the provisions regarding the appointment of the Board since section 26-34, Hawaii Revised Statutes, contains similar provisions. The qualifications for the physical therapist members of the Board have been revised as suggested by the physical therapists' association in their testimony to delete the requirement that a person have three years of clinical experience immediately preceding appointment and to provide that a person have at least three years of full-time experience or the equivalent in clinical service, administration, education, or any combination of these.

Following the recommendation of the Department of Commerce and Consumer Affairs, your Committee has deleted the provision providing that the Board shall have a secretary-treasurer since the Department's staff provides these services for all Boards. Similarly, the requirement that the Board submit an annual report to the Governor has been deleted since the Department prepares annual reports for all Boards. To be consistent with the practices of other Boards, the provision for board members to be paid for their time has been deleted.

Your Committee has amended the sections governing the application and examination process and the issuance of temporary licenses (referred to as provisional licenses in the original bill) to allow the Board to establish standards and set procedures in response to concerns that the bill was too detailed. Your Committee has further clarified the duties of the Board by specifying that the Board shall recommend the denial or withdrawal of accreditation of an education program. As the Physical Therapists' Association pointed out in their testimony, the Board would not have the power to deny or withdraw any accreditation as suggested by the language in the original bill but only to make recommendations.

Your Committee has adopted the language proposed by the Department of Commerce and Consumer Affairs regarding biennial licensure for purposes of consistency with the practices of existing Boards.

Your Committee has added a provision directing the Board to consider the costs of administering this chapter when setting fees for licenses.

Your Committee has found that the penalties imposed in other chapters which regulate health-care professionals are classified as misdemeanors or specify a period of imprisonment not to exceed six months or one year. To remain consistent with this general practice, your Committee has amended the penalty provision of this new chapter by categorizing a violation of this chapter as a misdemeanor rather than a Class C felony.

Based on the testimony of the Department of Health that there are no full-time positions devoted solely to the regulation of physical therapists, your Committee has deleted section 5 of H.B. No. 582 which would have transferred personnel and equipment involved in the regulation of physical therapists from the Department of Health to the Department of Commerce and Consumer Affairs.

Other non-substantive, technical amendments have been made.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 582, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 207-84 Ocean and Marine Resources on H.B. No. 2059-84 (Majority)

The purpose of this bill is to amend Section 188-40, Hawaii Revised Statutes, to prohibit the sale of ahi (tuna) under five pounds in weight and to protect young ahi so that they may grow larger before being caught.

Testimony was heard from John Robey, manager of Tuna Boat Owners' Co-op, Inc., expressing concerns that: 1) ahi is pelagic in nature and protection is not needed; and 2) this bill would deprive local fishermen of an income resource and; 3) no similar restriction exists throughout the rest of the world.

Testimony presented by the Department of Land and Natural Resources indicated that it is estimated that more than 50 percent of our commercial fishermen fish, either regularly or occasionally, for ahi. The Department further stated that: "Information on the growth of ahi indicates that it would take about 15 months for yellowfin and 11 months for bigeye to grow from 3 to 30 pounds; and it would take about 2-3 months for ahi to grow from 3 to 5 pounds." Moreover, they add that "... during periods of extreme tuna shortage, ahi less than 5 pounds, primarily 3-4 pounds, have been known to be sold." Concern was expressed that "... some measure of protection for small ahi is warranted because of their possible contribution in sustaining the very important ahi fishery." Your Committee has found this testimony persuasive and has accordingly amended this bill by changing the additional item (7) from "ahi less than five pounds in weight" to read "ahi less than 3 pounds in weight, caught within the 200-mile fishery conservation zone."

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2059-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2059-84, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Dang.
(Representatives Crozier and Kawakami did not concur.)

SCRep. 208-84 Transportation on H.B. No. 2161-84 (Majority)

The purposes of H.B. No. 2161-84 are as follows: 1) to permit the use of moneys in the "bikeway fund" for the promotion of bicycling transportation and recreation; 2) to change the definitions of "bicycle", "driver", and "vehicle" for purposes of Chapter 286, Hawaii Revised Statutes; 3) to change the definitions of "bicycle" and "vehicle" for the purposes of Chapter 291C, Hawaii Revised Statutes; 4) to make numerous amendments to Chapter 291C, the Statewide Traffic Code, relating to bicycles; and 5) to permit bicycle racing on public highways, when the race is approved by local authorities.

Your Committee finds that moneys in the bikeway fund should not be used solely for bikeway capital improvement projects and maintenance and for debt servicing. Your Committee believes that bicycling education and promotion are appropriate areas for the expenditure of bikeway fund moneys.

Your Committee finds that section 2 of the bill, proposing amendment of the definitions of "bicycle", "driver", and "vehicle" in Section 286-2, Hawaii Revised Statutes, would impose an undue burden upon bicyclists. Chapter 286, entitled, "Highway Safety", requires, *inter alia*, "vehicles" to be registered and to have a certificate of inspection. Because these requirements would create unnecessary administrative expense, your Committee has amended H.B. No. 2161-84 by deleting section 2. Because of this deletion, sections 4, 5, 6 and 7 of the bill have been renumbered sections 3, 4, 5 and 6, respectively.

Your Committee received testimony from the Hawaii Bicycling League, Council-member Welcome Fawcett, the Honolulu Police Department, and the League of American Wheelmen favoring the basic thrust of the bill, to treat bicycles as vehicles for purposes of the Statewide Traffic Code. Your Committee finds that it is appropriate that bicyclists be accorded generally the same rights and be subject to generally the same duties as the drivers of "vehicles", as they are now defined in the Statewide Traffic Code.

However, your Committee has made extensive revisions to section 4 of the bill, as introduced, which is section 3 of the bill, as it is amended herein, primarily due to the ramifications of including bicycles and mopeds in the definition of "vehicle" for purposes of Chapter 291C, Hawaii Revised Statutes. Therefore, this committee report shall deal with the changes to each item in section 4 of the bill as introduced, *seriatim*.

1. Your Committee is concerned that the definition of "bicycle", as proposed in section 4 of the H.B. No. 2161-84, would include children's tricycles, bicycles with training wheels, and bicycles designed for small children. Thus, children would be subject to the somewhat onerous duties of a vehicle driver, including the requirement of operating the vehicle on the road rather than on a sidewalk. Therefore, your Committee has amended the definition of "bicycle" in section 4 of the bill to exclude "toy bicycles". Your Committee has therefore amended the bill to add a definition of "toy bicycle" in section 3, item 2 of the bill, as amended. As it was referred to your Committee, the bill would have amended the definition of "vehicle" in section 291C-1(45), Hawaii Revised Statutes, to include all devices moved by human power upon which or by which a person or property may be transported or drawn. Your Committee was concerned that this change to Hawaii Revised Statutes would cause children's toys, such as roller skates, and toy bicycles to be treated as "vehicles". Therefore, your Committee has amended the bill to explicitly include mopeds and bicycles in the definition of "vehicle" and to explicitly exclude "toy bicycles and devices other than bicycles moved by human power" from the definition.

2. Item 2 of section 4 has been renumbered item 5 of section 3. A technical amendment was also made to this item in order to conform to the Ramseyer bill drafting format.

3. Item 3 of section 4 has been deleted. Because part XIII, Chapter 291C, Hawaii Revised Statutes, deals not only with bicycles but with play vehicles as well, your Committee finds that this proposed amendment of the title of part XIII should not be made.

4. Your Committee has deleted item 4 of section 4 of the bill.

5. Your Committee received testimony from the Honolulu Police Department and the State Department of Transportation questioning the advisability of permitting a bicyclist to carry a child in a backpack or sling. Your Committee is concerned that an adult bicycle driver could, if dislodged from the bicycle, fall on and injure the child. Therefore, it has deleted item 5 of section 4 of the bill.

6. Similarly, your Committee on Transportation is concerned that the use of a bicycle trailer would be hazardous to both the bicyclist and to the contents of the trailer, possibly a child. The Honolulu Police Department testified that the attachment of a trailer to a bicycle would make the bicycle more difficult to control due to increased forward momentum. Because of the potential danger, your Committee has amended the bill by excising section 4, item 6 therefrom.

7. Section 4, item 7 of the bill would have amended subsection 291C-145(a), Hawaii Revised Statutes, to require mopeds traveling at less than the speed of the traffic flow to ride as near to the right side of the roadway as practicable in most traffic situations. The intent of this proposed amendment to subsection 291C-145(a) is to conform the requirement for mopeds to that for bicycles. Your Committee finds that section 291C-196(a), Hawaii Revised Statutes, already imposes this requirement on mopeds. Therefore, your Committee has amended section 4, item 7, to delete the proposed change to subsection 291C-145(a). Also, because of extensive revisions to the rest of the bill, the proposed amendment of subsection 291C-145(b) relating to bicycles riding two abreast has been moved from section 4, item 7 of the bill, as referred to your Committee, to section 3, item 10 of the bill, as amended herein.

Because of the change in the definition of "vehicle" to include bicycles, at section 3, item 1 of the bill, as amended herein, numerous additional amendments to Chapter 291C, Hawaii Revised Statutes, have been made to accommodate this inclusion. These amendments are detailed below in the order in which they occur in section 3 of H.B. No. 2161-84, H.D. 1.

1. Persons operating bicycles are not required by law to have a license or permit to drive. However, section 291-14(a), Hawaii Revised Statutes, requires drivers of vehicles involved in certain accidents to exhibit, upon request, and if available, their driver's license or permit to certain interested persons and to exhibit the same, upon request, to the police. Therefore, your Committee has amended the bill to add a provision at section 3, item 3 of the bill, as amended, that if a bicycle is involved in an accident, the bicycle's driver need not exhibit a driver's license or permit.

2. Section 291C-50, Hawaii Revised Statutes, presently provides that drivers of motor vehicles shall not follow other vehicles more closely than is reasonable and prudent. Your Committee finds that this requirement should apply to all vehicles. Your Committee has, for this reason, amended the bill to include section 3, item 4, which amends section 291-50, Hawaii Revised Statutes, to forbid the drivers of any vehicles to follow too closely.

3. Your Committee has further amended the bill by adding item 6 to section 3 of the house draft to add a change to section 291C-84, Hawaii Revised Statutes, to provide special rules relating to turn signals for bicycles and mopeds. Your Committee has also added a new item 7 to section 3 of the bill to amend section 291C-102, Hawaii Revised Statutes, to provide that no vehicle, whether or not a motor vehicle, may be driver at a speed greater than a maximum speed limit; the minimum speed limit provisions would continue to apply only to motor vehicles.

4. Your Committee received testimony that the driving of bicycles on sidewalks poses a serious hazard to pedestrians. However, your Committee is concerned that recreational bicyclists and children, particularly on their way to and from school, should be permitted to ride bicycles on sidewalks so long as they do so in a responsible manner. Therefore, an amendment to section 3 of the bill has been made by your Committee to add new item 8 which would amend section 291C-123, Hawaii Revised Statutes, presently relating to driving upon a bikeway or sidewalk to deal solely with driving upon a bikeway and to add a new item 13 which would add a new section to Hawaii Revised Statutes dealing solely with driving upon sidewalks. This new Hawaii Revised Statutes section would, in most cases, prohibit vehicles from driving on sidewalks except on driveways crossing the sidewalk. Special provision would be made to permit bicycles driven at a speed of less than ten miles per hour to be operated on sidewalks so long as pedestrians' rights-of-way are respected.

5. Your Committee has also added a new item 9 to section 3 of the house draft amending the law relating to clinging to vehicles. It is felt that section 291C-144, Hawaii Revised Statutes, as it presently exists, might be read to forbid a person to "attach that person to a bicycle", that is, to ride it, because that section forbids, "a person riding upon any bicycle...[to] attach itself or himself to any vehicle...." This problem occurs because of the change in the definition of "vehicle" to include bicycles. Therefore, your Committee has amended section 291C-144, Hawaii Revised Statutes, to preclude drivers of bicycles and mopeds from clinging to "any other vehicle".

Your Committee received testimony that present law does not allow for bicycle racing on the highways even when a racing event is approved by the State Department of Transportation and the county in which the event takes place.

the intent of the bill is a desirable one. One of the major impediments to high technology industrial growth in Hawaii is the lack of adequate venture capital resources. The bill is an attempt to encourage their development. However, the Department added that it might be in a better position to conduct the feasibility study, provide information to interested parties on the venture capital availability, and make recommendations concerning a state-sponsored venture capital program; and that the bill might be amended by assigning these powers to the Department, in Chapter 201, Hawaii Revised Statutes, rather than to the Development Corporation, in Section 206M-3.

Your Committee finds that the present language in Section 201-3, relating to specific research and promotional functions of the Department, already provides for it to "determine through technical and economic surveys the profit potential of new or expanded industrial undertakings to disseminate information to assist the present industries of the State, to attract new industries to the State, and to encourage capital investment in present and new industries in the State". Your Committee is of the opinion that the present bill does not need to empower the Department with functions already assigned, and that the Development Corporation would be strengthened by being empowered to do what the bill intends it to do.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1891-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 211-84 Water, Land Use, Development and Hawaiian Affairs on H.B.
No. 2322-84

The purpose of this bill is to amend Chapter 6E, Hawaii Revised Statutes, by adding procedures in reporting the discovery of human remains and relics and in protecting native Hawaiian burial grounds and shrines; by establishing new activities in the historic preservation program, and new duties of the State Historic Places Review Board and of the State Historic Preservation Officer; by specifying the number of meetings of the Review Board; by amending the criteria for listing state historic property, including live-in parks; and by including curation of historic artifacts as an eligible funding activity.

Your Committee finds that there is a need to minimize the adverse impacts to significant historic and archaeological sites in Hawaii. The bill is an attempt to address this need. However, according to testimony by the Department of Land and Natural Resources, language changes and clarifications to the bill are desirable:

(1) Page 1, line 4: The words "human remains, cultural remains and artifacts" would be a more appropriate and explicit language than "human remains and relics". Also, there should be a statement which addresses the need to leave these human remains and relics in place, when first discovered. Furthermore, the discovery of these objects should be reported to the Department of Land and Natural Resources, rather than to the State Historic Preservation Officer, in order for the language of the bill to remain consistent with the rest of Chapter 6E.

(2) Page 1, lines 4 and 13: There should be appropriate definitions for "human remains", "cultural remains", "artifacts", "native Hawaiian burial ground", and "sacred shrine", because these terms are being used in new sections to be added to Chapter 6E.

(3) Page 4, line 16: The words "historical properties" would be a more appropriate language than "historical and archaeological resources", in order for the language to be consistent with the rest of Chapter 6E.

(4) Page 4, line 22: The words "temporary and" should be deleted on the basis that, once a property has been declared eligible for inclusion in the Hawaii Register of Historic Places, it would continue to meet the criteria of eligibility until such time that it is modified.

(5) Page 5, line 22: The State Historic Preservation Officer should not be the administrative officer for the Hawaii Historic Places Review Board, because the Review Board operates as an autonomous body within the Department of Land and Natural Resources to avoid charges of conflict of interest. Moreover, on page 6,

line 3, the bill restricts representation of the State Historic Preservation Office on the Review Board to only the State Historic Preservation Officer. Therefore, the definition of the Officer, in Section 6E-2, Hawaii Revised Statutes, relating to the definitions covered in Chapter 6E, should include the phrase "representative of the officer".

(6) Page 7, lines 20 and 23: These sub-sections should be deleted. At the present time, the Review Board is a voluntary body, with only one clerical position to support its activities, and would be heavily burdened to review and evaluate interpretive plans and programs proposed for use at sites on the Hawaii Register of Historic Places, and to review completed state annual historic preservation fund applications, work programs, and progress reports prior to submission and adoption. Delays would result in the Department's State Historic Preservation Program and it might experience loss of federal funds.

(7) Page 9, line 15: The issue of criteria and procedures for live-in parks should not be addressed in Chapter 6E. A more appropriate part of the statutes is Chapter 184. Therefore, lines 15-17 should be deleted.

Your Committee recognizes that this bill contains many provisions of great importance and that, given the amendments recommended by the Department of Land and Natural Resources, the State Historic Preservation Program should be strengthened in minimizing adverse impacts on Hawaii's historical and archaeological sites. Therefore, your Committee recommends that these recommended amendments be included in the bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2322-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2322-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 212-84 Water, Land Use, Development and Hawaiian Affairs on H.B.
No. 2447-84

The purpose of this bill is to appropriate \$5,730,000 for the acquisition of land and water rights at Kawainui Marsh on Oahu, including an authorization of the issuance of general obligation bonds and the use of general fund moneys to generate the sum.

According to testimony, Kawainui Marsh is important for its numerous physical, cultural, and natural attributes. It is a flood control basin and a "special management area" as defined by Hawaii's coastal zone management law. It is the site of two heuaus and a habitat for endangered wildlife, and a potential focus for the education of Hawaii's people and visitors alike. Your Committee is in agreement that the lands surrounding Kawainui Marsh, a 750-acre basin owned by the City and County of Honolulu, must be preserved and protected in the interest of the general public.

Your Committee is also of the opinion that the Maunawili Stream watershed is a vital part of the Kawainui Marsh complex and that the bill should be amended to include the watershed as part of the land and water rights of the marsh.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2447-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2447-84, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 213-84 Water, Land Use, Development and Hawaiian Affairs on H.B.
No. 2567-84 (Majority)

The purpose of this bill is to require county governments to establish guidelines for the exercise of the referendum power by establishing a 90-day time limit by which petitions for referenda affecting the property rights of individuals must be filed.

Your Committee finds that a definite time period should be set for a review of county ordinances which establish zoning or land changes. After the time limit, the developer of a property should be allowed to proceed with development and should have a protected right to complete and market the project without penalty. The Maui County Charter has already recognized this need by establishing a time limit of 60 days after the effective date of the ordinance for the filing of a referendum petition to overturn that ordinance. Your Committee is in agreement that a 60-day period, rather than a 90-day period, is sufficient, and recommends such an amendment to the bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2567-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2567-84, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

(Representatives Hee, Menor, Nakata, Okamura and Isbell did not concur.)

SCRep. 214-84 Energy, Ecology and Environmental Protection on H.B. No.
1918-84

The purpose of this bill is to incorporate energy conservation features in all plans and specifications for the construction or renovation of public buildings and facilities by the State or any political subdivision thereof whenever feasible. The bill requires that maximum use be made of Hawaii's natural environment to reduce energy consumption.

Your Committee heard testimony by the Comptroller, who emphasized that all of the items listed in the bill are by administrative practice a part of the Energy Savings Opportunities Checklist that all design consultants must submit to the Department of Accounting and General Services. He recommended that the subject matter of the proposed bill be in the form of administrative guidelines.

The Director of Department of Planning and Economic Development pointed out that the ideal time to improve the energy efficiency of a building is during design. The building's orientation on its site, basic design, and construction details can be changed then at little or no added cost. Where appropriate, passive solar designs can be incorporated. According to experts, if best current practices were used, the average new building could be designed to use up to 50 percent less energy than existing buildings. The potential benefits of incorporating energy efficiency in the design of new buildings are large, when considering that buildings typically have lifetimes on the order of 30 to 50 years. The Director of DPED also emphasized that because of the large existing stock of buildings and their long life-spans, it is not enough to focus on new buildings alone. We must also consider energy conservation an important objective in the renovation of existing buildings, if large near-term energy savings are to be realized. This may include retrofitting existing buildings with energy-saving equipment and measures as appropriate.

To recognize the concern that the provisions of this bill be understood as guidelines, your Committee has amended the bill to change paragraph 103(b) to read "... shall consider" Also, the phrase "whenever feasible" was moved from line 16, page 1 to end of line 8, page 1.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1918-84, as amended herein, and recommends that it pass second reading in the form attached hereto as H.B. No. 1918-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dang.

SCRep. 215-84 Human Services on H.B. No. 2304-84

The purpose of this bill is to establish a State Child Support Commission which would examine the functioning of the State's child support system and make recommendations for its improvement for consideration by the Governor and the Legislature not later than October 1, 1985.

Your Committee finds that on November 15, 1983, the U.S. House of Representatives passed H.R. 4325 (The Child Support Enforcement Amendments of 1983), a proposed federal law that is intended to ensure that all children in the nation who require financial support from a divorced, separated, or unmarried parent receive such assistance.

Your Committee strongly supports the intent of any federal initiative in this area, and believes that regardless of the fate of such federal efforts, the children of the State of Hawaii who reside with divorced, separated, unmarried parents deserve the implementation of safeguards to ensure the timely and appropriate payment of child support. Your Committee therefore favors the establishment of a commission, structured similar to that envisioned by H.R. 4325, which would advise the Governor and the Legislature on any needed improvements to the State's child support system.

Your Committee has received testimony from the Family Court recommending the inclusion of a representative of the Family Support Division of the Corporation Counsel, City and County of Honolulu, in the membership of the proposed commission. The Department of Social Services and Housing also recommended that the bill's appropriation be set at \$58,972 to cover the commission's expenses, including the hiring of necessary staff.

Your Committee agrees with these amendments and has incorporated them into the bill. Other amendments made by your Committee include:

- (1) Setting the total number of commission members at nine;
- (2) Setting the number of members representing the parental groups specified in the bill and private child welfare or social service agencies at one for each class;
- (3) Adding a fifth paragraph in Section 2 of the bill relating to the examination of pending or proposed federal laws, rules, or regulations relating to child support as part of the commission's duties;
- (4) Excluding consultant fees and grants for studies as allowed uses of the bill's appropriation. This exclusion is contained in the proposed federal law, H.R. 4325.
- (5) Clarifying that the bill's appropriations are contingent on the receipt of federal matching funds;
- (6) Clarifying that the general fund appropriation is to be decreased by the amount of federal matching funds received so long as this does not jeopardize the receipt of federal funds;
- (7) Amending the effective date of the bill to July 1, 1984; and
- (8) Making numerous technical, non-substantive amendments.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2304-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2304-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 216-84 Human Services on H.B. No. 2305-84

The purpose of this bill, as received by your Committee, is to provide a sum-certain appropriation for interpreter services for hearing-impaired persons who participate in any meeting involving State or county agencies.

Your Committee finds that sign language interpreter services are an important means to enable hearing-impaired persons to participate fully in matters involving State or county agencies. This bill provides an appropriation to ensure that governmental access continues to be provided to these persons.

Testimony was received by your Committee in opposition to the \$10,000 ceiling imposed by this bill, a ceiling which was exceeded last year when the State spent

approximately \$35,000 for interpreter services. Your Committee has therefore amended the bill at page 1, line 7 and page 2, line 8 to clarify that the appropriation is to be used to provide interpreter services beyond the level already budgeted to conform to the requirements of Section 504 of the federal Vocational Rehabilitation Act of 1973, as amended, which, in part, prohibits discrimination against handicapped persons by any agency receiving federal funds. It is the intent of your Committee that the appropriation provided by this bill be used to supplement, and not substitute for, the resources provided pursuant to Section 504, and that it be used for matters involving agencies that do not receive federal funds and are therefore not subject to the requirements of Section 504.

Your Committee also amended this bill by changing the effective date of the bill to July 1, 1984, by designating the Department of Social Services and Housing as the expending and reporting agency, and by making technical, non-substantive amendments.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2305-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2305-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 217-84 Human Services on H.B. No. 2014-84

The purpose of this bill is to appropriate \$75,000, raised through certain increased nontax fees, for child abuse and neglect primary prevention programs.

Your Committee finds that the implementation of a child abuse and neglect primary prevention program would raise community awareness, educate parents, prospective parents, and others concerned for the welfare of children to the signs of abuse and neglect, to inform concerned parties of community resources available to help abused children and to decrease fear of reporting child abuse and neglect.

Your Committee agrees that making education available to the entire community, as is the intent of this bill, should eventually lead to a decrease in abuse and neglect and benefit the child, family, and entire community.

Your Committee further finds that the Department of Social Services and Housing supports this bill and has indicated a willingness to administer the funds.

Your Committee on Human Services is in accord with the intent and purposes of H.B. No. 2014-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 218-84 Human Services on H.B. No. 2223-84

The purpose of this bill is to establish statewide parking privileges for persons with mobility limitations by eliminating inconsistencies among the various counties in their administration of parking permits for handicapped persons.

Your Committee finds that at present, the various counties follow disparate practices in their promulgation and administration of rules and ordinances governing parking for the handicapped. Because of this, the permit verifying a handicapped person's parking privileges in one county may not be recognized in another, and that person may be cited wrongfully. Consequently, a disabled person must apply at several agencies to obtain various parking decals, with definitions of what constitutes being handicapped, varying from agency to agency.

Your Committee agrees with the provisions of this bill as it will standardize the format of the parking permits statewide and also establish a new chapter in the Hawaii Revised Statutes to govern their administration.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2223-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 219-84 Human Services on H.B. No. 2409-84

The purpose of this bill is to authorize the issuance of \$3,000,000 in special purpose revenue bonds for Pohai Nani Good Samaritan Kauhale.

Your Committee finds that in 1981, Pohai Nani obtained approval for \$9.0 million in special purpose revenue bonds. Due to the bond issuance, the facility avoided bankruptcy and achieved a period of stabilized costs. Pohai Nani was able to keep the resident's rate increase at only 6 1/2% instead of the anticipated 20% annual increase.

Your Committee further finds that \$3.0 million in bond authorization is to refinance unpaid loans. One million is needed to refinance an existing second mortgage, one and one-half million to pay outstanding debts and costs incurred during the 1981 bond transaction, and one-half million for other related costs and capital improvements.

Your Committee on Human Services is in accord with the intent and purpose of H.B. 2409-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 220-84 Human Services on H.B. No. 2430-84 (Majority)

The purpose of this bill is to establish a children's trust fund to generate revenues for child abuse and neglect primary prevention programs.

This bill will amend Chapter 235, Hawaii Revised Statutes, to allow individual resident taxpayers to designate on their income tax returns that \$10 be donated to the children's trust fund.

Your Committee is concerned with the annual increase of confirmed cases of child abuse and neglect, a rate which has seen a frightening rise over the past years. Such incidents not only result in immediate injury and emotional trauma; it can disturb the victim throughout adulthood with pernicious effects through subsequent generations.

Your Committee agrees that much has been done and more needs to be done in the area of child abuse and neglect and that a means of generating funds is needed.

Your Committee received voluminous testimony in support of H.B. No. 2430-84. The Department of Social Services and Housing and the Department of Health support the intent of this bill but defer to the Department of Taxation, the agency responsible for implementing this measure.

The Department of Taxation has testified they agree that prevention of child abuse and neglect is a program worthy of support and that any assistance to such program merits voluntary public donations. However, they are unable to justify revenue-raising for such programs through an income tax check-off system, citing three reasons: 1) providing a check-off system for a private trust fund, irrespective of its worthiness, will result in a deluge of requests from other worthwhile organizations for the same privilege; 2) an income tax check-off system increases administrative costs; and 3) an income tax check-off results in taxpayer confusion which in turn increases the number of incorrectly filed income tax returns, thus delaying the processing of all returns.

Your Committee acknowledges the concerns of the Department of Taxation, but feels that the importance of combatting child abuse and neglect in Hawaii outweigh these considerations. Your Committee emphasizes that child abuse and neglect is unique among the other ills of our society in that it is the root cause of so many social problems, creating costly burdens for programs relating to child protective services, the police, the juvenile justice system, the criminal justice system, corrections, and mental and medical health. The problem also merits special attention in that it has as its victims infants and children who are clearly unable to protect themselves and express their needs for priority attention. In view of

these arguments, your Committee finds overwhelming reasons to support this bill as a means to strengthen and expand the spectrum of services to combat child abuse and neglect.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2430-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 221-84 Human Services and Health on H.B. No. 2257-84

The purpose of this bill, as received by your Committees, is to require the Department of Health to provide child abuse and neglect secondary prevention programs.

Your Committees are disturbed by the over 3,000 cases of child abuse and neglect which are annually reported in this State, a rate which has seen a frightening rise over the past years. Such incidents not only result in immediate injury and emotional trauma, they can disturb the life of the victim throughout adulthood and continue their pernicious effects even through subsequent generations.

Fortunately, research and program innovations have led to the development of methods for identifying high-risk families and providing intervention services to break the cycle of child abuse and neglect, methods which are already being utilized in a number of Department of Health programs.

Your Committees support this bill as a means to strengthen the State's efforts to provide comprehensive child abuse and neglect prevention services.

Your Committees heard testimony from the Department of Health and the Department of Social Services and Housing that although they support the intent of the bill, they are concerned over the enactment of a legal mandate to provide these services without the assurance of sufficient funding to appropriately fulfill this mandate. Your Committees have therefore amended this bill to permit, rather than require, the Department of Health to provide child abuse and neglect secondary prevention programs. Your Committees believe that passage of the amended bill and the airing of legislative discussions relating to it will convey to the Department the deep concern and high priority given by the Legislature for these programs.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 2257-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2257-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 222-84 Health and Human Services on H.B. No. 2501-84

The purpose of this bill is to establish an organ transplant fund to assist persons in paying for costs related to organ transplant.

In view of the rapid development in this field of medicine, major social, ethical and economic considerations must be weighed. In order to meet these concerns, an advisory council is established to advise the director of social services and housing with respect to: (1) coordinating the efforts of agencies concerned with the donation and transportation of human organs, (2) on policy and priorities of need relating to organ donations and transplants, and (3) to establish regulations setting forth guidelines and standards in the selection of recipients of the funds.

Your Committees have amended the bill by making nonsubstantive changes on page 1, line 8 by deleting the word "indigent", and on page 3, line 8 deleting "of". In addition, your Committees find it necessary to provide for the establishment of an executive director position and a secretary position to provide support services to the advisory council. This amendment is reflected on page 3, lines 1 through 4.

Your Committees on Health and Human Services is in accord with the intent and purpose of H.B. No. 2501-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2501-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 223-84 Health on H.B. No. 2200-84

The purpose of this bill is to appropriate \$50,000 for Kahuku Hospital to augment its operating subsidy.

Your Committee finds that Kahuku Hospital is a private, small-scale rural health care facility offering services that include skilled nursing care and acute care. According to testimony from Kahuku Hospital, reduced Medicaid reimbursements for services it will provide in fiscal year 1985 will result in a projected \$50,000 shortfall. Due to the minimum staffing and fixed costs of this small operation, this shortfall cannot be absorbed by the hospital. Thus, your Committee agrees that a \$50,000 appropriation is necessary for Kahuku Hospital.

Your Committee has amended this bill by specifying that the appropriation is for fiscal year 1984-1985, by amending the effective date of the bill to July 1, 1985, and by making numerous technical, nonsubstantive amendments.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2200-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2200-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 224-84 Health on H.B. No. 2294-84

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Kuakini Medical Center in financing the expansion of acute medical/surgical beds on the seventh floor of its Hale Pulama Mau long-term care facility and the renovation of the third floor of its Hale Kuakini main building.

Your Committee finds that the certificate of need application for the Hale Pulama Mau project was approved by the State Health Planning and Development Agency (SHPDA) in July 1983. Regarding the Hale Kuakini project, Kuakini Medical Center has a certificate of need application pending with the SHPDA, so the authorization to issue special purpose revenue bonds in this bill is contingent on SHPDA's approval of this project.

Your Committee finds that legislative authorization of special purpose revenue bonds for both projects can result in considerable interest savings, which will benefit the institution, and lower health costs for consumers and the community at large. However, Kuakini has testified that the costs associated with the issuance of special purpose revenue bonds have not been computed into the \$3,650,000 in bonds requested under this bill. Thus, your Committee finds that bond issuance for both construction projects should be increased to a total of \$5 million to include the incurred bond issuance costs and make them economically acceptable. Accordingly, the bill has been appropriately amended, increasing the authorization for the Hale Pulama Mau project to \$2 million and the Hale Kuakini project amount to \$3 million.

In order to take full advantage of fluctuating interest rates, Kuakini Medical Center has requested that the bill permit the option of refinancing. Your Committee finds that if Kuakini Medical Center is able to refinance at lower rates, it could realize substantial interest savings. Your Committee has amended the bill accordingly, inserting the phrase, "and/or refinancing", to page 1, line 9 of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2294-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2294-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 225-84 Health on H.B. No. 2546-84

The purpose of this bill is to appropriate \$225,000 for a comprehensive study of the delivery of hospital services in Honokaa, Kau, and Kohala, and \$48,000 for the purchase of a new ambulance for Honokaa Hospital.

Your Committee finds that the Honokaa Hospital ambulance covers service requests for a large geographical area. According to testimony from the Department of Health, the ambulance must serve a population of 13,000 from Waimea to Laupahoehoe, and must frequently transfer patients to Hilo Hospital and to Kona Airport for subsequent transfers to Honolulu hospitals. Because the vehicle currently in use is eight years old and has registered more than 91,000 miles, your Committee agrees that it should be replaced in the next fiscal year.

With regard to the study proposed under this bill, your Committee finds that such action is needed to address the fiscal, operational, and management problems facing Honokaa, Kau, and Kohala Hospitals on the Big Island. The Department of Health has testified in support of conducting a comprehensive study not only of these hospitals but also hospitals in the entire State/County hospital system, the goal of which would be the preparation of a plan for successful and economical hospital system management.

This departmental recommendation entails a study of larger scope and requires more funding than is presently provided in the bill. Your Committee has amended the bill to reflect the Department's recommendation, replacing section 1, subsection 1 of the bill with new language specifying that the study include in its examination the administration, staffing levels, alternative organizational arrangements, and other specified concerns for all public hospitals in the State. In accordance with this broadened scope, your Committee has also increased the amount of the appropriation to \$350,000.

Your Committee finds that this system-wide study would be beneficial to the State only if recommendations and cost estimates for needed changes in the State/County hospital system are developed, including appropriate legislation submitted prior to the convening of the 1985 legislative session. Your Committee has therefore inserted this request for recommendations, cost estimates, and legislative proposals in the amended language of section 1 of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2546-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2546-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 226-84 Health on H.B. No. 2596-84

The purpose of this bill is to appropriate \$150,000 for a full-scale epidemiological study of Vietnam veterans and other United States citizens exposed to Agent Orange or similar herbicides in Southeast Asia.

Your Committee finds that \$150,000 would allow the Department of Health to expand the "small-scale" \$50,000 study it is presently conducting, which consists of interviews of Vietnam veterans, by adding physical examinations and some laboratory tests of these veterans. According to testimony from the Department of Health, however, this expansion would still fall short of a "full-scale" study such as that conducted by the state of Texas for the past three years. That study is not yet completed and has required \$900,000 thus far. The Department of Health is waiting on the results of the Texas study as well as studies of varying magnitudes being conducted by states such as Georgia, Oklahoma, Pennsylvania and Wisconsin.

Your Committee is reluctant to commit the large amount of State funds necessary for a full-scale study but supports the current efforts of the Department of Health in addressing the concerns of the 22,000 military veterans of the Vietnam era and their families presently living in Hawaii. The Department of Health has testified that a \$50,000 appropriation would enable continuation of its present study in

addition to the collating of pertinent information from studies conducted in other states.

To continue Hawaii's Agent Orange study at its current level, your Committee has amended this bill by setting the amount of the appropriation at \$50,000 and deleting the words, "full-scale" from section 1 of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2596-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2596-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 227-84 Judiciary on H.B. No. 2482-84

The purpose of this bill is to add a new section to chapter 286 of the Hawaii Revised Statutes which will provide qualified defendants of minor traffic violations to elect court-conducted driver retraining, at a nominal fee, and at the satisfactory completion of the program, have these offenses dismissed by the court.

Your Committee finds that first-time offenders of minor traffic violations should have the opportunity to attend driver education and retraining classes which will result in safer driving habits and which will curtail future violations. Your Committee feels that dismissing minor violations by the court, upon satisfactory completion of the driver program and payment of related fines and fees, will be beneficial to the individual and society at large.

Your Committee further finds that a fee of \$25 should be assessed for the purpose of continuing the driver education program conducted by the State Judiciary and which shall be deposited in the driver education program of the Judiciary and has amended the bill accordingly.

Your Committee has also made technical, non-substantive amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2482-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2482-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 228-84 Water, Land Use, Development and Hawaiian Affairs on H.B.
No. 2446-84 (Majority)

The purpose of this bill is to exempt from the liquor tax beer manufactured in Hawaii from May 17, 1984 to June 30, 1991. The bill further provides that the exemption for rum and beer shall not take effect or shall cease, if the United States Supreme Court holds that the exemptions are unconstitutional.

Under present law, Section 244-4, Hawaii Revised Statutes, rum manufactured in Hawaii during the period from May 17, 1981 to June 30, 1986 shall be exempt from the liquor tax. There is no exemption presently for beer manufactured in Hawaii.

Your Committee is of the opinion that a regional brewery in Hawaii is desirable and needs a liquor tax exemption in order to begin operations. Direct and indirect employment may total a few hundreds, thereby generating for the State income tax revenues based on payrolls at about \$1.6 million. The construction industry would likewise benefit, and it can be expected that tourists and residents alike would expend an estimated \$15 to \$17 million a year in beer purchases.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2446-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Dang and Isbell.
(Representatives Hee, Kiyabu-Saballa, Menor and Nakata did not concur.)

SCRep. 229-84 Agriculture on H.B. No. 2545-84 (Majority)

The purpose of this bill is to establish a Hawaii Beef Council which is authorized to generate and disburse funds for research and for consumer education and promotion programs to improve the image and quality, and increase the consumption, of beef in the State of Hawaii.

Your Committee finds that the cattle industry is the number one livestock enterprise in the State. The latest statistics published by the Hawaii Agricultural Reporting Service reveal that from 1981 to 1982, cattle marketing in the State decreased by 3 percent, and that the 1 percent increase in beef production during that period of time was not sufficient to offset a 4 percent lower average price returned to ranchers.

Your Committee further finds that from 1976 to 1980, per capita consumption of beef in Hawaii dropped from 97.3 pounds to 89.6 pounds. This 7.7 pound drop in consumption amounts to an 8 percent drop over the four-year period in the State.

Testimony in support of this bill, received from the Vice President of the Hawaii Cattleman's Council, indicates that as beef consumption decreases, the supply-demand market equilibrium might be adjusted such that less beef will be produced, but at a higher price. Beef producers might thus be forced to increase beef prices or face financial disaster. Your Committee finds that it is therefore in the interest of both consumers and suppliers to promote increased beef consumption in the State and the resulting economies of scale that will improve economic returns to beef producers.

The population of the State of Hawaii has been steadily increasing. Furthermore, population projections by the Hawaii State Department of Planning and Economic Development indicate that the State's population will be approximately 1.1 million in 1985 and will reach almost 1.4 million by the year 2000. Clearly, a potential market exists in the State which, if it were to be satisfied by the State's beef industry, would require at least a 300 percent increase in production in the short-term, and a much larger increase over the next 20 years.

The Governor's Agriculture Coordinating Committee in 1981 commissioned the College of Tropical Agriculture and Human Resources of the University of Hawaii to conduct studies and prepare a report on beef marketing in Hawaii. "Beef Marketing in Hawaii-an Overview", published in December 1982 by the University of Hawaii, reveals that approximately 53 percent of the market supply of beef in Hawaii is imported from the Mainland, 16 percent is imported from Australia and/or New Zealand, and 31 percent is supplied by beef produced in Hawaii.

Your Committee also finds that a draft report of the Cattle Industry Analysis & Action Plan, dated March 2, 1984, lists the "lack of knowledge of consumer attitudes towards the various quality of beef available" as a major industry bottleneck, the resolution of which is considered to be of the highest priority.

Your Committee therefore finds that the Hawaii beef industry is in need of an organization such as the proposed Hawaii Beef Council to provide a vehicle for industry-wide cooperation and coordination for programs directed to improve the production, processing, marketing, and promotion of beef in the State.

Your Committee has amended subsection -6 of this bill to delete the \$1 per head assessment on beef livestock and to specify a fee assessment of \$0.005 per pound on carcasses slaughtered within the State. One technical, non-substantive amendment has also been made to this subsection.

Your Committee has also amended subsection -7 of this bill, substituting the word "fabricated" for "processed" in reference to chilled carcass, boxed and boned beef.

Your Committee has further amended this bill by deleting Section 2 dealing with a reimbursible appropriation to the beef council special fund.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2545-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2545-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hee, Dang and Isbell.
(Representatives Crozier and Menor did not concur.)

SCRep. 230-84 Transportation on H.B. No. 2151-84

The purposes of this bill are: (1) to make permanent the transfer of the funds derived from the state general excise tax on retail sales of liquid fuel used for the purpose of operating motor vehicles on highways in the State, from the state general fund to the state highway fund, and to provide for the annual establishment of a formula to determine the amount of liquid fuel sold for these purposes; (2) to increase the state vehicle registration fee set in Section 249-31, Hawaii Revised Statutes, from \$1 per year to \$18 per year; and (3) to make an appropriation of \$5 million from the state general fund to the state highway fund.

Under present law there are several permanent sources of revenue for the state highway fund created pursuant to Section 248-9, Hawaii Revised Statutes. Primary among these are state vehicle registration fees, state fuel taxes and state vehicle weight taxes. State vehicle registration fees are now set at \$1 per year pursuant to Section 249-31, Hawaii Revised Statutes. State fuel taxes are levied at the rate of 8-1/2 cents per gallon by Section 243-4, Hawaii Revised Statutes. Subject to a \$2 minimum, Section 249-33, Hawaii Revised Statutes, establishes the rate of the state vehicle weight tax at \$.0045 per pound of a vehicle's net weight up to 6,000 pounds, at \$27 for vehicles weighing from 6,000 pounds to 9,000 pounds, \$31.50 for vehicles weighing from 9,000 pounds to 14,000 pounds, and \$36 for vehicle weighing more than 14,000 pounds.

Because of the decrease in gasoline used per vehicle due to better fuel efficiency and because of decreased usage of automobiles, revenues derived from the state fuel tax have diminished. At the same time, the costs of building and maintaining highways and related facilities and equipment have increased.

Pending determination of a long-term solution to the problem of maintaining the solvency of the state highway fund, the State decided in 1981 to amend Section 237-31, Hawaii Revised Statutes, to transfer the four per cent state general excise tax on the retail sale of most liquid fuels in the State from the state general fund to the state highway fund. This "temporary" transfer is scheduled to end on June 30, 1984.

During the summer of 1983, a State Highway Fund Task Force was formed under the auspices of the State Department of Transportation. After careful study of the problem of maintaining the solvency of the highway fund, the Task Force made the following recommendations to the Department of Budget and Finance: (1) Increase the annual vehicle registration fee from \$1 to \$13; (2) phase-in a 1-1/2 cents per gallon increase in the state fuel tax - 1 cent per gallon as of July 1, 1984 and an additional 1/2 cent per gallon as of July 1, 1985; and (3) make permanent the diversion from the general fund of the four per cent state general excise tax on the retail sale of most liquid fuels.

Your Committee has carefully studied the recommendations of the state administration, made to the Legislature by way of H.B. No. 2151-84 and its Senate companion, S.B. No. 1720-84, and of the State Highway Fund Task Force.

The Department of Transportation has also provided your Committee the opportunity to run various funding scenarios on its computer to evaluate the impact of various funding proposals. These scenarios have provided useful information and your Committee has found that access to this information has been extremely helpful in its deliberation.

Your Committee has established two primary goals with regard to its highway fund proposal. The first is to maximize the amount of money remaining in the general fund after taking care of pressing highway needs and the second is to establish a fair and equitable way of spreading the costs among highway users.

Based on all the evidence before it, including input from all segments of the transportation industry, and from private citizens voicing their concerns, your Committee makes the following amendments to H.B. No. 2151-84:

1. Your Committee has amended Section 1 of the bill at page 1, line 12 of the bill, as received by your Committee, to retain the present language of Section

237-31, Hawaii Revised Statutes, which terminates the present transfer of all state general excise taxes on the retail sale of most liquid fuels on June 30, 1984. Your Committee has added a provision to provide for a one year transfer of one-half of the state general excise taxes on the sale of these liquid fuels following page 1, line 16 of the bill, as it was received by your Committee. In line with this amendment, your Committee has replaced the words "each fiscal year" at page 2, line 3 of the bill, as it was received by your Committee, with "1984".

2. Section 2 of the bill has also been amended to replace "\$18" with "\$16" at page 2, line 16 of the bill, as it was received to your Committee.

3. The material in section 3 of the bill, as it was received by your Committee, has been deleted. In its place, your Committee has included a provision which would amend Section 249-33, Hawaii Revised Statutes, relating to the State vehicle weight tax. This would increase the basic state vehicle weight tax from .45 cents per pound to .60 cents per pound and would increase the present tax ceiling for vehicles in the 6,000-9,000 pound vehicle category from \$27 to \$36, for those in the 9,000-14,000 pound category from \$31.50 to \$48 and for those in the over-14,000 pound category from \$36.00 to \$72.00. Also, the overall maximum weight tax would be increased from \$36.00 to \$72.00.

4. Finally, your Committee has amended section 4 of the bill. The effective date of Section 1 of the bill remains July 1, 1984. The effective date provisions for Sections 2 and 3 of the bill, as received by your Committee have been deleted and replaced with the following: "Sections 2 and 3 of this Act shall take effect upon its approval but shall not apply to state registration fees and state vehicle weight taxes due and payable prior to September 1, 1984."

Your Committee is in accord with the intent and purpose of H.B. No. 2151-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2151-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Albano and Hayes.

SCRep. 231-84 Public Employment and Government Operations on H.B. No. 426

The purpose of this bill is to amend Chapter 76, HRS, by adding a section which requires timely action on the part of the director of personnel services in completing departmental and personnel actions affecting individuals covered under Chapters 76 and 77.

According to testimony, there are many cases where there is an inordinate delay between the initiation of personnel actions and the resultant determinations affecting individual public employees or groups of public employees covered by civil service statutes.

Your Committee is in agreement with the importance and necessity for the prompt and expeditious processing of personnel actions which is vital to employee morale and to efficient government operations.

According to testimony, the bill as originally proposed would add a new section requiring that personnel actions be determined within six months after initiation or, in the case of action requiring coordination among the several government jurisdictions, within one year from the date of initiation.

Your Committee is in agreement with the amendment that requires the department of personnel services and the several departments of civil service of the counties to inform their affected employees of the reasons for delay if personnel actions have not been determined within six months from the date of initiation. However, your Committee believes that the imposition of a specific one year statutory deadline would limit administrative flexibility and not allow for full consideration of special circumstances, needs and priorities.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 426, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 232-84 Public Employment and Government Operations on H.B. No.
1958-84

The purpose of this bill is to establish a joint Senate and House interim committee to study overlapping State and County functions.

According to testimony, the interim committee should focus on areas where the State and Counties share governmental responsibilities, either pursuant to statute, contract or past practice. Further, it was also suggested that any shifting of responsibilities from the state to the counties or from the counties to the state occur only after the financial capability of the governmental level assuming such responsibilities is thoroughly examined and considered.

Your Committee is in agreement that a need exists to study overlapping State and County responsibilities culminating in recommendations for the consolidation of those responsibilities to effectuate the delivery of government service in the most efficient and cost-effective manner.

Your Committee is in agreement to amend this bill so that at least one member from each of the respective houses appointed to the interim committee shall represent each of the four counties. To further ensure continuing dialogue between the state and counties, your committee recommends the mailing of timely meeting notices to the mayors and councils of each of the county governments to encourage full county participation.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1958-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1958-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 233-84 Public Employment and Government Operations on H.B. No.
2082-84 (Majority)

The purpose of this bill is to reduce the current payroll costs of both the state and the county governments by providing an early retirement incentive to those employees covered under the State's retirement system who are currently eligible to retire. In addition, the provision of an early retirement incentive would allow upward employee filtration through public employment ranks, and as a consequence, provide more entry level job opportunities.

Under current law, a member of the Employees' Retirement System is eligible for retirement after 25 years of service, or upon reaching the age of 55 with five years of service. However, records from the system indicate that the average age of retirement is currently between 60 and 61 years of age.

Testimony submitted questioned the equity of the addition of three unearned years to an individual member's service record irrespective of the member's length of credited service. Accordingly it was suggested that: (1) a member be required to have a minimum of twenty years of credited service to be eligible for the early retirement incentive; and (2) in lieu of the proposed three year credit, an additional 6% be added to the product of the employee's total number of years of credited service as multiplied by the appropriate statutorily specified percentage (i.e. 2% or 2.5%), which in turn is multiplied by the average final compensation.

Your Committee is in agreement with the above-mentioned suggestions, and appropriate revisions have been made to Section 1, page 3 beginning at line 22 and Section 2, page 4 beginning at line 10. Further, your Committee has amended Section 4 to require the forwarding of statistics and any other pertinent data which may be used to assist the Board of Trustees' evaluation of the early incentive retirement program by all boards, commissions, bureaus, departments or agencies of the State or any county with employees participating in the public employees' retirement system.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2082-84, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 2082-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kim and Levin.
(Representative Stanley did not concur.)

SCRep. 234-84 Public Employment and Government Operations on H.B. No.
2564-84

The purpose of this bill is to eliminate retirement system abuses by those members who terminate public service for the sole purpose of withdrawing their contributions from the system.

According to testimony from the Employees' Retirement System, the present law permits a member to terminate public employment for a very short period of time even for a day, and be subsequently rehired. In the meantime, during the abbreviated unemployment period, the member may request that the system return his or her retirement contributions. Although the member loses the credited service, if the member returns to, and continues public employment for at least five years, at retirement the member may purchase the credited service in a lump sum and select an option that would require the system to refund a portion or all of the member's contributions.

Your Committee is in agreement that these activities are not consistent with legislative intent and that these abuses could result in a higher cost to the employer.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2564-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kim.

SCRep. 235-84 Public Employment and Government Operations on H.B. No.
1710-84

The purpose of this bill is to allow department heads to move and reallocate up to three vacant positions each fiscal year between programs within a department with subsequent reporting to the legislature.

Testimony received from the Department of Planning and Economic Development indicates that the bill would: (1) allow government administrators to be more responsive to public needs without increasing the public's tax burden; and (2) give department heads more flexibility in the control of position management.

Your Committee has amended the bill by deleting the reference to Chapter 89, Hawaii Revised Statutes and "applicable collective bargaining agreements" for clarification and reinforcement of its position that departmental position transfers is not an appropriate subject for labor negotiations. Other non-substantive, technical revisions have been made to this bill.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1710-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1710-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kim and Nakasato.

SCRep. 236-84 Public Employment and Government Operations on H.B. No.
2512-84

The purpose of this bill is to increase public employers' monthly contributions to existing medical plans.

Testimony from employee union representatives and others support the increase for: (1) a self only plan enrollment from \$15.98 to \$26.04; and (2) a family plan enrollment from \$49.14 to \$80.04.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2512-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2512-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kim.

SCRep. 237-84 Public Employment and Government Operations on H.B. No.
2327-84

The purpose of this bill is to authorize the Health Fund Board of Trustees to contract for vision and adult dental plans.

According to testimony submitted by the Hawaii Public Employees Health Fund, their office receives numerous inquiries from employee-beneficiaries to add these benefits to existing health benefit plans. Due to lack of authority, the office is not able to consider, or even formally study, the feasibility of such benefit improvements.

Additional testimony submitted by the Hawaii Dental Service suggested the separation of the two different benefit plan provisions to conform to existing law. Your Committee was informed that while vision plans are usually offered as riders to medical plans, dental plans are offered separately.

Your Committee is in agreement with the testimony presented, and has amended the bill by revising Section 87-22 (4) to cover dental benefits. In addition, a new Section 87-22 (5) has been added to cover vision care benefits.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2327-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2327-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kim.

SCRep. 238-84 Public Employment and Government Operations on H.B. No.
1956-84

The purpose of this bill is to limit the public employers' contributions for health benefits of employee-beneficiaries retiring with at least five but less than ten years of credited service to one-half of the statutorily specified contribution.

According to testimony submitted by the Hawaii Public Employees Health Fund, at the present time approximately 1,000 state and county employees retire each year. Further, a random sampling of retirees' years of service indicates that 13% or approximately 130 employees retire with less than ten years of credited service. Therefore, it is estimated that public employers will save approximately \$142,600--State of Hawaii - \$98,520 and counties - \$44,080--if this measure is adopted.

Your Committee has amended this bill by the inclusion of amendments to Section 87-6, HRS, Contributions by an Employee-Beneficiary, to correspond to the above-mentioned reduction of public employers' contributions for health benefits for those employee-beneficiaries retiring with less than ten years of credited service. Other non-substantive technical revisions have been made to this bill.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1956-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1956-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kim.

SCRep. 239-84 Public Employment and Government Operations on H.B. No.

2074-84 (Majority)

The purpose of this bill is to provide government employees classified as correctional facility administrators the same benefits presently afforded to firefighters, corrections officers, and police officers.

Testimony from the Employees' Retirement System (ERS) indicates that at the present time, corrections officers, firefighters and police officers receive different retirement benefits and are subject to different retirement eligibility requirements from other employees participating in the ERS. Other testimony received suggested that the phrase "correction manager II" be substituted for the phrase "correctional facility administrator" in recognition of the terminology contained in the Hawaii employee civil service classification system.

Your Committee finds that due to the nature of the technical and potentially hazardous work performed by these corrections employees, they should be offered the same retirement allowance which is currently provided to firefighters, correction officers, and police officers.

Your Committee has amended this bill by deleting the definition of "correctional facility administrator" set forth in Section 1, and by making corresponding revisions to all succeeding section numbers. Your Committee has also deleted all references made to the words "correctional facility administrators" and has substituted in place thereof, the words "correction managers II".

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2074-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2074-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kim and Levin.

(Representative Stanley did not concur.)

SCRep. 240-84 Public Employment and Government Operations on H.B. No.
2383-84

The purpose of this bill is to authorize the sale and distribution of House and Senate Journals by the Lieutenant Governor to the general public at a fixed charge, and to public officials free of charge.

According to testimony, while House and Senate Journals are distributed to certain public libraries, agencies and officials, the distribution does not include certain geographic areas. In addition, while there have been purchase requests from members of the public, without statutory authority for the sale of the journals to private individuals or law firms, the cumulative number of extra journals in storage in the Lieutenant Governor's Office increases each year.

Your Committee is in agreement that the public interests would be served by the offering of the journals for a fixed charge to private individuals and organizations and by the wider distribution of the journals to public offices. In addition, your Committee finds that this bill would alleviate storage space problems, and possibly result in additional revenues to the State.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2383-84, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kim.

SCRep. 241-84 Public Employment and Government Operations on H.B. No.
2307-84

The purpose of this bill is to create a new non-contributory retirement plan for eligible members of the Employees' Retirement System (ERS).

Currently, public employees have deducted from their pay 6% for their regular State retirement contribution, plus 1.8% for their post-retirement contribution, plus 7% for Social Security. In total, almost 15% of their gross pay before taxes is

deducted for their retirement. This bill attempts to establish an alternative system to give career public employees a more tax-efficient system and increase their take-home pay, yet still provide for a good retirement plan.

These goals are accomplished by the proposed establishment of a noncontributory retirement plan for ERS members who enter or reenter service after the effective date of the bill. Instead of the present retirement eligibility age of 55 with 5 years of service and the benefit formula of 2% per year of service, the proposed plan's retirement eligibility age is set at 62 with 10 years of service and a benefit formula of 1½% per year of service. Other benefit changes are also made. Present employees may elect to continue their present retirement plan or join the new plan.

Following the receipt of several recommendations made in testimony by the Hawaii Government Employees Association and in other testimonies, your Committee has amended this bill by:

- (1) Including ERS members who are on approved leaves of absence prior to July 1, 1984 as Class A ERS members.
- (2) Correcting incorrect statutory citations on page 6, line 20 and page 10, line 7.
- (3) Making a nonsubstantive grammatical change on page 9, line 7.
- (4) Including ERS members who have 30 years of credited service and are not at least 55 years old as persons eligible to receive a normal retirement allowance.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2307-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2307-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kim.

SCRep. 242-84 Public Employment and Government Operations on H.B. No.
1634-84

The purpose of this bill is to add a new section to Chapter 87-4, Hawaii Revised Statutes, which would enable husband and wife employee-beneficiaries to enroll in two Self Only medical plans, or one Family medical plan and one Self Only plan.

Under present law, husband and wife employee-beneficiaries may enroll in with two Self Only medical plans or one Family medical plan. Existing law also specifies that the total public employer contribution per month for husband and wife employee-beneficiaries may not exceed the cost of two Self Only medical plans or the costs of one Family medical plan.

Your Committee received testimony from the Hawaii Public Employees Health Fund indicating that there would not be any significant cost increases to a public employer if husband and wife employee-beneficiaries were to enroll under any of the four alternatives set forth in this bill.

Your Committee finds that this bill will provide husband and wife employee-beneficiaries with greater flexibility in the selection of their health plan or plans to fit their respective needs.

Your Committee has reviewed this bill to delete specific references to monetary amounts and substituted references to Self Only and Family Plan enrollments. In addition, other non-substantive stylistic revisions have been made.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1634-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1634-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kim.

SCRep. 243-84 Public Employment and Government Operations on H.B. No.
2514-84

The purpose of this bill is to improve the scope of fringe benefit insurance coverage for public employees by requiring public employers to pay a higher contribution for the employees' group life insurance plan.

According to testimony submitted by the State Department of Budget and Finance, the public employer's monthly contribution for the group life insurance plan has remained constant at \$2.25 a month per employee since its inception in 1968. Further, the Board of Trustees for the Hawaii Public Employees Health Fund recommends an increase to the monthly contribution from \$2.25 to \$4.00 a month which would require an annual increase in State expenditures of \$926,300.

Your Committee finds that the recommended increase to the employers' monthly contribution is needed to provide a more realistic level of life insurance benefits for all public employees and retirees and has amended the bill accordingly. Other non-substantive changes have been made for style and clarity.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2514-84, as amended, and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 2514-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kim.

SCRep. 244-84 Public Employment and Government Operations on H.B. No.
2317-84

The purpose of this bill is to update the job title of certain sewer worker positions in the present public employees' retirement system classification plan with more appropriate job titles.

Under the present law certain employees such as sewer maintenance helpers, gas detectors, and cesspool pumping supervisors are classified as sewer workers. Given today's technology and varied job responsibilities, the term sewer worker is obsolete.

Your Committee is in agreement that the job title "sewer worker" is inappropriate and should be replaced with a more modern classification for clarification purposes. However, your Committee has amended the bill by replacing the suggested job title, "wastewater treatment worker" with "wastewater maintenance worker" wherever appropriate insofar as the phrase "wastewater treatment" is narrow, and is normally associated with work performed during a specific phase of the wastewater handling process. The job titles listed in Section 88-21, Hawaii Revised Statutes, involve treatment work throughout the entire wastewater handling process and, therefore the more generic term of "wastewater maintenance worker" is more appropriate.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2317-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2317-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kim.

SCRep. 245-84 Housing on H.B. No. 1865-84

This bill would amend Section 666-14, Hawaii Revised Statutes, by amending the interest due on rent payable in order to stay a writ of possession in a proceeding for non-payment of rent.

Testimony indicated that this increase would be both reasonable and more reflective of current interest rates. However, it was suggested that for purposes of consistency with Section 478-2, Hawaii Revised Statutes, which provides for ten percent a year in interest on any judgement recovered before any court in the State, in any civil suit, the bill be amended to tie the interest rate of Section 666-14 to that of Section 478-2. It was also noted that such an amendment would be consistent with action taken by the Committee on Consumer Protection and Commerce with respect to the interest payable to the real estate recovery fund.

Your Committee concurs with this amendment and has amended Section 1 of the bill to read as follows:

"SECTION 1. Section 666-14, Hawaii Revised Statutes, shall be amended as follows:

§666-14 Writ stayed how, in proceedings for nonpayment of rent. The issuing of the writ of possession shall be stayed in the case of a proceeding for the nonpayment of rent, if the person owing the rent, before the writ is actually issued, pays the rent due and interest thereon at the rate of [eight per cent a year] interest provided for in Section 478-2 and all costs and charges of the proceedings, and all expenses incurred by plaintiff, including a reasonable fee for [his] said plaintiff's attorney."

Your Committee on Housing concurs with the intent and purpose of H.B. No. 1865-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1865-84, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Leong, Morgado, Tam, Ikeda and Jones.

SCRep. 246-84 Housing on H.B. No. 2198-84

This bill would add a new section to Part I, Chapter 356, Hawaii Revised Statutes to create a housing finance revolving fund.

Testimony received from the Hawaii Housing Authority indicated that such a fund would better coordinate the authority's financial resources into one revolving fund to be principally used for the operational expenses of administration of the various housing finance programs, and for the long-term and special financing of projects, including the provision of below-market permanent loans. One specific objective of such a fund would be to relieve the authority's Dwelling Unit Revolving Fund (DURF) of current long-term commitments in favor of the short term loans DURF was originally intended to provide. Testimony by the authority stressed the importance of such relief in light of the fact that additional general obligation bonds can no longer be provided to supplement DURF.

The authority also offered amendments to the measure clarifying its purpose, and providing that the housing financing revolving fund be exempted from Sections 36-21 and 359G-10, Hawaii Revised Statutes. Section 36-21 authorizes the Director of Finance to invest any monies of the State which the director feels are in excess of the amounts needed for meeting the State's requirements and Section 359G-10 provides, in pertinent part, that "all moneys received or collected by the authority under the provisions of this chapter [pertaining to DURF] shall be deposited into the revolving fund." (Bracketed material added.)

Your Committee has adopted the recommendations of the Hawaii Housing Authority and amended Section 1 of the bill to read as follows:

"SECTION 1. Chapter 356, Hawaii Revised Statutes, is amended by adding a new section to Part I to read as follows:

§356-33 Housing finance revolving fund. (a) There is created a housing finance revolving fund to be administered by the authority. Notwithstanding the provisions of section 36-21 and 359G-10, the proceeds in the fund shall be used for long-term and other special financings of the authority and for the necessary expenses in administering this chapter.

(b) All monies received and collected by the authority, not otherwise pledged nor obligated or required by law to be placed in any other special fund, shall be deposited in the housing finance revolving fund."

Your Committee on Housing concurs with the intent and purpose of H.B. No. 2198-84, as amended herein, and recommends that it pass Second Reading in the form attached here to as H.B. No. 2198-84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Leong and Jones.

SCRep. 247-84 Housing on H.B. No. 183

This bill would amend Section 235-5.5, Hawaii Revised Statutes, to change the income tax liability of an individual purchasing his or her first residential property in Hawaii with funds from an individual housing account.

Current law requires that such an individual, upon the sale of residential property so purchased, include in his or her gross income for the taxable year of that sale, the full amount of the distribution from said individual housing account. Moreover, the law imposes a ten per cent additional tax liability on the full amount of the distribution, also to be paid in the taxable year of sale.

Testimony received indicated that this requirement placed an almost prohibitive burden on individuals desirous of selling homes purchased with funds from an individual housing account, and presumably would discourage the very individuals the law was intended to serve from establishing or utilizing individual housing account funds to purchase their first principal residence.

Discussion indicated, however, that due to a technical error, the bill as drafted would not alleviate this problem because it triggered the tax liability at the time of distribution of the funds (rather than at the time of sale of the residence), even though such liability would be spread over three consecutive years.

Your Committee finds that in order to encourage individuals to establish and utilize individual housing accounts to purchase their first principal residence, it is preferable to place a tax liability on individual housing account distributions at the year following the year of sale of a residence so purchased. Moreover, your Committee finds it desirable to retain the apportionment of such liability over a three year period in order to ameliorate the burden somewhat, and to retain the additional ten per cent tax liability to discourage speculation, although this additional liability will also be apportioned over the same three year period previously described.

Your Committee has amended the bill by amending Section 1 to read as follows:

"SECTION 1. Section 235-5.5, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

"(f) If the individual for whose benefit the individual housing account was established purchases a residential property in Hawaii with the distribution from an individual housing account and thereafter sells in any manner or method or by use of any instrument conveying or transferring such residential property, the gross income of the individual under this chapter for each of the three taxable years following the year in which the residential property is sold, conveyed, or transferred, whichever is applicable, shall include an amount equal to one-third of the amount of the distribution from the individual housing account[,], [and, in addition, the tax liability of the individual shall be increased by an amount equal to ten per cent of the distribution from the individual housing account.] In addition, the tax liability of the individual under this section shall be increased by an amount equal to ten per cent of the taxable distribution amount for each of the three taxable years following the year of sale."

Your Committee on Housing concurs with the intent and purpose of H.B. No. 183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 183, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morgado and Jones.

SCRep. 248-84 Housing on H.B. No. 2244-84

The purpose of this bill is to amend Sections 237-29 and 359G-15 of the Hawaii Revised Statutes in order to correct overbroad language in the statute, by requiring the Hawaii Housing Authority and the Department of Taxation to oversee the general excise tax exemptions for persons and non-profit or limited distribution entities involved in certain low and moderate income housing projects.

Testimony received by the Hawaii Housing Authority indicated that Act 223, enacted in 1983, expanded the general excise tax exemptions for those persons and

entities contributing to the development, construction, or occupancy of government-assisted housing from solely construction contractors to all participants who contribute by way of planning, design, financing, construction, sale, lease or rental management of said housing. The intent of Act 223 was to provide economic inducements sufficient to generate private sector participation in the construction of new government-assisted housing, but a problem of statutory interpretation arose wherein those entities contributing to existing government-assisted projects would be allowed to receive the exemptions as well, without any corresponding benefits to the project's present tenants or to any governmental body. Your Committee finds that such interpretations countermand the State's interest in attempting to encourage the development of such new housing and therefore deems that an amendment to the statute is both necessary and appropriate.

Discussion of the measure gave rise to concern on the part of Pacific Housing Assistance Corporation that said measure, as drafted, would not allow general excise tax exemptions for those entities involved in the rehabilitation of older housing purchased with Community Development Block Grant Funds, for example, in order to add to the current housing supply. Your Committee finds that allowing the general excise tax exemption herein to such rehabilitation efforts would be in the public interest of providing more affordable housing to the residents of the State and has adopted the recommendation of the Pacific Housing Assistance Corporation accordingly.

In keeping with the above recommendation, your Committee has amended Section 2 of the bill, subsection (a) to read as follows:

"(a) the authority may certify for exemption from general excise taxes [a housing project receiving governmental assistance for exemption] any qualified person involved with a newly constructed or rehabilitated project developed under this chapter or under section 4615.1. [from general excise taxes. At the request of the authority, the department of taxation shall exempt such gross income from general excise taxes.]"

Your Committee on Housing concurs with the intent and purpose of H.B. No. 2244-84, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2244-84, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 249-84 Housing on H.B. No. 1879-84

This bill would amend Section 356-213, Hawaii Revised Statutes, to enable the Hawaii Housing Authority to issue capital appreciation bonds under the State's Hula Mae program, in anticipation of that program being extended by Congress through reenactment of the federal Mortgage Subsidy Bond Tax Act of 1980.

Testimony by the authority indicated that capital appreciation bonds, or "zero coupon" bonds, operate under the same principal as United States Savings Bonds. Initial investments grow substantially over an extended period of time, with interest on the bonds being paid when the bonds mature at par value. According to the authority, such a bond would provide greater flexibility to the State's housing financing structure, thereby enabling it to take advantage of the most favorable interest rate. The result would be a reduced mortgage rate for Hula Mae borrowers of approximately one-quarter percent (1/4%).

Your Committee on Housing concurs with the intent and purpose of H.B. No. 1879-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Leong and Jones.

SCRep. 250-84 Housing on H.B. No. 2559-84

This bill would alter the definition of an eligible rental housing project under Section 356-302, Hawaii Revised Statutes, to include the various federally assisted rental housing projects established under legislation other than the National Housing Act of 1934, as amended. It would further change the corresponding

rental assistance fund to a revolving fund in order to prevent the lapsing of current monies in that fund.

Although there is a need to broaden the current law to include these other federal programs, there was concern that the present language of the bill may be overbroad. However, narrowing the language would raise the same sorts of limitations as to what constituted an "eligible rental housing project" which necessitated this bill in the first place. Thus, while retaining the current language of the bill, your Committee reiterates that the primary purpose of the Rental Assistance Program contained in Chapter 356 is to facilitate the issuance of tax exempt revenue bonds for the construction of multi-family low and moderate income housing projects, although your Committee recognizes that economic exigencies may limit the feasibility of such construction. Further, your Committee expects that the Hawaii Housing Authority, in its annual report, henceforth provide a description of each project utilizing the Rental Assistance Program herein.

Your Committee on Housing concurs with the intent and purpose of H.B. No. 2559-84 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morgado.

SCRep. 251-84 Housing on H.B. No. 1157

This bill seeks to encourage greater participation by private developers in the development of affordable housing under Section 359G-10.5, Hawaii Revised Statutes, by broadening the range of affordable units required to include housing for families who qualify as eligible borrowers under the Hula Mae program, decreasing the percentage of units in any project which must be reserved for the target group from 60 percent to 20 percent and, allowing the Hawaii Housing Authority ("HHA") to waive buyback provisions for as many units as it wishes.

Private developer participation in the development of affordable housing has been quite limited under the current law, in spite of the fact that such developments could qualify for various zoning, density, tax and code incentives. The requirement that 60 percent of the units in a project be sold at price ranges affordable to low and moderate income families has tended to offset any benefits which might be conferred under Section 359G-10.5 because of the large number of units (60%) that must be subsidized by the sale of the remaining 40% of the units.

The City and County of Honolulu indicated that while a reduction in the 60 percent figure might stimulate housing production, a figure as low as 20 percent might be construed by developers to be a target, rather than a guideline. Moreover, expanding this 20 percent target group to include Hula Mae qualifying incomes may result in the production of disproportionately more housing for these higher income groups, rather than for the lower income groups. Your Committee shares these concerns. While it is in the State's interest to have proportionally more projects developed which serve low and moderate income groups, rather than other gap group incomes, it also recognizes that affordable housing shortages exist for the gap group as a whole. Nonetheless, in order to stress the priority that low and moderate income groups should have with respect to affordable housing, your Committee expects the State and the counties, when entering into agreements with private parties to develop projects under Section 359G-10.5, to require the construction of as many units as possible for these lower income groups. Your Committee also expects that the Hawaii Housing Authority, in its annual report, henceforth provide a breakdown of the income groups served by each project developed through HHA pursuant to Section 359G-10.5.

While concerned with the easing of certain restrictions in the provision of affordable housing under Section 359G-10.5, your Committee is also cognizant of the economic realities which necessitate such an easing. Your Committee has been informed that the effects of these amendments will not be manifested for at least two or three years. Hence, your Committee believes that appropriate review of the effects of these amendments on the provision of affordable housing by the private sector should occur at that time to determine whether these amendments warrant continuation.

Your Committee on Housing concurs with the intent and purpose of H.B. 1157 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 252-84 Housing on H.B. No. 2528-84

This bill authorizes the Hawaii Housing Authority to make allocations of tax-exempt mortgage revenue bond authorization to one or more issuers, and that such bond allocations may be requested from or reassigned to the Hawaii Housing Authority (HHA) by any county by resolution of its legislative body. These mortgage bonds may be issued pursuant to the Federal Mortgage Subsidy Bond Tax Act of 1980.

Testimony received from the Hawaii Housing Authority indicated that such an allocation of revenue bond authorization by the legislature is necessary, in the event Congress extends the Federal Mortgage Subsidy Bond Tax Act of 1980, implemented in Hawaii as the Hula Mae program. Congressional extension seems likely, since three-quarters of the Congress supports legislation to that effect. Corroborating testimony also indicated that such an allocation is desirable because it would coordinate housing efforts in the State of Hawaii and allow more flexibility in the administration of bond allocations throughout the State.

In 1982, the legislature, through Act 279, apportioned the State's bond allocation among the Hawaii Housing Authority and counties. This bill would change that allocation approach and, instead, allow HHA to obtain the full allocation, to be apportioned to the counties upon application to HHA by the counties.

The City and County of Honolulu informed your Committee that it had initiated an intensive effort to establish a city tax-exempt mortgage revenue bond program to utilize its allocated authorization under Act 279 and wished to continue its efforts in this area. Thus, there was concern regarding the requirement of the bill, as drafted, that the counties must apply to HHA in order to receive a portion of the State's bond allocation before proceeding further. Because there were also concerns regarding avoiding duplication of efforts by HHA and the counties in this area of housing, discussion also focused on the possibility of limiting the counties to utilization of their bond allocations, if any, on a project-specific basis.

Your Committee finds that the intent of any amendment to the bill to address these concerns shall be such that the counties may trigger their allocation merely by adopting the resolution called for in this bill. HHA has no discretion to withhold the requested allocation nor does it have the authority to require any justification from the counties as to their utilization of the allocation. Given these stipulations, your Committee has amended Sections 1 and 2 of the bill to read as follows:

"Section 1. The legislature hereby allocates the principal amount of bonds which may be issued under the Federal Mortgage Subsidy Bond Tax Act of 1980, as the same may be amended, for so long as such Act shall be in effect, to the Hawaii Housing Authority.

Section 2. Upon request by any county, by resolution of its legislative body, the Hawaii Housing Authority is authorized and shall allocate to that county a percentage of the foregoing allocation, in the requested amount, provided that such an amount does not exceed, as to each county, the amount set forth below:

City and County of Honolulu	29% of the total state-wide allocation
County of Hawaii	10% of the total state-wide allocation
County of Maui	7% of the total state-wide allocation
County of Kauai	4% of the total state-wide allocation;

provided further that any such allocation to a county shall be used solely for specific new construction projects."

Your Committee has also amended the bill in keeping with the aforementioned concerns by adding a new section to be designated Section 3, by renumbering the

The purpose of this bill is to clarify the types of items subject to seizure and forfeiture when used or possessed in violation of Title 12, Hawaii Revised Statutes, and rules. The bill also provides for the option of the Department of Land and Natural Resources to retain and use the forfeited property when declared by the court to be forfeited to the State in accordance with the procedure set forth in Section 701-119 (Hawaii Penal Code), Hawaii Revised Statutes.

According to testimony, the intent of H.B. No. 2107-84 is similar in effect to Section 329-55, Hawaii Revised Statutes, which addresses forfeiture under the Uniformed Controlled Substances Act; and to federal statutes which provide for forfeitures and use of forfeited equipment and property. Violations of Title 12, statutes, and rules in Hawaii continue to plague the Department of Land and Natural Resources despite its enforcement actions against violators. Examples of violations include the use of helicopters, commercial fishing vessels, and other vehicles used to hunt during night hours and to cart off game taken illegally.

Your Committee finds that the idea of an agency using confiscated property is not unusual. The Department of Health has this authority, for example. In addition, all departments could, with proper administrative review, receive gifts of equipment, etc. without legislative authority.

Your Committee is in agreement with the intent and purpose of the bill; however, a clarification is desirable. Because the bill adds the word "property" on lines 4, 11, and 13, page 1, it becomes necessary to clarify the use of the same word on line 16, page 1, and line 15, page 2. Therefore, your Committee recommends that the phrase "such equipment, article, instrument or" be added to line 16, page 1, between "Any" and "property", and to line 15, page 2, between "all" and "property".

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2107-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2107-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Hashimoto, Hee and Isbell did not concur.)

SCRep. 256-84 Employment Opportunities and Labor Relations and Consumer
Protection and Commerce on H.B. No. 2114-84

The purpose of this bill is to eliminate fraud in the workers' compensation system. H.B. 2114-84 seeks to penalize any individual or entity that attempts to obtain or avoid workers' compensation payments by means of false representation. The Director of the Department of Labor and Industrial Relations is to terminate all fraudulently obtained benefits and seek restitution where possible.

Your Committees agree that a person who falsely attempts to obtain benefits as well as a person who falsely attempts to deny rightful benefits to another should be fined. The majority of the Committees asked that the Director of the Department of Labor and Industrial Relations be instructed to seek restitution in cases where fraudulently obtained benefits have been paid.

Line 9 of H.B. 2114-84 has been amended by substituting the word shall for the word may. An amendment directs the department to seek restitution where possible. Your committees have also made other non-substantive amendments.

Your Committees on Employment Opportunities and Labor Relations and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2114-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2114-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Albano and Matsuura.

SCRep. 257-84 Employment Opportunities and Labor Relations and Education
on H.B. No. 1747-84

The purpose of this act is to deny unemployment benefits to all non-professional employees of educational institutions between successive academic years or terms, or during holiday or vacation periods if the employees have reasonable assurance of work in the second year or term or after such holiday or vacation period; to specifically deny benefits to professional employees of educational institutions during holiday or vacation periods if the employees have reasonable assurance of work after a holiday or vacation period; and to deny benefits to all employees of governmental educational service agencies between successive academic years or terms or during holiday or vacation periods if the employees have reasonable assurance of work in the second year or term or after such holiday or vacation period.

Your Committees concur with the Department of Labor and Industrial Relations that H.B. 1747 is necessary to bring section 383-29(b) of the Hawaii Employment Security Law in line with Public Law 98-21, Social Security Act Amendments of 1983. By so doing, the State will avoid the loss of tax credit and the administrative grant used to administer the program.

Your Committees have amended the bill to allow for the deletion of the brackets on page 4, lines 10-13. These brackets were inadvertently inserted during processing.

Your Committees on Employment Opportunities and Labor Relations and Education are in accord with the intent and purpose of H.B. No. 1747-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1747-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Albano.

SCRep. 258-84 Consumer Protection and Commerce on H.B. No. 1817-84

The purpose of this bill is to extend the time for repeal of the Board of Acupuncture until December 31, 1990.

Currently, the Board of Acupuncture is scheduled to be sunsetted December 31, 1984.

In Report No 84-6, January 1984, the Legislative Auditor recommended that the Board be extended until December 31, 1990.

Your Committee heard favorable testimony for this bill from the Board of Acupuncture and the Executive Secretary to the Board of Acupuncture.

Your Committee has learned from the Auditor's report that the Attorney General's Office rendered an opinion on December 1982 that acupuncturists were not entitled to call themselves "Doctors" or "acupuncture physicians". Subsequently, the Board's lack of response to this opinion resulted in the sending of warning letters to acupuncturists who were violating the Board's rule on advertising. Among those receiving a warning letter from the Executive Secretary were three members of the Board. Although all the violators have since complied to this rule, your Committee is disturbed that the Board did not react promptly to the Attorney General's Opinion and that Board members were violating a rule that they were supposed to enforce.

Your Committee further finds that the Board has failed to establish educational guidelines in their licensing process by allowing foreign applicants to take the Board's exam indiscriminately without first establishing a complete list of foreign schools whose graduates are acceptable candidates for licensing.

Your Committee accordingly feels that the Board of Acupuncture has been mismanaged and will therefore be placed on probation for a period of one year. During the probationary period, it is the intent of your Committee that the Board be reviewed again in order to make a determination as to whether the board will be sunsetted.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1817-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1817-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 259-84 Consumer Protection and Commerce on H.B. No. 1764-84

The purpose of this bill is to reduce duplicative securities filing requirements and ease the workload burden of the business registration division by eliminating the necessity of filing any security for which a registration statement has been filed under the federal Securities Act of 1933.

Presently, securities filed under the federal Securities Act of 1933 must also be registered by coordination with the department before they can be sold in Hawaii. Such filings are almost always given a cursory review once the Securities & Exchange Commission has approved the filings.

These filings are voluminous and an inordinate amount of staff time is necessary to file and log the documents. These offerings are sold through well-established brokerage houses and rarely generate any investor complaint or public inquiry. During fiscal year 1982-1983 filing revenues totalled only \$35,000.

Eliminating the duplicative state filing requirements would not harm the investing public. Investors would still be able to rely upon the Securities & Exchange Commission's initial review. A total of two staff positions would be freed to work on more pressing duties. Furthermore, the state would still retain its jurisdiction to prosecute any fraudulent offering.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1764-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1764-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 260-84 Consumer Protection and Commerce on H.B. No. 1878-84

The purpose of this bill is to amend section 484-15, Hawaii Revised Statutes, to increase the amount of the fines for violators of the Uniform Land Sales Practices Act and to amend Section 484-16(b), Hawaii Revised Statutes, to increase the amount of interest recoverable.

The Department of Commerce and Consumer Affairs expressed no objection to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1878-84 and recommends that it pass Second Reading, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 261-84 Consumer Protection and Commerce on H.B. No. 1779-84

The purpose of this bill is to: authorize the Real Estate Commission to insure that an individual whose name is the company name is licensed as a broker, discipline licensees who violate real estate related chapters administered by the Department of Commerce and Consumer Affairs, and fine a real estate licensee a maximum a \$500 for each violation cited.

Since 1974, the Real Estate Commission had a rule which prohibited use of a trade name, corporate name or partnership name that contained the name, initials or nickname of an unlicensed person or a salesman.

Recently, the Attorney General rendered an opinion, in summary, it held the Commission did not have the authority to adopt such a rule. However, the Attorney General stated the Commission, by amending the statute, could regulate company names.

The Commission testified that it is important to restrict company names or trade names to a licensed broker where an individual name is used. This is to assure a

consumer that the person whose name is being used is connected with the company and has the minimum prerequisites to manage a real estate company.

This bill also authorizes the Commission to discipline a licensee for violation of laws relating to subdivisions, condominiums, timesharing, and discrimination in real property transactions.

The Commission testified that a licensee who violates such provisions is not acting in the best interest of the public and the industry, and should be disciplined for their actions.

The Commission was also concerned that the current penalty provision could be interpreted to mean that an individual who commits multiple violations would be fined a maximum of \$500 instead of \$500 for each violation.

The Hawaii Association of Realtors also testified in support of this bill.

Your Committee, upon discussion, has increased the fine from the sum of \$500 to \$1,000 per violation.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1779-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1779-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 262-84 Consumer Protection and Commerce on H.B. No. 2029-84

The purpose of this bill is to amend section 447-2, Hawaii Revised Statutes, to define the duration and conditions under which the Board of Dental Examiners may grant a temporary license to practice dental hygiene.

The bill also proposes to amend section 447-3, Hawaii Revised Statutes, to set forth expanded functions to be performed by dental hygienists. Further, there are different degrees of supervision to be required of the supervising dentists during the performance of a procedure by a dental hygienist.

The Board of Dental Examiners, the Department of Health and the President of the Hawaii Dental Association testified in favor of the temporary licensure proposal. Such an amendment it was stated, would serve to eliminate loopholes in the law and possibly curb the abuse of a temporary license.

The Hawaii Dental Hygienists Association supported the additional functions of taking impressions for study casts, administration of local anesthetics and completing restorations. Also, that all hygienists should be allowed to perform routine and traditional dental hygiene services under the general supervision of a dentist.

Your Committee, however, in agreement with the Hawaii Dental Association believes that dental hygienists are not currently qualified to handle these additional functions. "General supervision" has as its crux the absence of a dentist during the performance of any permissible procedure by the hygienists and anything less than "direct supervision" by the supervising dentist would not be in the public's best interest.

Your Committee has added a new section to section 447, Hawaii Revised Statutes, relating to definitions, and has defined the terms "direct supervision" and "general supervision" for purposes of clarifying current existing statutory language.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2029-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2029-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

SCRep. 263-84 Consumer Protection and Commerce on H.B. No. 2026-84

The purpose of this bill is to amend Section 448-3, Hawaii Revised Statutes, to provide for the employment by a duly licensed and registered dentist of auxiliary personnel, in addition to registered dental hygienists, to assist the dentist in the practice of dentistry. The bill provides that such employees shall be known as dental assistants and shall perform all duties assigned to them not only under the "general" supervision, but in addition, under the "direct" supervision, direction, and responsibility of the dentist. The bill also provides that the definition of the terms "general supervision" and "direct supervision" and the degrees of the supervision required during the performance of the duties of the dental assistants shall be delineated under rules which the Board of Dental Examiners may from time to time adopt.

The bill further amends Section 448-12, Hawaii Revised Statutes, to provide for conditions under which a temporary license issued to persons for the practice of dentistry may be terminated or revoked.

Dr. George Uesato, Chairman of the State Board of Dental Examiners, testified in support of the bill, although he requested a clearer definition of the degrees of supervision under which the dental assistants shall perform their duties. He also testified in support of the proposed amendment to Section 448-12, Hawaii Revised Statutes, in order to avoid possible abuse of the use of temporary licenses by the specific stipulation in the statutes of the duration in which temporary licenses may remain in effect.

Your Committee is in agreement with the testimony submitted by the Board of Dental Examiners, and has amended the bill by deleting the provision which requires that the definition of "general supervision" and "direct supervision" and the degrees of supervision required during the performance of the duties of the dental assistants shall be delineated under rules adopted by the Board of Dental Examiners.

Your Committee has also added a new subsection to Section 448, Hawaii Revised Statutes, relating to definitions, and has defined the terms "direct supervision" and "general supervision".

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2026-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2026-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 264-84 Agriculture on H.B. No. 1702-84

The purpose of this bill is to expand the requirements for obtaining a license to operate as a broker of farm produce.

Your Committee has received testimony in support of this bill from the chairman of the Board of Agriculture.

This bill provides that to obtain a license as a broker, an applicant must, in addition to complying with the general application requirements prescribed by rule:

- 1) file a schedule of commissions and charges for services, which may not be varied for the license period except by written contract; and
- 2) secure a surety bond.

Your Committee finds that these additional requirements for licensing to operate as a broker parallel requirements stipulated under the current statute for licensing to operate as a commission merchant.

Your Committee has adopted the recommendation of the chairman of the Board of Agriculture that paragraph 5 of section 145-2, HRS, regarding penalties for the late renewal of preexisting licenses, be amended to apply additionally to agents in order to make the application of the law equal for all parties. Your Committee has therefore amended the first clause of that paragraph to read "Should any commission merchant, dealer, broker, agent, processor, or retail merchant refuse, fail, or neglect to apply for the renewal of a preexisting license within thirty days after the expiration thereof,..."

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1702-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1702-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 265-84 Ocean and Marine Resources on H.R. No. 108

The purpose of this resolution is to request the Department of Land and Natural Resources to hold public meetings at or near Kawaihae Harbor to determine whether or not net fishing should be restricted in Kawaihae Harbor and nearshore waters of Kawaihae, Hawaii.

Your Committee finds that a present conflict exists between pole-and-line fishermen, who fish from Kawaihae Harbor and Puukohola Bay, and net fishermen, who also fish in the waters in the immediate vicinity. The conflict involves alleged intrusion by commercial fishermen into breakwaters of Kawaihae Harbor and shore-line areas of Puukohola Bay. This resolution would address this concern by authorizing the Department of Land and Natural Resources to conduct meetings surrounding the Kawaihae Harbor, to determine the advisability of restricting net fishing in a portion of the harbor and nearshore waters of Kawaihae, Hawaii, and further to coordinate with the Department of Transportation on appropriation actions to be taken.

Testimony from the Department of Transportation indicated support for the Resolution and a willingness to cooperate with the Department of Land and Natural Resources in the development of administrative rules concerning net fishing within Kawaihae Harbor.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 108 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dang.

SCRep. 266-84 Agriculture on H.R. No. 31

The purpose of this resolution is to strengthen Hawaii's diversified agricultural industry by encouraging statewide agricultural organizations to develop a program to provide information, advice, and assistance to existing and new agricultural cooperatives and commodity associations.

Your Committee has received testimony in support of this measure from the Chairman of the Board of Agriculture, the Chairman of the Governor's Agriculture Coordinating Committee, and the Dean of the College of Tropical Agriculture, University of Hawaii.

The State's diversified agricultural industry consists of numerous small-scale farmers producing a wide variety of commodities. Your Committee finds that many of these farmers are members of cooperatives and regional commodity associations. All of these organizations could benefit from advice, assistance, and information provided by statewide farm organizations.

Your Committee further finds that it would be to the benefit of all farmers involved for their regional commodity organizations to unite, forming statewide commodity organizations which could establish an integrated and coordinated communication system for the dissemination of production, processing, and market development information to all segments of the commodity group.

Your Committee has adopted the recommendation of the Chairman of the Board of Agriculture that the U.S. Department of Agriculture Cooperative Office be requested to provide statewide agricultural associations assistance in the development of education and training programs for the purpose outlined in this resolution. The last two "BE IT RESOLVED" clauses have been amended accordingly.

Your Committee has also made several technical, non-substantive amendments to this resolution.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 31, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 31, H.D. 1.

Signed by all members of the Committee.

SCRep. 267-84 Agriculture and Tourism on H.R. No. 97

The purpose of this resolution is to request Congress to enact appropriate legislation to require the United States Department of Agriculture to continue the federal-state cooperative agreement on interline agricultural inspections.

Your Committees have received testimony in support of this resolution from the Chairman of the Board of Agriculture, the Chamber of Commerce of Hawaii, the Hawaii Hotel Association, and the Hawaii Visitors Bureau.

Your Committees find that should the U.S. Department of Agriculture withdraw its funding support for interline agriculture inspections at Hawaii's neighbor island airports, thousands of tourists who depart each month from neighbor island airports for the mainland U.S. via Honolulu would be subjected to delays, extra baggage handling, and the risk of missing connecting mainland flights. In the long run, this would threaten the growth of Hawaii's tourist industry, and perhaps trigger a loss of employment on the neighbor islands.

Your Committees further find that termination of pre-departure inspections on the neighbor islands would result in increased congestion at Honolulu International Airport and might cause the quality of airport inspections there to suffer, thus possibly endangering the agricultural industry in the continental United States.

Your Committees on Agriculture and Tourism concur with the intent and purpose of H.R. No. 97 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 268-84 Consumer Protection and Commerce on H.B. No. 1816-84

The purpose of this bill is to extend the Sunset Review of the Board of Dental Hygienists for another six years to December 31, 1990.

Testimony in favor of the bill was given by the Board of Dental Examiners which maintained that there is a continued need to regulate and train the dental hygienist to ensure the protection of public health and safety.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1816-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee

SCRep. 269-84 Energy, Ecology and Environmental Protection and Judiciary
on H.B. No. 2075-84

The purpose of this bill is to enable any person to appeal an agency's determination that an environmental impact statement (EIS) is or is not required without filing suit. This appeal process would establish an administrative alternative to the existing judicial remedy provided under subsection 343-7(b), Hawaii Revised Statutes.

Under present law, a person wishing to appeal the determination that an EIS is or is not required must file suit in court within 60 days of public notification of that determination. This causes unnecessary monetary expenditures, creates delays, and places a burden upon the court system that could be handled through an administrative process.

While in agreement with the intent of this bill, your Committees have adopted the recommendations of the Office of Environmental Quality Control, the Environmental Council, and the Land Use Research Foundation of Hawaii by making the following amendments:

(1) To provide for the establishment of rules for determining under what circumstances a person may appeal a decision to the Council, your Committees added the phrase "and circumstances" to the first line in item (8), section 343-6;

(2) To clarify the fact that the rules established under Section 343-6 will guide an appeal to the Environmental Council of a determination that an EIS is or is not required, your Committees have amended the appropriate statements in subsections (b) and (c) on pages 2 and 4 to read as follows:

"Any person or agency other than the agency which prepared the assessment may appeal a determination that a statement is or is not required to the environmental council pursuant to rules established under Section 343-6.";

(3) To establish a timetable for the appeal process relating to a determination whether an EIS is required or not, your Committees have added the following statement after the phrase "shall abide by the council's decision" which appears on pages 2 and 4:

"Any administrative proceeding, the subject of which is the determination that a statement is or is not required for a proposed action, shall be initiated within 30 days after the public has been informed of such determination pursuant to section 343-3."; and

(4) To correct a typographical error in Section 343-6, item (8), your Committees have inserted the words "or is" to line 23 on page 7 to make it consistent with the other proposed changes.

Your Committees on Energy, Ecology, and Environmental Protection and Judiciary are in accord with the intent and purpose of H.B. No. 2075-84, as amended herein, and recommend that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 2075-84, H.D. 1.

Signed by all members of the Committees.

SCRep. 270-84 Transportation on H.B. No. 2139-84

The purpose of this bill is to allow commercial catamarans possessing a valid permit issued by the State Department of Transportation (DOT) for the embarking and disembarking of passengers on Waikiki Beach to moor in Ala Wai boat harbor at facilities leased for commercial purposes.

Your Committee finds that Section 266-21, Hawaii Revised Statutes, presently forbids the moorage of any commercial vessel at Ala Wai boat harbor. That is because there is a commercial harbor (Kewalo Basin) within a distance of three statute miles of Ala Wai boat harbor. Your Committee received testimony that catamarans conducting commercial operations upon Waikiki shore waters pursuant to registration certificates issued by the DOT are severely hampered in their operations by being required to moor at Kewalo Basin or Honolulu Harbor. This is because of the time that must be expended daily to sail a catamaran from either Kewalo Basin or Honolulu Harbor to Waikiki.

Your Committee finds that it is in the best interest of tourism and of revenue generation that commercial catamarans permitted by the DOT to operate in Waikiki shore waters be permitted to moor as close as possible to the site of their daily operations. Your Committee further finds that, for mooring purposes, these "commercial" catamarans are essentially the same as catamarans used for strictly recreational purposes.

Present DOT regulations provide that a commercial catamaran may be issued a "registration certificate" rather than a "permit" to operate in Waikiki shore waters. However, the DOT is considering a change in its rules which would make the use of the word "permit" in this context correct. For these reasons, and because the phrase "to embark and disembark passengers" is awkward, your Committee has amended page 2, lines 8-11 of the bill as follows: the phrase, "catamarans possessing a valid permit issued by the department of transportation to embark and disembark passengers on Waikiki Beach," has been replaced by the phrase, "catamarans, for which valid permits or registration certificates have been issued by the department of transportation which allow the catamarans to operate upon Waikiki shore waters for hire,".

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2139-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2139-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 271-84 Transportation on H.B. No. 1637-84

The purpose of this bill is to permit the counties to take custody of and dispose of vehicles which have been left unattended "without movement of at least fifty feet" for "four calendar days" whether or not the vehicle is "unlawfully" parked.

Under present law, the counties of the State of Hawaii may take into custody and dispose of vehicles which have been left unattended for twenty-four hours and which are unlawfully on any public highway or other public property or which have been left on private property without authorization.

Your Committee finds that pursuant to Section 290-1, Hawaii Revised Statutes (H.R.S.), the counties have the function of taking custody of and disposing of certain unattended vehicles. Thus, your Committee believes that it is appropriate for the counties to determine the criteria for removing such unattended vehicles. Your Committee also finds that although the term "abandoned" is used in the title of Section 290-1, H.R.S., the term "unattended" is used in the body of that section. Also, in Section 290-12, H.R.S., relating to penalties for leaving "abandoned" vehicles, the term "abandoned" is not defined. Therefore, your Committee on Transportation has amended Section 1 of the bill to eliminate the specific new statutory language proposed by the bill relating to which vehicles may be taken into custody and disposed of and to permit the counties to take into custody and dispose of vehicles which have been "abandoned".

Section 1 of the bill has also been amended to provide that a vehicle is "abandoned", for the purposes of Section 290-1, H.R.S., if it is defined to be abandoned by an ordinance of the county in which the vehicle is located. The counties will therefore be given flexibility to determine which vehicles should be taken into custody and disposed of.

The amendment to the bill further provides that in the absence of such an ordinance, a vehicle is deemed "abandoned" if it is left unattended for a continuous period of more than twenty-four hours and it is unlawfully on any public highway or other public property. This is essentially what the present Section 290-1, H.R.S., provides, except that the reference in the present section to private property has been eliminated. That is because Section 290-11, H.R.S., which deals with the removal of vehicles left unattended on private property, makes such reference unnecessary.

Your Committee has also amended H.B. No. 1637-84 to conform Section 290-1, H.R.S., to recommended bill drafting style by referring to the individual counties of the State and the City and County of Honolulu as "[t]he counties" at page 1, lines 4-5 of the bill. Finally, your Committee has made grammatical amendments to page 1, line 6 of the bill and has eliminated proposed subsection and paragraph delineators at page 1, lines 4, 7, 12 and 15 of the bill, as introduced.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1637-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1637-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 272-84 Education on H.B. No. 1697-84

The purpose of this bill is to amend Section 13-4, Hawaii Revised Statutes, to provide for the staggered election of the Board of Education members.

At the present time, the four-year term for all 13 members of the Board of Education begins and ends on the day of the special election held in conjunction with the general election. The implementation of a staggered electoral process for the Board of Education members would begin with the special election held in

conjunction with the 1984 general election. Members of the Board would be divided into two classes, with the first consisting of seven members who shall serve for a term of four years, and the second consisting of the remaining members who shall hold office for a term of two years, ending on the day of the special election held in conjunction with the general election following their election. The members of the second class shall then be elected for a four-year term. Members of the two classes shall be divided as specified in the bill.

The amendment that this bill proposes would ultimately produce a board comprised of members elected to a four-year term, with the election of the first and second group being alternated at two-year intervals in conjunction with the general election. This amendment should provide for greater continuity of the Board's operations and should serve to increase its efficiency and effectiveness.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1697-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 273-84 Public Employment and Government Operations on H.B. No.
1735-84

The purpose of this bill is to amend Section 121-7, HRS, to make the law consistent with Section 121-9, HRS, and to correct a technical error citing a constitutional provision.

Under present law Section 121-7, HRS, states in part that "The Adjutant General shall be the executive head of the Department of Defense and Commanding General of the National Guard." Section 121-9, HRS, states that "the Adjutant General shall supervise all of the forces comprising the Military components of the Department of Defense of the State."

Your Committee is in agreement that by amending Section 121-7, HRS, to read "Military component of the Department of Defense or the State" it would be consistent with Section 121-9, HRS, and would clarify the Adjutant Generals' scope of command. Also the present law cites article IV instead of article V in reference to the Adjutant Generals' term of office. This technical error was corrected.

Your Committee on Public Employment and Government Operations, is in accord with the intent and purpose of H.B. No. 1735-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 274-84 Housing on H.B. No. 2246-84 (Majority)

This bill would amend Chapter 519, Hawaii Revised Statutes, by adding a findings and purpose section and by altering the formula for determining the amount of residential lease rent payable pursuant to lease rent renegotiation. Clarifying language is also added to specify that any such renegotiation shall take place at such time as specified in the lease document, but in any event no more frequently than once every fifteen years.

Testimony received in support of the bill indicated that, for one thing, the present formula utilizing "owner's basis" results in under-valuation of the lessee's interest in the leasehold and over-valuation of the lessor's interest. A formula which increases lease rents from a set starting point and by a set percentage rather than upon a determination of owner's basis would be fairer method of computation and would, moreover, obviate the need for costly appraisals, lawyers, arbitration and the State's intervention in the residential lease rent renegotiation process as is currently the case. In addition, the computation approach contained in the bill would provide a measure of predictability and stability that the lease rent renegotiation process presently lacks.

Testimony revealed that a major problem with the owner's basis formula under current law is that determination of owner's basis relies on continually changing factors in the marketplace, thus introducing a large measure of uncertainty as to the level of future lease rents. Furthermore, the formulation of owner's basis

utilizing these factors does not provide an appropriate reduction in the owner's basis for the amount of that basis attributable to the lessee which has resulted in lease rents in excess of those being offered new lessees in similar circumstances, as well as in excess of levels affordable to many lessees. Moreover, the utilization of marketplace factors, to the extent these factors reflect appreciation of the asset, is not an appropriate method to calculate lease rent increases, since such factors are appropriate to a calculation of the sale of the asset itself.

Your Committee finds that deleting owner's basis from the formula and replacing it with the lease amount in effect at the time of renegotiation would provide fixed levels of increases in lease rents per year, would alleviate the aforementioned concerns and problems and would be consistent with the State's objective of providing affordable housing to all its residents.

Discussion to determine the appropriate multiplier percentage to be included in the formula centered on whether or not a ratio involving the Consumer Price Index would be preferable to a fixed percentage rate. Testimony indicated that rather than the 3% rate currently in the bill, a ratio based on the United States Consumer Price Index would be a more accurate indicator of how much more a good or service, in this case, lease rents, should cost at the time of renegotiation and would utilize a measure with a high level of credibility. Another proposal was to use 5.5% as the multiplier, analogizing the lease rent increase with the interest paid on a passbook account. Since your Committee was concerned with providing a level of predictability in lease rent increases, your Committee has amended the bill by adopting the 5.5% multiplier, rather than the Consumer Price Index. A fixed percentage rate of increase was considered preferable to lease rent increases based on the Consumer Price Index, since a formula based on a changing Index would retain the current problem of uncertainty future lease rents.

Further, your Committee has adopted the recommendation of the Hawaii Housing Authority to include a provision in the bill enabling lessors to automatically receive fixed yearly increases in the lease rent amount for each year of the lease in question, following the initial lease rent renegotiation pursuant to the formula contained in the bill.

To clarify any ambiguity regarding the renegotiation period to be used in the formula, the terms "renegotiation" and "reopening" referred to in the formula shall mean renegotiations or reopenings occurring subsequent to the effective date of the bill.

In keeping with the above recommendations, your Committee has amended Section 3 of the bill by amending paragraph (a)(2) to reflect the five and one half per cent (5.5%) multiplier percentage and by adding the provision for an automatic lease rent increase of 5.5% per year which shall read as follows:

"(2) Upon renegotiation, the lease rent payable shall not exceed the amount derived by multiplying the amount of the lease rent being paid at the time of the reopening by five and one half per cent (5.5%) compounded annually for every year that said rent has been in effect up to the date of renegotiation. For the year following said renegotiation, and for every year thereafter, the lease rent payable shall increase by 5.5% over the lease rent of the preceding year.
 ["owner's basis by four percent. For purposes of this section, "owner's basis" means the current fair market value of the lot excluding onsite improvements, valued as if the fee were unencumbered; less the lessee's share, if any of the current replacement cost of providing existing offsite improvements attributable to the land, which replacement cost shall include an overhead and profit not exceeding twenty per cent of the current replacement cost of the existing offsite improvements, or less the original lot development credit to the lessee, whichever is greater. For purposes of this section, "offsite improvements" means all physical improvements such as, but not limited to, roads, sewer lines, sewage treatment plants, and underground utility cables, constructed or placed in a subdivision or development off the land intended for occupancy, which improvements are to be used in common by occupants of all lands adjoining such improvements or by occupants of all lands for whose benefit the improvements have been constructed or placed; and "onsite improvements" means all physical improvements placed on a residential lot intended for occupancy which improvements are for the benefit of occupants of that lot, including but not limited to, dwelling units, garages, service buildings, stairs, walkways, driveways, walls, trees, shrubs, landscaping, and pools.

(b) In the event that parties to a lease are unable to achieve an agreement under any reopening provision, the Hawaii housing authority or its designee shall arbitrate, and its findings shall be binding and conclusive on both parties.]"

Your Committee has also made numerous changes to the findings and purpose section of the bill to reflect more accurately the legislative intent.

Your Committee has amended Section 5 of the bill to read as follows: "This Act shall take effect upon _____."

Your Committee on Housing concurs with the intent and purpose of H.B. No. 2246-84, H.D. 1 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 2246-84, H.D. 2.

Signed by all members of the Committee.
(Representatives Andrews and Morgado did not concur.)

SCRep. 275-84 Public Employment and Government Operations on H.B. No.
1758-84

The purpose of this bill is to amend Section 279E-8, Hawaii Revised Statutes, relating to the Oahu Metropolitan Planning Organization (OMPO).

Under present law, Section 279E-8, authorizes the Governor to appoint agencies in the State or Counties as clearinghouse agencies to exercise duties as required under the Office of Management and Budget (OMB) Circular A-95.

According to testimony, in 1982 Executive Order 12372-Intergovernmental Reviews of Federal Programs was issued. The Executive Order directed the revocation of the OMB Circular A-95 and established a new Federal policy of consultation and cooperation with State and Local governments in the administration of Federal financial assistance and direct Federal development.

Your Committee is in agreement that Section 279E-8 of the OMPO law should be amended by deleting the reference to OMB Circular A-95 and substituting reference to Presidential Executive Order 12372-Intergovernmental Review of Federal Programs.

Your Committee is in agreement to further amend this bill by substituting the term "designate any" for the term "appoint every". Also, the word "to" has been substituted for the term "which will" to clarify the language of the statute. These amendments reflect changes which were recommended by the City and County of Honolulu in addition to revisions which make the bill consistent with the new Federal rules and regulations.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. 1758-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1758-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 276-84 Public Employment and Government Operations on H.B. No.
1681-84

The purpose of this bill is to amend Section 78-4, Hawaii Revised Statutes, to allow an individual citizen to serve on one Board or Commission of public character while serving on an appointed or elected unpaid Board or Commission which serves in an advisory capacity to a County Government.

Present law provides that no person shall be allowed to serve on more than one Board or Commission of a public character, created by the State or any of its political subdivisions. The rationale for this law when originally enacted in 1957 was to spread throughout the community the responsibility of sitting on Boards or Commissions. Testimonies received from various sectors of the general public stated that the law was too restrictive in that it did not allow civic minded citizens to serve both the State and City Governments. Adminstrating the present statute has also proven difficult. Inadvertently, a person may have served on two Boards or Commissions at the same time in violation of the law.

Your Committee is in agreement that the present statute is too restrictive and at times difficult to administer. However, in keeping with the spirit of having as many citizens as possible participate in Government your Committee has amended the bill to address both concerns.

The bill is amended to read that no person shall be allowed to serve on more than one State Board or commission expressly created by a State statute or the State Constitution. The amended bill thus addresses State Boards or Commissions and does not address County Boards or Commissions thereby allowing citizens to serve simultaneously both State and City Governments.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1681-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1681-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 277-84 Water, Land Use, Development and Hawaiian Affairs on H.B.
No. 2568-84

The purpose of this bill is to amend Section 206M-1, Hawaii Revised Statutes, by including "corporation" in the definition of a "qualified person" with whom the High Technology Development Corporation may enter into project agreements.

Your Committee finds that "corporation" was included among those defined as qualified persons in S.B. No. 1062, S.D. 2, H.D. 2, C.D. 1, in the Regular Session of 1983. However, the word "corporation" was inadvertently omitted from the final draft of the bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2568-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 278-84 Ocean and Marine Resources and Water, Land Use, Development
and Hawaiian Affairs on H.R. No. 4

The purpose of this resolution is to request the State to pursue the feasibility of attracting out-of-state purse seiners and other commercial activities to increase the use of Hawaii as a stop-over or base for their operations.

Because finding and developing means to strengthen and diversify Hawaii's economic base is an ongoing concern of the Legislature, the commercial fishing industry presents an area which deserves serious attention.

Testimony before your Committees by the Department of Land and Natural Resources, Department of Transportation, Department of Planning and Economic Development, and the American Tunaboat Association support the intent and purpose of this resolution. Also testifying in favor of H.R. No. 4 were the Maritime Affairs Committee of the Chamber of Commerce, Hawaiian Tuna Packers, Maritime Pacific Division of Dillingham corporation, Hawaii Tunaboat Owners' Association, and several private citizens.

Your Committees also recognize the environmental concerns expressed by Molokai fishers, Ms. Joyce Kainoa and Mr. Welby Taylor of the Hawaii Fishing Coalition, who testified against this resolution.

The Department of Land and Natural Resources feels that Hawaii has the potential to play a major role in the tuna purse seine fishing industry because of recent offloading activity in the state. Various economic, as well as social, impacts would be generated by frequent stop-overs by or the basing of tuna purse seiners in Hawaii.

The American Tunaboat Association testified that due to the high costs involved, conditions in Honolulu do not favor the direct unloading of fish to the cannery at the present time. However, reduced costs of direct unloading and trans-shipment through better and expanded facilities, along with the social and recreational

attractiveness of the State would certainly enhance Hawaii's appeal with the U.S. Tuna Fleet.

Your Committees on Ocean and Marine Resources, and Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.R. No. 4 and recommend its adoption.

Signed by all members of the Committees except Representative Dang.

SCRep. 279-84 Tourism on H.R. No. 65

The purpose of this resolution is to request the Department of Planning and Economic Development to comprehensively evaluate the marketing research, information, visitor satisfaction, and other programs and services of the Hawaii Visitors Bureau.

Your Committee finds that since its establishment in 1945, the Hawaii Visitors Bureau has been a major supportive organization for Hawaii's largest industry and the State has accordingly appropriated funds along with private business contributions and fees for its continued operation. Although occasional concerns have been expressed regarding the performance of HVB's regional offices and other aspects, no evaluation of the HVB has been conducted since a 1967 self-evaluation and a 1968 legislative audit. Due to the State's financial commitment and also with the coming term of a new HVB president, it seems timely to undertake a comprehensive evaluation of the Hawaii Visitors Bureau.

Your Committee has received testimony in support of the intent of this measure from the Director of the Department of Planning and Economic Development, the President of the Hawaii Visitors Bureau, the Executive Director of the Hawaii Hotel Association, and a resident of Molokai.

Your Committee on Tourism concurs with the intent and purpose of H.R. No. 65 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 280-84 Judiciary on H.B. No. 1716-84

The purpose of this bill is to enable a corporation, partnership, association, firm or individual to appear before any court and there prosecuting or defending their own cause, without the aid of legal counsel.

Under present law, only a person as plaintiff, defendant, or accused may appear in person before any court to prosecute and defend his own cause. A corporation or any business firm may appear only in small claims court for their cases.

Your Committee has heard testimony from Small Business Hawaii and other representatives of small businesses in support of the bill.

Your Committee finds that independent small businesses with relatively small claims, but above the jurisdictional limit of the small claims court, should have the option of representing themselves without the benefit of legal counsel. However, in view of the complexity of certain cases and the responsibility of a corporation to its shareholders, your Committee has limited a corporation's appearances to small claims courts and district courts.

Your Committee has amended the bill by deleting section 3 of the bill as unnecessary and also made technical, non-substantive amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1716-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1716-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 281-84 Tourism on H.R. No. 66

The purpose of this resolution is to request the Department of Planning and Economic Development to convene a State Tourism Conference in 1984 involving State and County government, various business sectors of the visitor industry, labor unions, the University of Hawaii's School of Travel Industry Management, and other agencies deemed pertinent by the Department to comprehensively discuss issues pertaining to tourism and develop a unified policy direction for the visitor industry which would be implemented by appropriate agencies of both government and business.

Your Committee finds that since there is considerable disagreement within and between public and private sectors as to the proper direction and focus for tourism it would therefore be beneficial to reach an unified consensus by both sectors; however the last such conference was convened 15 years ago. Due to the wide spectrum of issues within the tourism industry, a general convention is needed to address such issues from all facets of the industry.

Your Committee has received testimony in support of the intent of this measure from the Director of the Department of Planning and Economic Development, the President of the Chamber of Commerce, the President of the Hawaii Visitors Bureau, the Executive Director of the Hawaii Hotel Association, and the Dean of the School of Travel Industry Management.

Your Committee has amended the first clause of the second "WHEREAS" paragraph to reflect the need for a more open-ended convention agenda, so as not to confine it to a few specific issues.

Your Committee on Tourism concurs with the intent and purpose of H.R. No. 66, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 66, H.D. 1.

Signed by all members of the Committee.

SCRep. 282-84 Tourism on H.R. No. 67

The purpose of this resolution is to request the Department of Planning and Economic Development to conduct a study on the need for and the feasibility of a convention center in the State which would be capable of accommodating conferences which cannot be handled by existing facilities, together with an analysis of alternative sites, as well as an analysis of methods of financing and management arrangements.

Your Committee finds that the convention market is a growing and profitable business segment which accounts for business spending nationwide of \$15 billion a year. This market is desirable for industry stability since conventions are typically scheduled well in advance and during the nonpeak seasons. Despite the increase of conventions held in Hawaii during the past ten years, Hawaii is prevented from becoming a leading convention city due in part to its lack of adequate facilities. Currently only two major hotels have ballrooms designed to handle conventions and the only other convention facility, the Neal Blaisdell Center, is in an inconvenient location and is unsuitable for larger conventions. These factors have culminated in a growing concern voiced by various segments of the community over the need for a larger, modern convention center.

Your Committee has received testimony in support of this measure from the Director of the Department of Planning and Economic Development, the President of the Hawaii Visitors Bureau, the Executive Director of the Hawaii Hotel Association, the President of the Chamber of Commerce, the Dean of the School of Travel Industry Management, the President of the Outrigger Hotels, and the Executive Vice President of the Waikiki Improvement Association.

Your Committee has amended this Resolution by deleting the clause specifying the alternative sites of Ft. DeRussy and Jefferson School in the initial "BE IT RESOLVED" clause. In addition, the Hawaii State Association of Counties and the Chamber of Commerce have been added as additional consulting agencies. Other technical, nonsubstantive amendments have also been made.

Your Committee on Tourism concurs with the intent and purpose of H.R. No. 67, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 67, H.D. 1.

Signed by all members of the Committee.

SCRep. 283-84 Corrections and Rehabilitation on H.R. No. 106

The purpose of this Resolution is to have the week beginning May 6, 1984 designated as Hawaii Correctional Officers Week, and to authorize and request the Governor of the State to issue a Proclamation calling upon the people of Hawaii to observe this week with appropriate ceremonies and activities.

Your Committee received testimony from the John Howard Association of Hawaii in full support of this Resolution and also heard testimony from the Department of Social Services and Housing praising the professionalism, courage and tenacity of Hawaii's correctional officers.

Testimony from the Department of Social Services and Housing indicates that Hawaii's Adult and Youth Correctional Officers are currently responsible for the containment and control of over 1,500 inmates and wards, and that they perform an invaluable public service protecting the community from acts of crime and violence by convicted persons. Their duties also include: (1) providing protection to inmates and (2) assisting inmates in developing proper attitudes and skills which will enable them to become productive members of society following their release.

Based on the above testimony, your Committee believes that Hawaii's correctional officers are well deserving of some type of official recognition and acknowledgement.

Your Committee finds that the United States Congress has already passed a similar Resolution authorizing and requesting the President to issue a Proclamation designating the week, beginning May 6, 1984, as "National Correctional Officers Week".

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. 106 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 284-84 Consumer Protection and Commerce on H.B. No. 1785-84

The purpose of this bill is to allow firms to engage in the optical dispensing business provided that firms employ and designate licensed opticians as a responsible management employee who must be responsible for the direct management and control of the business.

From its enactment in 1949 to 1981, the law required individuals as well as firms to be licensed before engaging in the optical dispensing business. In 1981, the law was amended to delete firms from being licensed, limiting licensure to individuals only.

As a result, the law does not allow any firm to engage in the optical dispensing business. However, testimony has shown that firms have continued to engage in the optical dispensing business.

Testimonies were offered by the Board of Dispensing Opticians, the Department of Commerce and Consumer Affairs, the Hawaii Optometric Association and TANCO Laboratories, an optical dispensing firm.

The Hawaii Optometric Association testified that each place of business should have a licensed optician and TANCO Laboratories testified that a licensed optician employed by an optical dispensing firm should not be required to have the direct management responsibilities and control of the business. All those testifying were in agreement that firms should be licensed.

Your Committee finds that presently optical dispensing firms are operating their businesses without benefit of license since 1981 when the law was amended to delete the licensing requirement for firms. Your Committee also finds that each separate place of business should have a licensed optician for the protection of the public and if firms were required to be licensed, there is a recourse against a firm

and, therefore, the need for management or control of the optical dispensing business would be obviated.

Accordingly, your Committee has re-written the bill to (1) provide for licensure by firms; (2) require a licensed optician be employed at each place of business; and (3) prohibit an optical dispensing firm from operating unless it has in its employ a licensed optician.

Section 1 of the proposed bill amends section 458-1, Hawaii Revised Statutes, by adding the language which requires the licensure of optical dispensing firms.

Procedures for application are described in section 2 of the proposed bill which amends section 458-4, Hawaii Revised Statutes. The Department of Commerce and Consumer Affairs this session had introduced a bill, H.B. No. 1778, Relating to Boards and Commissions (sec. 44, page 48), to amend the same section, section 458-4, Hawaii Revised Statutes, but neither bill contradicts the other. The department's bill pertains to fees.

Section 3 of the proposed bill amends section 458-6, Hawaii Revised Statutes, requiring the employment of a licensed dispensing optician at each place of business. This section is also being amended by the department's bill, H.B. No. 1778, Relating to Boards and Commissions (sec. 45, page 49) but neither proposal contradicts the other.

Your Committee on Consumer Protection and commerce is in accord with the intent and purpose of H.B. No. 1785-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1785-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 285-84 Consumer Protection and Commerce on H.B. No. 1784-84

The purpose of this bill is to require motor vehicle repair dealers to be registered before advertising.

It has come to the attention of the Motor Vehicle Repair Industry Board that unlicensed repair dealers have been advertising. This bill will curb the unlicensed repair dealers from advertising and making it unlawful to advertise without being licensed.

Tim Lyons, Executive Vice President of the Hawaii Business League, testified that since the legislature has already determined that the licensing of repair shops is in the consumer's best interest, it would be only supportive of this body to agree that advertising should only be conducted by those shops which are registered to do business with the Department of Commerce and Consumer Affairs as motor vehicle repair shops.

Your Committee has amended section 1 by clarifying advertisements relating to the dealer's motor vehicle repair business.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1784-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1784-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 286-84 Judiciary on H.B. No. 1848-84

The purpose of this bill is to repeal section 573-1, Hawaii Revised Statutes, which requires real and personal property of a woman to remain her separate property upon her marriage, free from the management, control, debts, and obligations of her husband, and which allows married women to receive, receipt for, hold, manage, and dispose of real and personal property in the same manner as if they were single.

Your Committee has amended the bill so that it no longer repeals section 573-1. Instead, your Committee has amended section 573-1 to make its language gender

neutral, giving all married persons, regardless of sex, the right to retain and control separate property upon marriage, free from the management, control, debts, and obligations of their spouses, and to receive, receipt for, hold, manage, and dispose of real and personal property in the same manner as if they were single.

Your Committee finds that although section 573-1 may be outdated and superfluous in light of the Constitution of the State of Hawaii which guarantees that "[e]quality of rights under the law shall not be denied or abridged by the State on account of sex", that "[n]o person shall be denied the equal protection of the laws", and that "[n]o persons shall be discriminated against in the exercise [of a person's civil rights] because of . . . sex", that valid concerns exist as to whether the repeal of section 573-1 might usher in a return to common law, thereby prohibiting married women from owning and controlling separate property. Your Committee, finding that a return to common law is undesirable, has accordingly amended the bill to preclude any such possibility while at the same time providing gender neutral language for section 573-1, in keeping with the spirit of equality for all.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1848-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1848-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 287-84 Ocean and Marine Resources and State General Planning on
H.B. No. 1757-84

The purpose of this bill is to prevent duplication of efforts between the Department of Planning and Economic Development (DPED) and any other State agency involved in marine programs.

In 1982, the Office of the Marine Affairs Coordinator was abolished (Act 281) and its functions were assigned to DPED. The Ocean Resources Office (ORO) was organized at DPED to carry out the functions in conjunction with the established DPED ocean resource development programs. On March 10, 1983, Governor Ariyoshi approved the establishment of the ORO but requested that the Legislature revise the language of its powers and duties to prevent any overlap between DPED and the Department of Land and Natural Resources (DLNR). These revisions have been incorporated in H.B. No. 1757.

Your Committees have received testimony from the DPED supporting the intent and purpose of this bill. The most significant amendments concern the solicitation and expenditure of Federal funds. The existing statutory language states that DPED shall "Develop plans . . . including plans, objectives and criteria for the expenditure of state matching funds for federally funded projects . . ." [Section 201-13(1)]. The statute also states, at Section 201-13(7), that DPED shall ". . . coordinate the preparation and submission of program and project proposals of state agencies." The proposed bill deletes these phrases.

The testimony before your Committees by the DPED highlights the need for these particular changes and indicates that without these changes, the statute could be interpreted as placing responsibility for soliciting and expending Federal funds for fisheries with DPED instead of DLNR, the "lead agency for fisheries development."

Further, it has been pointed out that the Director of DPED is a member of the Fisheries Coordinating Council and consequently the Department regularly participates in the review and evaluation of fisheries proposals seeking Federal funds and will continue to work with DLNR and other agencies for development of ocean resources.

Your Committees recognize that it is necessary to revise the power and duties of the Department of Planning and Economic Development in marine affairs to delete the functional overlaps between DPED and the Department of Land and Natural Resources and any other State agency involved in marine affairs to accomplish the stated purpose.

Your Committees on Ocean and Marine Resources and State General Planning are in accord with the intent and purpose of H.B. No. 1757-84 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 288-84 Water, Land Use, Development and Hawaiian Affairs and State General Planning on H.B. No. 2258-84 (Majority)

The purpose of this bill is to amend the Hawaii Coastal Zone Management Law, Chapter 205A, Hawaii Revised Statutes, relating to the administration of county special management area (SMA) permits, by adding to the existing exemptions for development within the special management area.

Specifically, the bill proposes four changes:

(1) It would raise the valuation criterion from \$65,000 to \$100,000. With this change, proposed developments in the SMA valued below the criterion would be issued minor permits if it is anticipated that they will not have any significant adverse environmental or ecological effects. Those values above this criterion would still be required to undergo in-depth review and public hearing through the SMA use permit process.

(2) New exemptions to the definition of development in the SMA are proposed. These exemptions would not require a minor permit nor an SMA use permit. The counties, however, may exercise their discretion in requiring a permit for activities that are part of a larger development and which may cumulatively have impacts on the environment.

(3) The amendments provide for reconstruction of structures that were damaged by natural hazards, provided that they were determined to be in compliance with the National Flood Insurance Program by the county authority. For these cases, an abbreviated system would allow for reconstruction work to proceed without delay.

(4) The bill would clarify the SMA permit requirements to more explicitly allow concurrent processing of SMA use permits with general plan and zoning change requests.

Your Committees find that the 1982 Legislature mandated a study by the Department of Planning and Economic Development, in consultation with the county SMA permit authorities. The proposed amendments in this bill are the result of the study as a means in streamlining the permit process and assisting those persons wanting to make certain changes within the SMA.

Your Committees are in agreement with the intent and purpose of the bill. However, it is recommended that a technical change be made to avoid misunderstanding, by shifting the word "and" on line 5, page 4, of the bill to the end of line 17, page 4.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and on State General Planning are in accord with the intent and purpose of H.B. No. 2258-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2258-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Jones.
(Representative Hee did not concur.)

SCRep. 289-84 Water, Land Use, Development and Hawaiian Affairs; Agriculture; and State General Planning on H.B. No. 2540-84

The purpose of this bill is to amend Section 171-59, Hawaii Revised Statutes, by specifying that the processing of agricultural products includes dairying and beef-raising. Currently, Section 171-59 allows the Board of Land and Natural Resources to award directly leases of public lands for airline, aircraft, agricultural processing, marine, and maritime operations, provided that the disposition encourages competition within the aeronautical, agricultural, and maritime industries.

Also, the section defines "agricultural processing" as the "processing of agricultural products grown or raised in Hawaii".

According to testimony by the Department of Land and Natural Resources, if dairying becomes eligible for a direct lease, local dairies will be able to compete more effectively with mainland processors. The Department's testimony also indicated that "beef-raising" is not in the same category and therefore should not be included in the bill.

Your Committees are in agreement that extending the coverage of eligibility for direct dispositions to beef-raising is not advisable at this time. Therefore, your Committees have deleted the phrase "and beef-raising" from line 15, page 1, of the bill.

Your Committees on Water, Land Use, Development and Hawaiian Affairs, on Agriculture, and on State General Planning are in accord with the intent and purpose of H.B. No. 2540-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2540-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Kiyabu and Shito.

SCRep. 290-84 Finance on H.B. No. 1636-84

As received, the purpose of this bill was to appropriate \$2,700,000 for fiscal year 1983-1984 to equip the new Hilo Hospital, which is intended to serve as the major medical center for the Island of Hawaii.

Your Committee finds that since the completion date of the new Hilo Hospital is presently six months ahead of schedule, it can be made ready for use in July 1984 if new equipment needed for the hospital services and operations can be procured. Since new equipment purchases require lead time to be appropriately processed, state funds for the current fiscal year are needed to ensure their timely arrival.

Your Committee acknowledges receipt of a letter from the Honorable Governor George R. Ariyoshi dated February 10, 1984 which describes the conditions that justify the bill's appropriation. Most importantly, the letter concludes that the bill is deemed by the Governor to be urgent and appropriate for immediate passage pursuant to Article VII, Section 9 of the State Constitution.

Your Committee has amended this bill (1) to conform to Administration Proposal J-15(84) and Governor Ariyoshi's February 10, 1984 letter by changing the requested appropriation from \$2,700,00 to \$2,742,413 and (2) to specify that any unexpended or unencumbered balance made by this Act as of the close of business on June 30, 1985, shall lapse into the state general fund.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1636-84, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1636-84, H.D. 2.

Signed by all members of the Committee.

SCRep. 291-84 Tourism on H.R. No. 69

The purpose of this resolution is to request the United States Customs Service to review their respective processing procedures for foreign visitors and explore methods to facilitate the process including the establishment of pre-clearance procedures for Japanese visitors.

Your Committee finds that whereas there is increased congestion and crowding while trying to process people through customs, a pre-clearance procedure will greatly facilitate movement. The increased ease of clearance will make Hawaii a more pleasant and attractive place for foreigners contemplating overseas travel. This pre-clearance procedure would also mean less need for inspection teams which are presently in high demand due to present budget restrictions and increased foreign visitors.

Your Committee has received testimony in support of this measure from the Director of the Department of Planning and Economic Development, the President of the Hawaii Visitors Bureau, the Chairman of the Aviation Committee of the Chamber of Commerce, and the Executive Director of the Hawaii Hotel Association.

Your Committee on Tourism concurs with the intent and purpose of H.R. No. 69 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 292-84 Tourism on H.C.R. No. 17

The purpose of this concurrent resolution is to request the United States Customs Service to review their respective processing procedures for foreign visitors and explore methods to facilitate the process including the establishment of pre-clearance procedures for Japanese visitors.

Your Committee finds that whereas there is increased congestion and crowding while trying to process people through customs, a pre-clearance procedure will greatly facilitate movement. The increased ease of clearance will make Hawaii a more pleasant and attractive place for foreigners contemplating overseas travel. This pre-clearance procedure would also mean less need for inspection teams which are presently in high demand due to present budget restrictions and increased foreign visitors.

Your Committee has received testimony in support of this measure from the Director of the Department of Planning and Economic Development, the President of the Hawaii Visitors Bureau, the Chairman of the Aviation Committee of the Chamber of Commerce, and the Executive Director of the Hawaii Hotel Association.

Your Committee on Tourism concurs with the intent and purpose of H.C.R. No. 17 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 293-84 State General Planning and Agriculture on H.C.R. No. 19

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Agriculture Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Agriculture prepared the State Agriculture Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to agriculture, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Agriculture Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Agriculture Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A.

Your Committees recommend that the State Agriculture Plan, as transmitted by the Governor to the Legislature as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Agriculture Functional Plan.

Subsequent to your Committees' review and amendment of the State Agriculture Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Agriculture Plan" to "Relating to the State Agriculture Functional Plan" in order to avoid any confusion between the functional plan for agriculture being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to agriculture. Other references to the agriculture plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Agriculture Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Agriculture concur with the intent and purpose of H.C.R. No. 19, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 19, H.D. 1.

Signed by all members of the Committees except Representatives Bunda and Hee.

SCRep. 294-84 State General Planning and Education on H.C.R. No. 20

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Education Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Education prepared the State Education Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to education, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

Your Committees have duly reviewed the State Education Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Education Plan dated November 21, 1983. Your Committees have also reviewed several recently published national educational studies which make numerous proposals for strengthening the nation's public schools.

Following this in-depth review and critical evaluation of the State Education Plan as submitted to the Legislature, your Committees have determined that the present plan fails to address several educational issues of critical importance, such as those relating to the training, evaluation, and terms of employment of school personnel. The plan also fails to clearly address overall priorities and the appropriate balance of implementing actions relating to school curriculum, and fails to include other important topics discussed in the recent national educational studies.

As provided in Exhibit A, your Committees have therefore comprehensively amended the contents of the plan to correct these deficiencies, including a reorganization of the plan's format to provide a more complete and systematic framework within which State policies directed at improving the total system for lower education may be formulated. Your Committees have also made numerous amendments to the implementing actions of the plan to conform them to the

priorities and directions provided in the proposed budget for the Department of Education for FY 1984-1985.

Your Committees have also amended the Concurrent Resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Education Plan" to "Relating to the State Education Functional Plan" in order to avoid any confusion between the functional plan for education being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to education. Other references to the education plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Education Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Education concur with the intent and purpose of H.C.R. No. 20, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 20, H.D. 1.

Signed by all members of the Committees except Representative Hee.

SCRep. 295-84 State General Planning and Health on H.C.R. No. 21

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Health Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Health prepared the State Health Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to health, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1982.

After duly reviewing the State Health Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Health Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A. Your Committees recommend that the State Health Plan, as transmitted by the Governor to the Legislature as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Health Functional Plan.

Subsequent to your Committees' review and amendment of the State Health Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Health Plan" to "Relating to the State Health Functional Plan" in order to avoid any confusion between the functional plan for health being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to health. Other references to the health plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Health Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Health concur with the intent and purpose of H.C.R. No. 21, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 21, H.D. 1.

Signed by all members of the Committees.

SCRep. 296-84 State General Planning and Water, Land Use, Development and
Hawaiian Affairs on H.C.R. No. 22

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Water Resources Development Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Land and Natural Resources prepared the State Water Resources Development Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to water resources development, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Water Resources Development Plan of October, 1982, along with the Finding and Recommendations of the State Plan Policy Council on the State Water Resources Development Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A. Your Committees recommend that the State Water Resources Development Plan, as transmitted by the Governor to the Legislature as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Water Resources Development Functional Plan.

Subsequent to your Committees' review and amendment of the State Water Resources Development Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Water Resources Development Plan" to "Relating to the State Water Resources Development Functional Plan" in order to avoid any confusion between the functional plan for water resources development being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to water resources development. Other references to the water resources development plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Water Resources Development Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of

H.C.R. No. 22, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 22, H.D. 1.

Signed by all members of the Committees except Representatives Bunda and Hee.

SCRep. 297-84 State General Planning and Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 23

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Recreation Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Land and Natural Resources prepared the State Recreation Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to recreation, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Recreation Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Recreation Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A. Your Committees recommend that the State Recreation Plan, as transmitted by the Governor to the Legislature as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Recreation Functional Plan.

Subsequent to your Committees' review and amendment of the State Recreation Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Recreation Plan" to "Relating to the State Recreation Functional Plan" in order to avoid any confusion between the functional plan for recreation being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to recreation. Other references to the recreation plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Recreation Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 23, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 23, H.D. 1.

Signed by all members of the Committees except Representatives Bunda and Hee.

SCRep. 298-84 State General Planning and Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 24

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Conservation Lands Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Land and Natural Resources prepared the State Conservation Lands Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to conservation lands, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Conservation Lands Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Conservation Lands Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A. Your Committees recommend that the State Conservation Lands Plan, as transmitted by the Governor to the Legislature as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Conservation Lands Functional Plan.

Subsequent to your Committees' review and amendment of the State Conservation Lands Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Conservation Lands Plan" to "Relating to the State Conservation Lands Functional Plan" in order to avoid any confusion between the functional plan for conservation lands being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to conservation lands. Other references to the conservation lands plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Conservation Lands Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 24, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 24, H.D. 1.

Signed by all members of the Committees except Representatives Bunda and Hee.

SCRep. 299-84 State General Planning and Water, Land Use, Development and
Hawaiian Affairs on H.C.R. No. 25

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Historic Preservation Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan.

Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Land and Natural Resources prepared the State Historic Preservation Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to historic preservation, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Historic Preservation Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Historic Preservation Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A. Your Committees recommend that the State Historic Preservation Plan, as transmitted by the Governor to the Legislature as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Historic Preservation Functional Plan.

Subsequent to your Committees' review and amendment of the State Historic Preservation Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Historic Preservation Plan" to "Relating to the State Historic Preservation Functional Plan" in order to avoid any confusion between the functional plan for historic preservation being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to historic preservation. Other references to the historic preservation plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Historic Preservation Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 25, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 25, H.D. 1.

Signed by all members of the Committees except Representatives Bunda and Hee.

SCRep. 300-84 State General Planning and Tourism on H.C.R. No. 26
(Majority)

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Tourism Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Planning and Economic Development prepared the State Tourism Plan

of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to tourism, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Tourism Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Tourism Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A. Your Committees recommend that the State Tourism Plan, as transmitted by the Governor to the Legislature as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Tourism Functional Plan.

Subsequent to your Committees' review and amendment of the State Tourism Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Tourism Plan" to "Relating to the State Tourism Functional Plan" in order to avoid any confusion between the functional plan for tourism being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to tourism. Other references to the tourism plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Tourism Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Tourism concur with the intent and purpose of H.C.R. No. 26, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 26, H.D. 1.

Signed by all members of the Committees.
(Representative Anderson did not concur.)

SCRep. 301-84 State General Planning and Energy, Ecology and Environmental
Protection on H.C.R. No. 27

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Energy Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Planning and Economic Development prepared the State Energy Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to energy, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Energy Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Energy Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A. Your Committees recommend that the State Energy Plan, as transmitted by the Governor to the Legislature as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Energy Functional Plan.

Subsequent to your Committees' review and amendment of the State Energy Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Energy Plan" to "Relating to the State Energy Functional Plan" in order to avoid any confusion between the functional plan for energy being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to energy. Other references to the energy plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Energy Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Energy, Ecology, and Environmental Protection concur with the intent and purpose of H.C.R. No. 27, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 27, H.D. 1.

Signed by all members of the Committees except Representatives Bunda and Hee.

SCRep. 302-84 State General Planning and Housing on H.C.R. No. 28

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Housing Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Hawaii Housing Authority prepared the State Housing Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to housing, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Housing Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Housing Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A. Your Committees recommend that the State Housing Plan, as transmitted by the Governor to the Legislature as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Housing Functional Plan.

Subsequent to your Committees' review and amendment of the State Housing Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Housing Plan" to "Relating to the State Housing Functional Plan" in order to avoid any confusion between the functional plan for housing being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to housing. Other references to the housing plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Housing Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Housing concur with the intent and purpose of H.C.R. No. 28, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 28, H.D. 1.

Signed by all members of the Committees.

SCRep. 303-84 State General Planning and Transportation on H.C.R. No. 29
(Majority)

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Transportation Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the Department of Transportation prepared the State Transportation Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to transportation, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Transportation Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Transportation Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A. Your Committees recommend that the State Transportation Plan, as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Transportation Functional Plan.

Subsequent to your Committees' review and amendment of the State Transportation Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Transportation Plan" to "Relating to the State Transportation Functional Plan" in order to avoid any confusion between the functional plan for transportation being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to transportation. Other references to the transportation plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Transportation Plan, dated October 1982, as amended and set forth in Exhibit A attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Transportation concur with the intent and purpose of H.C.R. No. 29, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 29, H.D. 1.

Signed by all members of the Committees.

(Representative Anderson did not concur.)

SCRep. 304-84 State General Planning and Higher Education and the Arts on
H.C.R. No. 30

The primary purpose of this concurrent resolution, as received by your Committees, is to adopt the State Higher Education Plan of October, 1982 as a State functional plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes.

Your Committees find that out of concern over the State's future growth and direction, the 1978 State Legislature adopted the Hawaii State Planning Act (Chapter 226, Hawaii Revised Statutes), also referred to as The Hawaii State Plan. Emphasis on legislative participation in the overall government planning process is contained in the Act's broad goals, objectives, policies, and priority directions intended to direct the State's future growth and development, and the submittal of twelve (12) functional plans for specified areas of governmental activity to the Legislature.

In accordance with the provisions of Chapter 226, Hawaii Revised Statutes, the University of Hawaii prepared the State Higher Education Plan of October, 1982, designed to set forth guidelines for the delivery of services and the allocation of resources by State agencies with regard to higher education, and the plan was submitted to the Twelfth State Legislature, Regular Session of 1983.

After duly reviewing the State Higher Education Plan of October, 1982, along with the Findings and Recommendations of the State Plan Policy Council on the State Higher Education Plan dated November 21, 1983, your Committees have modified the substance of the plan and have attached these amendments to the plan as Exhibit A. Your Committees recommend that the State Higher Education Plan, as transmitted by the Governor to the Legislature as modified by the amendments set forth in Ramseyer format in the attached Exhibit A, be adopted as the State Higher Education Functional Plan.

Subsequent to your Committees' review and amendment of the State Higher Education Plan (as amended by Exhibit A), your Committees have amended the concurrent resolution in the following principal respects:

(1) The title of the resolution has been amended from "Relating to the State Higher Education Plan" to "Relating to the State Higher Education Functional Plan" in order to avoid any confusion between the functional plan for higher education being adopted pursuant to Chapter 226, Hawaii Revised Statutes, and any other plan or plans relating to higher education. Other references to the higher education plan and its technical reference document throughout the resolution have been amended accordingly.

(2) The "Be It Resolved" clause has been amended to read:

"BE IT RESOLVED by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the State Higher Education Plan, dated October 1982, as amended and set forth in Exhibit A, attached hereto and made a part hereof, be adopted as a State Functional Plan for the State of Hawaii in furtherance of Chapter 226, Hawaii Revised Statutes; and"

Your Committee on State General Planning and your Committee on Higher Education and the Arts concur with the intent and purpose of H.C.R. No. 30, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 30, H.D. 1.

Signed by all members of the Committees except Representative Hee.

SCRep. 305-84 Consumer Protection and Commerce on H.B. No. 2201-84
(Majority)

The purpose of House Bill No. 2201-84 is to provide the Commission with statutory authorization to render interim decisions granting rate relief to a utility until such time as the Commission is able to render a final decision on the appropriate amount of permanent rate relief to which a utility may be entitled.

Currently, the law impliedly recognizes that a nine-month period is a reasonable time to allow the Commission to issue its rate decision, however, the Commission is not obligated to do so.

James M. Severson of Gasco, Inc. testified that the amendment would allow such interim relief, which if implemented as intended, would ease the financial burden which not only the utility but consumer is being asked to bear. He therefore supported this measure as being in the best interest of the Company, consistent with good business practice, and one which will ultimately benefit the utility consumers of this State.

Also, Dan Williamson of Hawaiian Electric Company stated that ratepayers can be adversely affected because the utilities' investors judge the utility, in part, by its earnings record and demand higher interest on bonds and higher dividends for investing in utilities that do not have what they consider good earning records. Thus, delay deprives the utility of a fair return, the governments of taxes, and the ratepayers of the lowest rate in the future.

Finally, Duane Johnson of Hawaiian Telephone Company testified that this bill is a reasonable approach toward improving the regulatory timetable in utility rate cases which provides full protection for the consumer because interim decisions will be based upon the record which has been developed when the decision is rendered and because of the refund provisions, although as a practical matter there seems to be little chance that interim rates will be higher than permanent rates.

Your Committee finds that this bill will provide a fair and adequate treatment of both the utilities and their customers, and address the long-standing problem of resolving a rate increase request within the statutory period of nine months.

Your Committee, upon further consideration, has amended the bill by deleting the definition for "probable entitlement" on page 2, lines 5 through 9.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2201-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2201-84, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 306-84 Consumer Protection and Commerce on H.B. No. 1925-84

The purpose of H.B. No. 1925-84 is to create a chiropractic peer review committee to maintain the professional standards of chiropractors.

Many of the professional peer review committees in the United States have been largely ineffective due to the fact that litigation against peer review committee members has become very common. It has been the experience throughout the United States, however, that the peer review committees that are most effective are those that enjoy legislative immunity. In the states that do not have peer review immunity, there has been considerable difficulty in those professions regulating themselves. It is the opinion of the Board of Chiropractic Examiners that peer review immunity in the state of Hawaii would be very beneficial in aiding the Chiropractic Peer Review Committee of the Hawaii State Chiropractic Association in carrying out its duties and objectives.

Your Committee concurs with testimony from the Department of Commerce and Consumer Affairs, Insurance Companies and the Board of Chiropractic Examiners supporting the need for a chiropractic peer review committee. The Department of Commerce and Consumer Affairs expressed reservations over the language used in Section (f) of the bill. The Department felt that this section might infringe upon the chiropractor's right to privacy. As such, your Committee amended the bill by deleting lines 4, 5, and 6 of page 4. In place of this deletion, your Committee added the language "shall provide to the company or person the results of their decision." This will allow the provider of requested information to be informed of the committee's decision without violating the chiropractors' right to privacy.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1925-84, as amended herein, and recommends that it

pass Second Reading in the Form attached hereto as H.B. No. 1925-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 307-84 Consumer Protection and Commerce on H.B. No. 2386-84

The purpose of this bill is to amend section 281-58, Hawaii Revised Statutes, to permit any tenant residing in any structure situated within a distance of five hundred feet from the nearest point of the premises for which a liquor license has been requested to file a protest against the granting of such a license.

Your Committee heard testimony in favor of the amendment from the Hawaii Council of Associations of Apartment Owners and the Waikiki Residents Association.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2386-84, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 308-84 Consumer Protection and Commerce on H.B. No. 2020-84

The purpose of this bill is to comprehensively update provisions relating to loans under Chapter 408, Hawaii Revised Statutes, the Industrial Loan Companies Act. The Hawaii Bankers Association, the Hawaii Consumer Finance Association, the Hawaii League of Savings Institutions and the Bank Examiner testified in support of H.B. No. 2020-84.

Because of changes over time, lenders have increasingly faced difficult interpretive and compliance problems under Chapter 408, Hawaii Revised Statutes. Antiquated provisions in the law have restricted flexibility and denied Hawaii consumers the benefits of loan programs which are common in other states. Hawaii lenders have had difficulty making available the flexible terms necessary for small business loans or giving the assurances of State law legal compliance necessary for selling loans to mainland institutions. Chapter 408, Hawaii Revised Statutes, contains inconsistencies, conflicts with federal law and fails to contemplate many common lending practices. This is because much of the Industrial Loan Companies Act was drafted in 1937 and 1939 and has been amended only in a piecemeal fashion thereafter.

Revision is especially appropriate now. Many sweeping new federal laws have been enacted the past four years facilitating interstate competition among financial institutions and interest rate deregulation. These new laws have been implemented by many new federal regulations affecting many different types of lenders. In addition, Hawaii and the rest of the county are seeing rapid changes in the delivery of financial services and the federal regulation of consumer and commercial credit. The problems of operation under Chapter 408, Hawaii Revised Statutes, are illustrated by the fact that no less than eight acts of the 1983 Legislature (20, 48, 104, 127, 191, 221, 226, and 253) were necessary to address specific problems, following years of annual amendment of the law. H.B. No. 2020-84 represents an attempt to deal in a comprehensive manner with a broad range of such problems which have arisen largely for historic reasons.

Specific changes in the bill include the following:

SECTION 1. Section 408-1, Hawaii Revised Statutes. Formal reference is made to the "Industrial Loan Companies Act" by which Chapter 408, Hawaii Revised Statutes, has been known. Language has also been deleted because of definitions which have been revised and expanded.

SECTION 2. Section 408-1.1, Hawaii Revised Statutes. Because of the comprehensive nature of the disclosure requirements under federal law for consumer transactions and the lack of a compelling reason for a system of inconsistent disclosures for commercial transactions not subject to federal law, this section has been deleted.

SECTION 3. Section 408-2, Hawaii Revised Statutes. The definitions have been arranged in alphabetical order with certain definitions added or expanded as follows:

"Billing Cycle". The second sentence has been deleted to make the definition simpler and to better accommodate commercial or irregular transactions.

"Company". The definition has been simplified to reflect the change in the definition of the word "person".

"Consumer Loan". This new definition is intended to correspond to the scope of the Truth in Lending Act. The definition of "consumer loan" is to distinguish consumer and commercial loans for the purposes of certain protections under subsections or paragraphs 408-15(c)(3), (e), (j)(7) and (j)(10), Hawaii Revised Statutes, because those protections may be appropriate for consumer transactions, but not commercial ones. These subsections or paragraphs deal with points, late charges, release fees and prepayment charges.

"Contract". As the loan contract may be in the form of a credit agreement, loan agreement or other document other than a promissory note, this definition has been expanded.

"Engaging in the Business of an Industrial Loan Company". A redundant and obsolete reference to the loan of money in "weekly, monthly or periodic installments" and the references to section 478-3, Hawaii Revised Statutes, have been deleted. When this definition was enacted, section 478-3, Hawaii Revised Statutes, was the major interest rate limitation provision. Presently, numerous provisions other than section 478-3, Hawaii Revised Statutes, authorize rates and it is now appropriate to refer to receiving interest in excess of that permitted by other law generally. Similar changes to the section 478-3, Hawaii Revised Statutes, references are made elsewhere.

"Industrial Loan Company". An obsolete reference to the issuance of investment loan certificates by mortgage companies has been deleted, as well as certain other redundant or archaic language.

"Interest". This definition has been added to simplify later references and clarify interest limitations under subsections 408-15(b) and (c), Hawaii Revised Statutes.

"Licensee". This definition has been added to clarify existing references to the word.

"Open-End Loan". The last sentence in this definition has been revised to refer to the replenishment feature of open-end loans in accordance with the Truth in Lending Act definition and to better distinguish open-end from closed-end loans.

"Person". This definition has been revised to make it consistent with the Truth in Lending Act.

"Section 408-3, loan". This new definition has been added to clarify later references to the types of block or advance interest loans described in section 408-3, Hawaii Revised Statutes.

"Truth in Lending Act". This definition has been added to simplify later references.

SECTION 4. Section 408-7, Hawaii Revised Statutes. Technical changes have been made to this section to incorporate language deleted from section 408-9, Hawaii Revised Statutes. Other language is clarified or revised to reflect changes in the definitions.

SECTION 5. Section 408-9, Hawaii Revised Statutes. Section 408-9, Hawaii Revised Statutes, is deleted as the same subject is covered in section 408-7, Hawaii Revised Statutes, and in old subsection 408-15(e), Hawaii Revised Statutes, which is revised subsection 408-15(h), Hawaii Revised Statutes, under the bill.

SECTION 6. Section 408-15, Hawaii Revised Statutes. The first sentence in section 408-15(a), Hawaii Revised Statutes, a general provision, has been reworded positively to be consistent with the idea of the special rights conferred

by the section and to avoid unduly restrictive interpretations. Wording is also added at the end of the first sentence to clarify that Chapter 408, Hawaii Revised Statutes, loan-making provisions do not apply when the rate is permissible under other law. The organization of section 408-15, Hawaii Revised Statutes, has been changed to simplify this very complex section and to clarify applicability of different subsections to block or simple interest loans. The new separate lettered subsections are discussed below.

Subsection 408-15(b), Advance Interest. Subsection (b) deals with precomputed or block interest loans. References have been added to clarify that there are two methods of computing interest under section 408-3, Hawaii Revised Statutes. The so-called "drop dead" provisions which contemplate an expiration of the present rate authority on July 1, 1985 have been deleted.

Wording in new (b) has been otherwise clarified and simplified. Old paragraph (4) on installment payments is merged into new subsection (g), and old paragraph (5) is merged into new subsection (e).

After-maturity interest has been limited to twenty-four percent a year unless a lesser rate for after maturity interest is authorized. This formerly was true only for simple interest loans. The new after-maturity provision abandons the term "original rate of interest", which is vague when used to refer to stepped-rate block loans.

The refund provision for section 408-3, Hawaii Revised Statutes, loans has been relocated as new subsection 408-15(b)(3), Hawaii Revised Statutes, to clarify its applicability to only block loans. The provision that no refund of less than \$.25 need be made, is expanded to refunds of not less than \$1.00 to reflect modern handling and postage costs.

Section 408-15(c), Simple Interest. This is a new sub-section based on the language formerly contained in subsection 408-15(j), Hawaii Revised Statutes; the authority for simple interest loans up to a rate of twenty-four percent per year. References have been added to both fixed and variable rate loans to reflect modern lending practices. The July 1, 1985 "drop dead" provisions have been eliminated. After-maturity rates are reworded consistently with block loan provisions, and to provide an after-maturity rate commensurate with the rate allowed on the pre-maturity loan term.

The former restrictions upon the terms and amortization of simple interest loans are deleted. These restrictions were included to insure in part that industrial loan institutions did not make imprudent loans. This reason is now less important because those licensees which accept thrift investments will now have to have federally insured accounts and be subject to federal limitations on the loans they may make.

An oversight in paragraph (2) is corrected by adding reference to loans committed to before May 31, 1980 as well as those made before May 31, 1980.

Paragraph (c)(3) contains the provision for points which formerly appeared in paragraph 408-15 (h)(6), Hawaii Revised Statutes. The requirement that points be assessed only on real estate loans has now been limited to consumer loans. There is no public interest served by prohibiting these business transactions. The reference to calculating points as part of the permissible interest rate has been modified to except points on calculations for open-end loans. One reason for this change is that problems arise in interpreting old paragraph 408-15(h)(6), Hawaii Revised Statutes, because the Truth in Lending Act provides that points, while a form of finance charge, are not to be calculated as part of the Annual Percentage Rate for open-end loans, unlike closed-end loans, because the amount the borrower will ultimately borrow and the period of the borrowing are both within the borrower's control and not known to the lender when the disclosures are given. Hawaii law appears to assume that open and closed-end loans are treated in the same manner under the Truth in Lending Act. This has been corrected to make state law consistent with federal law.

Subsection 408-15(d), Alternative Permissible Rate. This subsection uses the annual Percentage Rate under the federal Truth in Lending Act as a means of providing a clear rate authorization and limit. A similar standard is used in the Uniform Consumer Credit Code and in the laws of certain other states. The bill preserves the existing block and simple interest authority because these have been

used for many years and are relied upon by certain lenders, while adding the Truth in Lending Act alternative.

Currently both simple interest loans and block interest loans are tied to a list of authorized charges in subsection (h). The subsection has been amended many times over the past decade. For the most part, Chapter 408, Hawaii Revised Statutes, does not require authorized charges to be considered as part of the cost of the credit or in the computation of the effective annual rate of interest. Current subsection (h), therefore, does not expressly provide a uniform method of computing the cost to a borrower of a loan transaction when such charges are involved, or a simple way that can be used by the lender to determine readily if the loan is lawful. The Truth in Lending calculation fills this gap. Because of the bewildering variety and ever-changing character of consumer and commercial loan transactions, many questions arise about whether certain charges should be treated as part of the cost of credit. In many cases, there are no clear answers under present state law, but answers are provided under the Truth in Lending-based concept. The Truth in Lending Act and Regulation Z have evolved over some fifteen years and thousands of legal cases and administrative interpretations. Lenders for consumer transactions must already give Regulation Z disclosures and many lenders are federally examined to assure disclosures are properly given.

Most charges imposed by a creditor in connection with a loan must be calculated into the cost of credit under Regulation Z. "Finance Charge" is defined under federal law to include "any charge payable directly or indirectly by a consumer and imposed directly or indirectly by a creditor as an incident to or a condition of extension of credit". From the "Finance Charge", the Annual Percentage Rate standard is computed. The Annual Percentage Rate standard is used in the bill solely for the narrow purpose as a rate measurement tool for the assistance of parties involved in loan transactions. Should substantial federal law changes later occur which affect the definition of Annual Percentage Rate, the Legislature will be free in future years to review the continued use of this measurement standard. State law will continue to govern loan transactions under Chapter 408, Hawaii Revised Statutes, but will incorporate the federal Annual Percentage Rate standard merely as a credit cost measurement formula.

Certain charges may be "excludable" from the definition of "Finance Charge", if certain conditions are met under federal law. For example, taxes and filing fees prescribed by law may be excluded from the "Finance Charge" under Regulation Z, but only if they will actually be paid to public officials. Language in the last paragraph of subsection (d) under which a licensee is "presumed" for rate computation purposes to have given Regulation Z disclosures was questioned. Testimony confirmed that this provision will not lessen or limit obligations and liabilities of lenders under federal law to give disclosures.

For many, if not most loans, the permissible rate of interest under alternative subsection (d) will be lower than that permitted for the same loan under alternative (b) or (c), because if other charges are computed into the cost of credit, the Annual Percentage Rate will increase. Because there is still a twenty-four percent ceiling which the Annual Percentage Rate cannot exceed, less "interest" is permitted under subsection (d).

Subsection (d) will allow creditors to pass on charges which are not authorized under the list of charges in subsection (h), which will become revised subsection (j). This is needed to enable customary, acceptable loan-related charges to be received. The corresponding offset is that if these charges are "Finance Charge" under Regulation Z, then the charges will be calculated as part of the lender's maximum twenty-four percent Annual Percentage Rate. Many of the charges currently authorized under subsection (h), and many of the customary charges under new subsection (d) are part of the "Finance Charge" under the Truth in Lending Act. Examples of this would include release fees retained by the lender, required credit insurance, numerous customary charges in real estate loans such as title report, notary, and document preparation fees if the charges are not bona fide or a reasonable amount, appraisal and credit report charges in non-real estate loans, charges upon a transfer of equity, points, loan fees and so on. The Truth in Lending Act sweeps up these charges and treats them as part of the maximum rate, rather than authorizing them in addition to a rate.

The last two sentences in subsection (d) are intended to avoid the misunderstanding that (d) is dependent on applicability of or compliance with the Truth in Lending Act.

Subsection (e) - Late Charges. This new subsection has been added to deal with late charges on all types of loans. Requirements for notice and the five percent maximum charge have been limited to consumer loans. For many commercial loan transactions (which may be up to \$750,000), the 5 percent/\$50.00 limitation is not realistic and in some cases, the percentage measure does not reflect the terms of a commercial transaction. The five percent late charge is authorized under the bill for both simple and block interest consumer loans. The \$50 limitation has been eliminated for all loans.

Subsection (f) - Fraction of a Month. This was old subsection (c). The requirement to treat part of a month as a whole month for interest computation purposes is made optional, rather than mandatory, and made applicable to late charge calculations.

Subsection (g) - Repayment Terms. This was old subsection (d). The repayment terms have been broadened and reference has been added to demand loans. Reference to demand loans was in old subsection 408-15(j), Hawaii Revised Statutes. Repayment may be essentially what is agreed in the contract. References to only installment repayments or a single payment on maturity are too limited given the great variety of loan plans today. While earlier repayment would theoretically tend to increase the effective return on a block loan, the refund requirements in new (b)(3) and the overall ceiling rate remove this concern practically. (Old subsection (f) has been moved to new paragraph (b)(3) as earlier noted).

Subsection (h) - Application, Licensees Only. This was old subsection (e). Wording here has been simplified to reflect the changes in definitions.

Subsection (i) - Deferred Payments, Interest, etc. This was old subsection (g) and has been revised to allow greater flexibility in permitting extensions for partial payments and to avoid an implication that it covers only block loans. As revised it also would require signing of agreements by only the borrower with one copy furnished to the borrower, instead of one each to the borrower and the lender, to reflect modern lending practices for certain transactions.

Subsection (j) - Other Charges. This was old subsection (h). Wording has been clarified and limited to refer to only advance interest (subsection (b)) and simple interest (subsection (c)) loans. References have been added to recording fees and preparation costs for financing statements, security agreements and instruments and certain archaic language, such as that referring to chattel mortgages, has been deleted. Several charges, which are customary and routine in many loan transactions, and necessary to fairly compensate lenders, have been put in express wording to clarify and confirm present law. These include survey, notary, and title report fees actually paid to third parties. Two provisions dealing with appraisal fees have been placed side by side for clarity. Provision has been made for mortgage reserve funds and premiums for mortgage insurance. The reference to attorney's fees has been broadened to expressly refer to the cost and expenses of repossession, foreclosure and other legal remedies, which are normally subject to court allowance. The limitation upon fees for transfers of equity or assignment of contracts has been increased from \$10 to \$25 and limited to consumer loans. As earlier noted, the authorization for points, formerly paragraph (h)(6), has been relocated to the simple interest provision and is now paragraph (c)(3).

The authorization for attorney's fees for drafting various documents has been expanded and clarified. Wording relating to prepayment charges has been clarified with respect to the measure of a twelve month period and certain restrictions have been limited to consumer loans.

Express reference has been added to commitment fees. The treatment of such fees under existing laws is sometimes questioned. Usury case law in other states provides distinctions between commitment fees and prepaid interest or "points", and the new wording should clarify the distinction in Hawaii. Certain charges which are excludable from the "Finance Charge" under Regulation Z and commonly expected to be paid and received have been added to clarify and confirm present law. These include loan application fees, overdraft charges and charges for participation in open-end credit plans.

Old subsection (i) has been eliminated as conditional sale contracts were used under the predecessor of our Retail Installment Sales Act. Old subsection (j) has now become subsection (c) in modified form as earlier noted.

Subsection (k) - Acceleration of Installments. Revision has been made to reflect changes in definitions and to parallel the change in subsection (g) with respect to demand loans.

Subsection (l) - Open-end Loans. In major respect, this subsection has not been changed. Because open-end loan programs may fall under the new alternative permissible interest rate, reference has been added that licensees may lend at the rates permitted under subsections (c) or (d). Language has been corrected in paragraph (1)(3)(B), which formerly would have permitted an interest rate up to 52 times higher than what was likely intended. The requirement for written notice of changed terms under paragraph (1)(5) has been modified to provide for fifteen days notice consistent with that required under the Truth in Lending Act. Paragraph (1)(7) has been modified to clarify and confirm that late charges may be imposed in connection with open-end loans, subject to the limitations contained in subsection (e), and other charges may be permitted only as provided in subsection (j) or in the alternative, under subsection (d), but not under a mix of both methods.

SECTION 7. Section 408-16, Hawaii Revised Statutes. The first sentence of this section is clarified so that the two chapter 478 usury provisions cited do not apply to loans made by industrial loan companies under the authority of Chapter 408, Hawaii Revised Statutes, rather than exempting all loans made by licensees. Loan-related charges recoverable by borrowers for contracts made at excessive rates are brought into agreement with changes to old subsection 408-15 (h) (new (j)), Hawaii Revised Statutes, by deletion of an obsolete reference to only certain of those charges. The penalty for imposing an excessive rate of interest has been modified to an amount of interest paid by the borrower up to one year after the date of the contract. At present inequitable situations could arise with long term loans where a lender charging a small excessive charge may lose such for up to fifteen years. The loss of such interest paid up to one year after the date of the contract is a very substantial penalty and avoids inequitable application of the excessive charge penalty. The last sentence has been moved to section 408-16, Hawaii Revised Statutes, from section 408-17, Hawaii Revised Statutes, with only a deletion of redundant wording.

SECTION 8. Section 408-17, Hawaii Revised Statutes. The existing provisions in section 408-17, Hawaii Revised Statutes, either duplicate or conflict with existing provisions in Regulation Z. The bill would eliminate the duplicative and obsolete provisions.

Subsection (1) has vague and different language than the far more comprehensive and clearer requirements of section 226.18 of Regulation Z. "Actual effective rate of interest", for example, lacks the necessary legal certainty of meaning of the defined term "Annual Percentage Rate" under Truth in Lending Act. Other inconsistencies and problems are resolved by the deletion. In addition to federal law, lenders must also comply with Hawaii's new plain language law which requires that consumer contracts "... be written in a clear and coherent manner using words with common and everyday meanings and appropriately divided and captioned by its various sections" (section 487A-1, Hawaii Revised Statutes).

Subsection (2), requiring a separate receipt for each payment, simply does not conform to modern lending practices and technological change. Most borrowers receive canceled checks, monthly billing statements and an annual statement; to impose the further cost of a separate mailing for each receipt simply increases the cost of borrowing with no commensurate benefit to borrower or lender. It should be noted the 1983 Legislature by providing an exemption for payment by check or draft (Act 221) has largely eliminated the former significance of this subsection.

Subsection (3) is also obsolete. Marking "indelibly every application or security" with the word "Paid" or "Canceled" protects neither the borrower nor the lender. Various federal consumer credit laws have mandatory recordkeeping requirements. With respect to mortgages, assignments or other instruments filed in the Assistant Registrar of the Land Court, the lender cannot return these as they are permanently retained in the Land Court system. There are substantial legal penalties for lenders upon failure to release security interests upon payment (see for example section 490.9-404, Hawaii Revised Statutes) and indemnification requirements for lenders which fail to return promissory notes upon full payment (see for example, section 490.3-804, Hawaii Revised Statutes).

Subsections (4) and (5) are merely paraphrases of requirements under the former version of Regulation Z. While the language at subsection (5) is somewhat

unclear if it pertained to all loans, it was intended to provide certain disclosures for open-end loans only. The Truth in Lending Act retains requirements similar to those in subsections (4) and (5), but with different wording and rules.

The requirement for a rate chart in section 408-17, Hawaii Revised Statutes, is not feasible and has been deleted. The hundreds of varying commercial and consumer loan programs and day to day rate changes with credit decisions made on the creditworthiness of individual borrowers, as well as, the security afforded in particular transactions, means that there is no useful way information can be conveyed in the form of a simple rate chart.

The requirement for an effective rate of interest disclosure as part of each note has never been clear in view of the different methods under which interest is computed and the lack of definition of what constitutes an effective rate.

A requirement has been added to section 408-17, Hawaii Revised Statutes, to assure that borrowers are furnished a contract copy. Because of mail or telephone transactions, reference is added to furnishing the contract as soon as is practicable, if not when the contract is made. To reduce uncertainty where there are accommodation parties, "borrower" is defined for purposes of this provision.

SECTION 9. Section 408-20, Hawaii Revised Statutes. This section has been substantially revised. The first sentence relating to banking, trust company and savings and loan association business has been deleted. Other laws governing those types of institutions contain restrictions upon doing such business without a license. That which an industrial lender can do is elsewhere specified in Chapter 408, Hawaii Revised Statutes. The line between "banking" and "engaging in the business of an industrial loan company" is not always clear and the industrial lender should have the benefit of the powers and rights given by specific wording in Chapter 408, Hawaii Revised Statutes, without unnecessary comparisons that might theoretically limit those powers and rights. The second sentence in the present section 408-20, Hawaii Revised Statutes, relates to lenders splitting loans or making a number of small loans to take advantage of a higher rate authority. Because Chapter 408, Hawaii Revised Statutes, does not have split rates which would enable a lender to obtain a higher return by making a series of small loans, this prohibition is not appropriate and has been deleted. The last two sentences in section 408-20, Hawaii Revised Statutes, has been revised. More flexibility is given to industrial loan companies to transfer loans to out-of-state buyers; however, the present restrictions on transfer to in-state parties are retained. The non-recourse requirements are also retained except for pledge transactions. Recourse may be implied by the nature of the pledge financing. Without authorization for the pledge of Chapter 408, Hawaii Revised Statutes, loans, licensees would be unable to borrow funds on a secured basis or enter into routine financing arrangements, such as a warehousing line of credit.

SECTIONS 10 and 11. Section 478-4 and 407-92.5, Hawaii Revised Statutes. Sections 10 and 11 have been added to provide that banks and savings and loan associations which lend under the authority of Chapter 408, Hawaii Revised Statutes, will be subject to the same penalties imposed by Chapter 408, Hawaii Revised Statutes, as an industrial loan company. The change clarifies the intent of existing law to confirm that banks and savings and loan associations are subject to the same penalties to the same extent as industrial loan companies with respect to the same types of loans if an excessive charge is imposed or another violation of sections 408-15 or 17, Hawaii Revised Statutes, arises, rather than under other law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2020-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 309-84 Consumer Protection and Commerce on H.B. No. 2396-84

The purpose of this bill is to amend section 444-23, Hawaii Revised Statutes, to increase the amount of fines paid by a licensed contractor for aiding and abetting unlicensed contractors.

Your Committee heard testimony in favor of H.B. No. 2396-84 from the Contractors License Board of the Department of Commerce and Consumer Affairs, the

Subcontractors Association of Hawaii and the Hawaii Roofing Contractors Association.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2396-84 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 310-84 Consumer Protection and Commerce on H.B. No. 1880-84

The purpose of this bill is to amend Chapter 514 A, Hawaii Revised Statutes, by adding a new section which will require notice to be given to a condominium association when a foreclosure action is commenced against one of the units in the condominium project.

Mr. Stanley Baird of the Mortgage Bankers Association testified that his association had no objection to this bill, if there is made an exception to this notice requirement when the condominium association has been joined in the foreclosure action. The rationale being that, in most instances of foreclosure, since the condominium association has a right to a lien for unpaid maintenance fees, the association will be served with process and therefore be notified of the foreclosure action.

The Hawaii League of Savings Associations expressed concern with the present language of this bill. As spokesman of this association, Mr. James R. Patterson testified that this new section in its present form could be interpreted in such a way as to delay proceedings against borrowers, guarantors and other parties.

Your Committee in view of the testimony given has amended this bill in order to recognize the situation in which an association has been named a joint defendant in a foreclosure action. Further, it is the expressed intent of this Committee that the language of this bill shall not be interpreted in such a way as to delay proceedings against all interested parties.

Your Committee, upon further consideration, has decided that this proposed "Foreclosure notice" language should be added to Chapter 667, Hawaii Revised Statutes, instead of Chapter 514A, Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1880-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1880-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 311-84 Health on H.B. No. 1664-84 (Majority)

The purpose of this bill is to limit to one any authorization for the construction or acquisition of a nuclear magnetic resonance scanner (NMR) in the State by the State Health Planning and Development Agency (SHPDA). If such a scanner is already in operation, the bill prohibits SHPDA from approving the construction or acquisition of another scanner. Further, the bill prohibits SHPDA from granting health maintenance organizations (HMO) an exemption from the certificate of need process to construct or acquire a scanner if one is already in operation, a certificate of need for a scanner has been approved and remains in effect, or if an exemption has already been granted to another HMO.

Your Committee finds that nuclear magnetic resonance scanners, which are new technological devices for facilitating medical diagnoses, are extremely expensive, costing from \$2 million to \$3 million each. Although these NMR scanners have certain advantages as diagnostic tools, in view of their unusually high cost, your Committee believes that precautionary action to restrict the acquisition of such equipment in both prudent and necessary, considering the State's experience in regulating the acquisition of computerized axial tomography or CAT scanners which have lately proliferated among Hawaii's hospitals. Your Committee has therefore concluded that a statute limiting to one the number of NMR scanners in the State is a necessary adjunct to the State's existing health planning and regulation process.

At the public hearing on this bill, the Hospital Association of Hawaii presented testimony which concurred with your Committee's position that a single NMR scanner would be adequate for Hawaii's medical needs.

For the sake of clarity your Committee amended the bill beginning on page 1, line 5 to read: "The State agency shall not approve to make valid at any point in time more than one certificate of need or exemption authorizing the construction or acquisition of a nuclear magnetic resonance scanner." Line 9 on that page and line 21 on page 4 were also amended to specify that the presence of NMR scanners in only non-federal health care facilities are to be considered in determining whether additional NMR certificates of need or exemptions may be approved. Your Committee also added a paragraph on page 1 which states the requirements that must be met before SHPDA can recommend to the Legislature that more than one NMR scanner be approved.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1664-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1664-84, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 312-84 Health and Judiciary on H.B. No. 1932-84

The purpose of this bill is enable the Family Court to order outpatient treatment for certain mentally ill individuals who are in need of treatment but are incapable of making an informed decision to voluntarily seek or comply with such treatment.

Your Committees find that involuntary outpatient treatment is a viable means to provide necessary care to persons whose personal history of mental deterioration indicate that they would become imminently dangerous to themselves or to others though they do not immediately pose such a threat. This provision is needed because under present law, such persons cannot be treated until they actually become so imminently dangerous to themselves or to others that they must be involuntarily committed to a psychiatric facility. Under this bill, timely intervention may be initiated to prevent or reduce serious mental deterioration and offer an alternative to institutionalization for such persons, thus permitting appropriate treatment to be provided in the least restrictive environment.

After thorough consideration of the bill's provisions, your Committees have amended this bill in the following principal respects:

(1) References to the term "mental illness" have been changed to "severe mental disorder", a more accepted and clearly understood term, throughout the bill.

(2) Two additional criteria for involuntary outpatient treatment have been inserted to add as conditions for commitment: (a) whether a person has previously received inpatient hospital treatment for a severe mental disorder or substance abuse, or if the person has been imminently dangerous to self or others as a result of the disorder or substance abuse; and (b) whether outpatient treatment is likely to benefit the person.

(3) References to "outpatient treatment physician" have been changed to "outpatient treatment psychiatrist" throughout the bill.

(4) On page 3 of the bill, the contents and conditions for submission of a petition for involuntary outpatient treatment have been detailed.

(5) The required contents of a notice of hearing on a petition for involuntary outpatient treatment have been simplified by deleting the notice of waivers of hearing or for subsequent hearing if a hearing was previously waived.

(6) Requirements relating to a hearing on the treatment petition have been amended to specify that if the subject is absent from the hearing despite having been served by the petition, the court may still proceed with the hearing.

(7) It has been specified that the court may appoint an attorney to represent an indigent subject at the hearing if the subject so desires.

(8) It has been specified that the psychiatrist testifying at the hearing shall have personally examined the subject in the time period beginning five days prior to the filing of the petition.

(9) It has been specified that the testimony of the psychiatrist at the hearing shall describe any needed medication including the medical benefits and detriments of such medication.

(10) Clarification has been made that the provisions relating to the psychiatric examination of a subject or the subject's refusal of the examination shall not be construed to limit the subject's privilege against self-incrimination.

(11) The bill's existing provisions relating to a waiver of the testimony of a physician and waiver of a hearing have been substituted by a provision authorizing the subject to secure his or her own psychiatric examination, including one obtained from a community mental health center if so desired, to present as evidence at the hearing.

(12) The maximum period of required outpatient treatment has been extended to 180 days.

(13) A provision has been inserted to authorize the court to order medication for the subject upon finding clear and convincing evidence that medication would, on balance, be beneficial.

(14) It has been specified that an administrator of a community mental health center may be designated by the court to name an outpatient treatment psychiatrist.

(15) A provision has been inserted to make the cost of required private treatment the responsibility of the subject unless the costs are covered by other laws or programs.

(16) Clarification has been provided that the refusal of treatment shall not be used as evidence for involuntary hospitalization.

(17) Unless a new court order has been obtained, the discharge of outpatients completing their treatment period has been made automatic instead of subject to a determination of the outpatient treatment physician.

(18) A new section has been inserted to provide procedures for obtaining an early discharge for qualified persons.

(19) A qualification has been inserted relating to petitions filed to obtain discharge of an outpatient treatment order prior to the expiration of the treatment period. The amendment requires that more than 60 days have transpired following the last hearing involving the subject of the order before a discharge petition can be filed.

(20) Section 2 of the bill relating to the provision of immunity from liability for outpatient treatment physicians has been deleted. This amendment was made to retain the existing level of legal responsibility provided in current statutes for psychiatrists who treat mentally disabled persons. Your Committees intend that involuntary outpatient treatment not be construed as a form of emergency care for the purpose of determining liability for any negligence or malpractice.

(21) An amendment was made to Section 802-1, HRS, to include the subjects of petitions for involuntary outpatient treatment as a category of persons who are entitled to representation by the public defender.

(22) Other conforming or technical, nonsubstantive amendments were also made.

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 1932-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1932-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Tungpalan and Medeiros.

SCRep. 313-84 Health and Judiciary on H.B. No. 1743-84 (Majority)

The purpose of this bill is to require the preparation of a new birth certificate when a court determines that the parent shown on the birth certificate is not the parent of the child. The bill also clarifies the Hawaii Revised Statutes by including in one section all of the circumstances in which a new birth certificate is to be prepared.

Your Committees find that in cases where a man who has previously been identified as the father of a child is later proven not to be the father and the no subsequent legitimation occurs, the name of the man who has been proven not to be the father remains on the child's birth certificate, resulting in confusion, embarrassment, or even legal action. This bill would rectify the situation by enabling the Department of Health to issue a new birth certificate reflecting the determination that a parent-child relationship does not exist between the parent(s) identified on the original certificate.

Your Committees also heard testimony from the U.S. Marshals Service, District of Hawaii, that the existing statute does not adequately protect persons provided new identities under the Federal Witness Protection Program. As recommended by the agency, your Committees have therefore amended this bill to provide that a new birth certificate created at the request of a law enforcement agency, for such purposes as, for example, providing a new identity for a protected witness, shall be issued a new file number, and that the person's original birth certificate shall remain on file.

Your Committee on Health and your Committee on Judiciary are in accord with the intent and purpose of H.B. No. 1743-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1743-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.
(Representative Jones did not concur.)

SCRep. 314-84 Health and Judiciary on H.B. No. 1742-84

The purpose of this bill is to clarify the definition of brain death in the Hawaii Revised Statutes by transferring the clause pertaining to brain death from its current inappropriate location in subsection (a) of Section 327C-1 to subsections (b) and (c) of that section.

Your Committees find that Act 216, Session Laws of Hawaii 1983, amended Section 327C-1, Hawaii Revised Statutes, to include the brain stem in the definition of "brain death" in conformance with model legislation, the "Uniform Determination of Death Act", recommended by the American Medical Association. By inadvertent error, the amendment was added to subsection (a), where it has no force or effect since subsection (a) deals with the cessation of spontaneous respiratory and circulatory functions, the usual way in which death is determined.

Your Committees find that the amendment should be inserted into subsections (b) and (c), which specifically pertain to the application of the concept of "brain death" whereby the use of artificial life support systems preclude a determination that respiratory and circulatory functions have ceased. Thus, the phrase "all functions of the entire brain, including the brain stem", presently inappropriately located in subsection (a), should replace the words "brain function" where they occur in subsection (b) and (c).

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 1742-84 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 315-84 Agriculture on H.R. No. 26

The purpose of this resolution is to request that the House Committee on Agriculture and the House Committee on Transportation hold hearings during the 1984 legislative session for the purpose of reviewing the progress of studies by the

Governor's Agriculture Coordinating Committee on agricultural storage and distribution consolidation facilities.

Your Committee finds that the Governor's Agriculture Coordinating Committee did not in 1983 sponsor or carry out any studies on the establishment of statewide agricultural storage and distribution consolidation facilities. However, in 1981, that Committee did conduct a study regarding the feasibility of establishing a consolidation facility in Kona. Following a review of the Governor's Agriculture Coordinating Committee's report entitled "Response to Senate Resolution No. 167 and Senate Resolution No. 168, Submitted to the Legislature of the State of Hawaii, Legislative Session of 1981", the legislature appropriated funds for the establishment of a facility for the Kona farmer, naming the Department of Agriculture as the expending agency.

Your Committee further finds that an investigation into the feasibility of establishing consolidation facilities in each county has yet to be conducted, and is still very much in order.

Your Committee also finds that in view of current tight fiscal constraints, it would be prudent to be able to prioritize future recommendations for legislative action regarding the establishment of agricultural storage and distribution consolidation facilities at various sites throughout the State.

Your Committee has received testimony in support of the intent of this measure from the Chairman of the Governor's Agriculture Coordinating Committee and the Dean of the College of Tropical Agriculture and Human Resources, University of Hawaii.

Your Committee has amended the title of this resolution; substituted new language for the third "WHEREAS" clause; added one new "WHEREAS" clause; substituted new language for the first two "BE IT RESOLVED" clauses; and added one new "BE IT RESOLVED" clause to reflect its findings and amended requests.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 26, as amended herein, and recommends that it be referred to the Committee on Transportation in the form attached hereto as H.R. No. 26, H.D. 1.

Signed by all members of the Committee.

SCRep. 316-84 Water, Land Use, Development and Hawaiian Affairs on H.B.
No. 2035-84

The purpose of this bill is to amend Act 62, Session Laws of Hawaii, 1982, by extending the expiration date of January 1, 1985 to January 1, 1987 for the Department of Land and Natural Resources to authorize direct awards of long-term residential leases covering State land at Milolii, Hawaii, to persons or their descendants displaced by the lava flow of the 1925 eruption of Mauna Loa, and for the Bureau of Conveyances to record these negotiated leases.

According to testimony by the Department of Land and Natural Resources, the process of negotiations for subdividing the land to those eligible for leases is expected to be completed in 1985. However, unexpected delays may arise, thereby making it impossible for the Department to complete its negotiations and for the Bureau to complete its recordings. Your Committee received testimony recommending that the two-year extension be reduced to one year, a sufficient time period to accommodate any unforeseen delays. Your Committee is in agreement that the extension date of January 1, 1987 be amended to January 1, 1986, on line 11 in the bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2035-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2035-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Bunda.

SCRep. 317-84 Education on H.B. No. 1864-84

The purpose of this bill is to allow school district advisory councils increased flexibility in advising the Board of Education. Under the current law, school advisory councils can only advise the Board of Education as requested by the Board.

The 1973 Management Audit of the Department of Education, which was prepared by the Legislative Auditor's office, contained a recommendation to allow the school advisory councils to meaningfully transmit the feelings and opinions of the various communities to the Board of Education. This amendment will remove any restrictions and will encourage and foster dialogue between the Board and the individual communities.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1864-84, and recommends that the bill pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 318-84 Education and Judiciary on H.B. No. 1370 (Majority)

The purpose of this bill is to bring before the electorate of this State a proposed amendment to Article X, Section 3, of the Constitution of the State of Hawaii to transfer the power of appointment of the Superintendent of Education from the Board of Education to the Governor.

In reviewing the Committee of the Whole Reports of the 1978 Constitutional Convention, your Committees find that the Constitutional Convention, in deciding to continue tripartite governance over the Department of Education, intended to "... give the board of education jurisdiction over the internal organization and management of the public school system to the fullest extent possible." However, the Con Con further intended that the Legislature "...define those matters relating to the internal organization and management of the public school system which will be within the jurisdiction of the board."

The Constitutional Convention also recognized "...that the department of education is an executive department subject to the governor's statewide policy-making and executive powers." Therefore, the Con Con intended that the Governor and the Board "...have concurrent jurisdiction in certain matters affecting the public school system." Additionally, the Con Con intended that the 1978 Constitution would

...not affect the governor's authority over the board of education with respect to policy formulation affecting the public budget preparation....Nor would the budget-making powers or process of the legislature be altered.

Your Committees find this tripartite governance structure to be unwieldy, burdensome, and a source of a great deal of confusion for the public when the question of accountability arises. While recognizing that this long-standing problem would be addressed in toto after the Legislature receives the results of a report requested in H.R. 393, H.D. 1, your Committees believe that immediate action may be taken to alleviate the problems relating to lack of responsiveness and accountability. Your Committees find that the lack of timely responses to legislative inquiries regarding curriculum and programmatic policies of the Department of Education can be attributed in part to the need of some degree of autonomy on the part of the Superintendent of Education. Your Committees find that the Superintendent, in many cases, is not able to respond to legislative questioning because the Board has not taken a clear position on the matter, or because consent of the Board must first be obtained before responding. Such lack of responsiveness frustrates the legislative process and, indeed, frustrates the educational system as well.

Your Committees believe that the appointment of the Superintendent by the Governor will allow for better responsiveness on the part of the Department and will provide a clear line of accountability. The Superintendent, having the status of a department head, will be allowed the flexibility and sufficient autonomy to manage the Department. The Superintendent may respond to the Legislature and to the public in a timely fashion without having to first obtain the approval of a panel of thirteen members.

At the same time, should there be need for an accounting of action or inaction on the part of the Department, the Legislature and the public may ultimately look to a single individual, the Governor, for an explanation.

During our hearing on this bill, some concern was expressed that the role of the Board of Education is blurred with this amendment. Your Committees, however, find that the Constitution provides the Board only those powers "as provided by law." We believe that, should this constitutional amendment be adopted by the public, appropriate statutory changes delineating the powers of the Board must be legislated. To propose such statutory changes at this time would be premature.

Your Committees further heard concerns that there be public input into the selection of the Superintendent. We have, therefore, amended this bill to allow for the appointment of the Superintendent with the advice and consent of the Senate.

Your Committees have further amended this bill to clarify the role of the Superintendent as the executive officer of the Department of Education, and have made non-substantive and other technical amendments.

Your Committees on Education and Judiciary are in accord with the intent and purpose of H.B. No. 1370, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1370, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.
(Representatives Apo, Hagino and Hee did not concur.)

SCRep. 319-84 Employment Opportunities and Labor Relations and Public
 Employment and Government Operations on H.B. No. 2429-84
 (Majority)

The purpose of this bill is to enlarge the time allowed for filing a complaint alleging an act of unlawful suspension, discrimination or discharge under Section 378-33. This bill provides that the thirty-day time limitation will be measured from the time of the alleged act of unlawful suspension, discrimination or discharge or from the time the complainant first learns of the unlawful suspension, discrimination or discharge.

Your Committees have held a public hearing on this bill and have received written and oral testimony from the Department of Labor and Industrial Relations and representatives of industry, small business and the Chamber of Commerce of Hawaii.

Your Committees find that this bill affirms by statute the current practice of the Department. While it is desirable that this practice be affirmed, a reasonable time limitation should be imposed on the filing of complaints.

Accordingly, your Committees have amended this bill by deleting the phrase "alleged act of unlawful" on line 6 and the word "discrimination" on line 7. These amendments toll the limitation for a complainant who through no fault of his or her own, does not know of an unlawful discharge or suspension, allowing the filing of a complaint within 30 days from the date the complainant learns of the discharge or suspension, while placing a reasonable limitation on the time allowed for filing a complaint.

Your Committees on Employment Opportunities and Labor Relations and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 2429-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2429-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Wong,
Yoshimura and Anderson.
(Representative Anderson did not concur.)

SCRep. 320-84 Employment Opportunities and Labor Relations and Judiciary
 on H.B. No. 1748-84

The purpose of this bill is to amend Part II of Chapter 378, Hawaii Revised Statutes, which limits the use of lie detector tests in employment. The bill provides that: 1) It shall be unlawful for any employer to administer a lie detector test to an employee or prospective employee or discharge or otherwise discriminate against any person because such person has filed a complaint, testified, or assisted in any proceeding respecting unlawful practices under this part; 2) The Department of Labor and Industrial Relations shall have jurisdiction over practices made unlawful under this part; 3) The Department is authorized to receive and initiate complaints, investigate complaints, determine violations, and order penalties and appropriate remedies; 4) The Attorney General is authorized to initiate complaints under this part; 5) The Department is authorized to commence civil action in circuit court seeking appropriate relief; and 6) Criminal violations of this part are to be prosecuted by the Attorney General or Public Prosecutor.

Your Committees have held a public hearing on this bill and have received written and oral testimony from the Department of Labor and Industrial Relations, the American Civil Liberties Union of Hawaii, Kathleen Gordon, an individual subjected to an objectionable lie detector examination, and numerous representatives from industry, retail business, and the private detective and polygraphist professions.

Your Committees find as follows:

(1) While the present Part II of Chapter 378, Hawaii Revised Statutes, limits the use of lie detector tests in the employment context, a more comprehensive statutory scheme is needed to fully protect employees from unreasonable intrusions on privacy and to provide a mechanism for sufficient enforcement of the law.

(2) The scope of allowable preemployment lie detector test questioning must be limited, in order to afford protection to prospective employees, who by definition are vulnerable to abusive practices.

(3) Towards the end of protecting highly held individual rights, the use of testing devices which involve any unreasonable physical intrusion must be prohibited.

(4) In light of constitutional due process guarantees, Department of Labor and Industrial Relations determinations of violations of law under this part should be made after hearings held in conformance with Chapter 91, Hawaii Revised Statutes.

(5) A complainant should be able to pursue a civil action under this part, pursuant to a notification of right to sue issued upon a written request of the complainant.

(6) In the interest of fairness and to advance the purposes of this Act, an award of costs, including fees and attorney's fees, to a prevailing party in an action brought under this part should be allowed but not mandated.

(7) There is legitimate concern over potential abuses by lie detection examiners. However, in testimony, several professional lie detection examiners have given assurances that the Board of Private Detectives and Guards will be responsible for licensing and reviewing all polygraph examiners in a manner which will prevent misconduct. Therefore, your Committees rely on assurances that applicable regulations will be established in the immediate future.

In accordance with these findings your Committees have amended this bill by deleting paragraph (1) on page 2, which defined acts deemed unlawful under this part, adding new material in paragraphs (1)-(4) which: 1) Prohibits the requirement of submission to a lie detector test as a condition of employment or continuing employment; 2) Prohibits termination or discrimination against any prospective employee or employee for refusing to submit to a lie detector test; 3) Limits the scope of allowable preemployment lie detector test questioning; and 4) Prohibits the use of lie detector devices which involve any unreasonable physical intrusion. For the purpose of consistency, your Committees have renumbered paragraph (2) to paragraph (5).

Your Committees have further amended this bill by: 1) Deleting all non-mechanical tests from the definition of "lie detector test" on page 2, also deleting "instruments or mechanical devices" and adding "psychophysiological measuring devices; 2) Adding definitions of "prospective employee" and "employee" on page 2; 3) Deleting the word "person" wherever it appears on pages 2 and 3, except in

the definitions, and adding the phrase "prospective employee or employee"; and 4) Deleting the section which provides exceptions to this part on pages 2 and 3.

Your Committees in further accordance with the above findings have amended this bill by amending the section which begins on page 4, regarding the power of the department to prevent unlawful practices. This section has been amended by: 1) Deleting the second sentence of subsection (a), which limited the power of the parties to a complaint to reach a settlement resolution; 2) Adding a subsection (b), which provides for notice and hearing on complaints filed with the department prior to any administrative determination; 3) Adding a subsection (e), which provides for the right to sue for a complainant; 4) Deleting "shall" and adding "may" in subsection (g), redesignated subsection (i), making an award of costs to a prevailing plaintiff or complainant allowable rather than mandatory; 5) Adding a subsection (j), which makes an award of costs to a prevailing defendant or respondent, payable by the department, allowable; and 6) Redesignating subsections (b)-(f) as necessary for purpose of consistency.

Your Committees have further amended this bill by adding a new section 3, a severability clause. Other non-substantive amendments have been made for the purposes of clarity and consistency.

Your Committees on Employment Opportunities and Labor Relations and Judiciary are in accord with the intent and purpose of H.B. No. 1748-84, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1748-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Wong and Yoshimura.

SCRep. 321-84 Consumer Protection and Commerce on H.B. No. 556

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new chapter concerning self-service storage facilities.

Testimony in favor of this bill was given by two owners of self-service storage companies who said that this new industry is currently without legislative guidelines or definitions. Clarification through appropriate legislation is called for to protect consumers through uniform procedures.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 556 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 322-84 Consumer Protection and Commerce on H.B. No. 1984-84

The purpose of the bill is to expand the type of institutions that may establish an international banking facility (IBF) in the State of Hawaii by conforming Hawaii's definition of eligible depository institutions with that of the Federal Reserve Board.

Your Committee heard favorable testimony from the Bank Examination Division of the Department of Commerce and Consumer Affairs and Bank of Hawaii.

In response to testimony received, your Committee has revised the purpose section for clarification. Your Committee has also deleted the definition of "bank" and substituted instead a definition for "depository institution" as set forth in the regulations of the Board of Governors of the Federal Reserve System. Your Committee has also expanded the eligible organizations to include a depository institution, an Edge or Agreement Corporation or United States branch or agency of a foreign bank.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1984-84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1984-84, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.