

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. 1-88 on H.B. No. 321

On January 21, 1988, this bill was recommended by the Governor for immediate passage in accordance with Article VII, section 9, of the Constitution of the State of Hawaii. Accordingly, this bill has been amended to reflect this recommendation.

The purpose of this bill is to appropriate or authorize, as the case may be, funds for the payment of collective bargaining cost items in the agreement reached with the exclusive representative of collective bargaining unit 5 for the 1987-89 fiscal biennium.

Negotiations were not completed in time for a submittal to be made to the 1987 Legislative Session. The agreement was ratified by bargaining unit 5 on September 16, 1987. The intent of this bill is to provide the necessary authorizations and appropriations to allow for the implementation of pay raises on September 1, 1987, February 1, 1988, September 1, 1988, and February 1, 1989; and for increases in other cost items effective July 1, 1987.

Your Committee has amended this bill by including the appropriation amounts necessary for collective bargaining cost items.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 321, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 321, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Arakaki, Fukunaga, Horita, D. Ige, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Kotani, Leong, Tajiri, Cavasso, Marumoto and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Aki, Blair, Fernandes Salling, Hagino, B. Kobayashi, Matsuura, Mizuguchi, Nakasato, Young, Herkes, Ikeda and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 2-88 on H.B. No. 1222

The purpose of this bill, in the form amended by the Senate is to allow liquor sold to military buyers an exemption from the requirements of unloading at the warehouse of a licensed wholesaler and remaining "at rest" for 48 hours.

Your Committee, upon further consideration, has made an amendment to H.B. No. 1222, S.D. 1 to delete the military exemption provision and to repeal part VIII of Chapter 281, Hawaii Revised Statutes, which requires an "affirmation" from each liquor supplier in Hawaii that the supplier will not sell or offer to sell liquor in any state or the District of Columbia at a price lower than in Hawaii.

Your Committee notes that affirmation laws were enacted by many states to ensure that liquor suppliers do not discriminate in price between wholesalers in different states. However, these affirmation laws have proved difficult to enforce and are thought by some to be unconstitutional as a violation of the commerce clause of the U.S. Constitution.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1222, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1222, S.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Hagino, Hiraki and Medeiros,
Managers on the part of the House.

Senators Blair, George and Young,
Managers on the part of the Senate.

Conf. Com. Rep. 3-88 on H.B. No. 2037

The purpose of this bill is to expand and clarify the rights of consumers in resolving new motor vehicle warranty disputes with manufacturers. The bill will provide Hawaii with a "second-generation" lemon law.

Your Committee, upon further consideration, has made amendments to this bill as follows:

1. In Section 490:2-313.1 (b) your Committee has clarified that the refund shall include incidental expenses.
2. Your Committee has restored the language of the present statute which allows the vehicle to be out of service for fewer than 30 business days before it is presumed that a reasonable number of attempts have been made to repair the vehicle. Your Committee understands that the Department of Commerce and Consumer Affairs will be investigating the appropriateness of the 30-day period and making recommendations to the legislature next session.
3. Your Committee has provided that arbitration awards shall include taxes.
4. Your Committee has provided that the required notice be given directly to the consumer rather than being placed in the glove compartment.

5. Your Committee has eliminated reference to the American Arbitration Association to clarify that the legislature does not intend to imply that any particular program should be given preference.

6. Your Committee has provided that "all parties" must participate in the arbitration if the consumer agrees to participate, rather than just the manufacturer.

7. Your Committee has provided that the award of attorney's fees by the arbitrator is discretionary with the arbitrator.

8. Your Committee has provided the right to appeal (trial de novo) to all parties rather than just the consumer.

9. Your Committee has provided that the arbitration award shall not be admissible at a trial de novo.

10. Your Committee has provided that costs and attorney's fees shall be paid by the party demanding the trial de novo if the party making the demand does not improve its position by at least 25%.

11. Your Committee has provided that the initial fee to be collected by the Department of Commerce and Consumer Affairs for an arbitration shall be \$50 from the consumer and \$200 from the manufacturer. The consumer's fee will be returned if the consumer wins.

12. Your Committee has finally provided that the dealer shall notify the manufacturer of the problem with the vehicle upon second notice of the problem to the dealer or if the vehicle is out of service for in excess of 20 business days.

13. This bill was also amended to correct typographical and technical errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2037, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2037, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Hiraki, Shito and Medeiros,
Managers on the part of the House.

Senators Cobb, Yamasaki, B. Kobayashi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 4-88 on H.B. No. 2036

The purpose of this bill is to establish regulation of the motor vehicle rental industry in Hawaii.

Specifically, the bill provides that:

- (1) Lessors of rental motor vehicles shall inform the public about collision damage waiver options;
- (2) The daily charge for collision damage waivers is an additional daily charge;
- (3) Lessors must advise customers to determine whether their personal automobile insurance is sufficient to cover collision damage liability and to check the amount of their deductible under such insurance;
- (4) Lessors may not deliver or issue rental agreements containing collision damage waivers unless a specimen is furnished to the Director of Commerce and Consumer Affairs;
- (5) Rate disclosures made in advertising and oral or written commercials must also include information on collision damage waivers and daily charges therefore;
- (6) Lessors must provide information regarding Hawaii's seat belt and child passenger restraint laws and the penalties for driving while under the influence of intoxicating liquor;
- (7) Deposits or advance charges for damages to a vehicle while it is in the lessee's possession are prohibited;
- (8) Payments for damages shall be made only after the cost of the damage is agreed to by the lessor and the lessee or determined by law;
- (9) Refueling charges are restricted; and
- (10) Trade practices in the motor vehicle rental industry are prohibited if such would be an unfair trade practice pursuant to Chapter 480, Hawaii Revised Statutes.

Your Committee is aware that at least one national organization is working on standards for advertising for the motor vehicle rental industry which the organization would suggest for adoption by the various states, in effect creating a national standard. If and when those standards are developed, your Committee believes that the legislature should examine those standards carefully for possible consideration in this state.

Your Committee has made an amendment to this bill in Section -14 (f) by changing the word "may" to "shall" with reference to the fuel price. Your Committee has also amended this bill by adding a severability clause.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2036, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Final Reading in the form attached hereto as H.B. No. 2036, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Bellinger, Hiraki, Metcalf and Hemmings,
Managers on the part of the House.

Senators Cobb, Nakasato and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 5-88 on H.B. No. 2280

The purpose of this bill is to extend the repeal date of the Board of Acupuncture to December 31, 1993. The bill also requires the Board of Acupuncture to develop academic standards for the practice of acupuncture which will be reviewed by the Legislative Auditor. Failure to adopt these standards by July 1, 1991 would result in an automatic repeal of the Board.

Your Committee, upon further consideration, has amended this bill to provide for extension of the repeal date to December 31, 1992. Additionally your Committee has deleted the automatic repeal provision and modified the language of the bill to make it clear that the standards to be developed are for the use of academic designations in the practice of acupuncture. Your Committee is well aware that various practitioners have been using a doctoral or other academic designation in their practice. The Board of Acupuncture is urged to communicate with all present licensees and potential licensees to make sure that all are aware that standards are being developed which may affect their use of academic designations in their practice.

Your Committee has also amended this bill to clarify that the Legislative Auditor is required to report to the Legislature with its findings pertaining to the standards developed by the Board of Acupuncture.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2280, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2280, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Hiraki, Shito, Yoshimura and Hemmings,
Managers on the part of the House.

Senators Cobb, B. Kobayashi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 6-88 on H.B. No. 2348

The purpose of this bill is to allow an applicant for licensure to the Board of Psychology an alternate method to satisfy the requirements for licensing. The bill provides that notwithstanding the requirements of Section 465-7(2), H.R.S., an applicant will satisfy the conditions of that section if the applicant obtained a doctoral degree from a program which the applicant began prior to 1985 and the applicants application was filed with the Board by December 31, 1987 and the degree was conferred by a training program approved by the state of California.

Your Committee, upon further consideration, has made an amendment to this bill to broaden the state approval provision to include all states and not just California. Your Committee wishes to make it clear that the program must be approved by the state in which the program is conducted and that the program must have been approved at the time the degree was awarded.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2348, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2348, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Bellinger, Hiraki, Shito and Hemmings,
Managers on the part of the House.

Senators Cobb, Blair, Tungpalan and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 7-88 on H.B. No. 3286

The purpose of this bill is to clarify and strengthen several of the provisions relating to the licensing of psychologists.

Specifically, the bill does the following:

- (1) Clarifies the definition of psychologist under the licensing provisions;
- (2) Clarifies the exemption from licensure for persons who provide services under the direction of a licensed psychologist, and allows such persons to use the title "psychological assistant." Clarifies the exemption granted to persons

employed by government agencies in school psychologist or psychological examiner positions, or positions that do not involve diagnostic or treatment services;

(3) Includes in the category of industrial or organizational psychologist persons who provide psychological services or consultation to organizations but are not involved in direct delivery or supervision of direct psychological services;

(4) Allows psychologists to provide expert testimony;

(5) Requires clinical civil service psychologists who provide diagnostic or treatment services to be licensed, and allows such persons employed in their positions prior to January 1, 1988 to be eligible for licensure provided they meet licensing requirements, hold or have held the non-emergency position for two years, and obtain licensure before June 30, 1990;

(6) Provides that psychologists employed in civil service clinical positions after January 1, 1988 shall be licensed provided they meet licensing requirements and obtain licensure within two years from the date of their employment; and

(7) Requires that civil service clinical psychologists cease and desist the practice of psychology until a license is obtained after the grace periods provided in paragraphs (5) and (6) above have elapsed.

Your Committee, upon further consideration, has made an amendment to this bill removing the eligibility requirement of Section 465-7 (2), for clinical psychologists employed prior to January 1, 1988 by a government agency, for licensure. Your Committee removed this provision because leaving the provision in the bill would in essence disqualify clinical civil service psychologists who are presently grandfathered in under Section 465-3. Your Committee intends to require these clinical civil service psychologists to become licensed but recognizes that they may not be able to meet the educational requirement in Section 465-7 (2).

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3286, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3286, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Bellinger, Hiraki, Shito and Hemmings,
Managers on the part of the House.

Senators Cobb, B. Kobayashi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 8-88 on H.B. No. 3305

The purpose of this bill is to require all dental service organizations offering prepaid dental insurance to register with the Department of Commerce and Consumer Affairs. This will enable DCCA to identify and monitor providers of prepaid dental insurance.

Your Committee, upon further consideration, has made an amendment to H.B. No. 3305, H.D. 1, S.D. 1, to clarify that copies of all materials, given by a dental service organization to subscribers, must also be given to DCCA.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3305, H.D. 1, S.D. 1, as amended herein and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3305, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Fukunaga, Cachola, Hiraki and Medeiros,
Managers on the part of the House.

Senators Cobb, B. Kobayashi, Tungpalan, A. Kobayashi and Matsuura,
Managers on the part of the Senate.

Conf. Com. Rep. 9-88 on H.B. No. 3464

The purpose of this bill is to remove the mandate that the Department of Health provide training leading to certification of adult residential care home (ARCH) operators at state expense after December 31, 1988.

Your Committee on Conference finds that the mandate for state funding for training was intended as a special effort to assist approximately 250 former boarding home operators to upgrade their skills in order to qualify as ARCH operators when boarding homes and care homes were combined in Act 272, Session Laws of Hawaii 1986. We further find that the vast majority of these operators will have completed the training course by June 30 of this year. Your Committee believes, nonetheless, that to ensure the continued availability of such valuable community servants, it is prudent to maintain state funding through the end of this year for all operators currently involved in the Department of Health training program. We have thus retained the Senate amendment which requires the continuation of this funding up to December 31, 1988.

Your Committee has amended this bill in the following way:

In Section 2 (b) we have substituted the language of the House draft for that of the Senate in the interests of clarity. The Senate version also omitted the required Ramsayer underlining and brackets. The meaning of the paragraph, which explains the two categories of adult residential care homes, and offers several definitions, is not affected by this substitution.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3464, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3464, H.D. 1, S.D. 1, C.D. 1.

Representatives Shon, Leong, Shito, Tom, Hemmings,
Managers on the part of the House.

Senators B. Kobayashi, McMurdo and George,
Managers on the part of the Senate.

Conf. Com. Rep. 10-88 on H.B. No. 2627

The purpose of this bill is to appropriate \$200,000 to fund the statewide collection and disposal of hazardous wastes produced by farmers and householders in Hawaii.

The objective of this bill is to protect the health of Hawaii's citizens by removing from their environment hazardous wastes produced by farmers and householders and by disposing of these wastes legally and safely.

Your Committee finds that nationwide, collection programs for household hazardous waste have grown rapidly in popularity leading to education of the public and increasing the awareness of hazardous materials in the home environment. Removal of these wastes from long term, improper storage reduces the potential for injury or accident. Disposal at permitted hazardous waste facilities reduces the potential impact on the environment.

H.B. No. 2627, S.D. 2 would limit the collection and disposal of pesticides used by farmers to those that have been banned by law for agricultural purposes. Your Committee feels that this limitation is appropriate since it will encourage the dispersion of pesticides in the most environmentally sound manner, i.e., through proper application.

Your Committee finds that this program should be led by the Department of Health since the department has staff with the technical expertise to handle the collection of the various hazardous wastes which will be collected. Your Committee has thus amended this bill by designating the department of health as the expending agency of these funds. If the department sees fit it may seek assistance from agencies such as the governors agriculture coordinating committee or the office of environmental quality control in implementing these programs.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2627, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2627, S.D. 2, C.D. 1.

Representatives Andrews, Honda, Fukunaga, Say and Pfeil,
Managers on the part of the House.

Senators Hagino, Yamasaki and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 11-88 on H.B. No. 2788

The purpose of this bill is to clarify and streamline the filing requirements for corporation documents. The bill also clarifies the duty of the director and the effect of filing or refusing to accept for filing. The bill makes provision for correction of a filed corporate document. The bill further reduces the number of individuals required to be officers so that if a corporation only has one director, only one individual need be an officer.

The bill also delineates requirements for provisions in the articles of incorporation.

Your Committee, upon further consideration, has made a non-substantive amendment for purposes of clarity, correcting the references to chapter 415A.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2788, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2788, H.D. 2, S.D. 1, C.D. 1.

Representatives Hirono, Hayes, Hiraki, Yoshimura and Jones,
Managers on the part of House.

Senators Cobb, Blair, Fernandes Salling and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 12-88 on H.B. No. 2268

The purpose of this bill is to provide assistance and guidance to health care providers and others in the community in implementing the provisions of the informed consent statute, Section 325-16, Hawaii Revised Statutes, regarding testing and disclosure provisions relating to the Human Immunodeficiency Virus (HIV). This section of the law delineates six conditions under which informed consent is not required. This bill deals specifically with paragraph (5) entitled "Patient diagnosis and treatment" and paragraph (6) entitled "Health and safety of health care providers."

The original intent of this bill was to direct and authorize the Department of Health to establish rules to implement the statutory provisions relating to informed consent for testing for the presence of the HIV virus.

Your Committee on Conference finds that, due to unclear language in the statute, there has been widespread uncertainty in the community about conditions under which informed consent can be suspended for HIV testing. Representatives from both the legal and the health care professions have requested clarification of the language of the statute.

Your Committee on Conference has therefore chosen to take a two-pronged approach to clarifying the statute: we have made changes to the language of the statute itself and we have restored the rule-making authorization to the Department of Health. Your Committee has accepted the Senate's amendments in Paragraph (5) which clarify the relationship of the HIV test and diagnosis of the patient. We believe this new language represents a substantial improvement over the language in the statute since it explains the circumstances wherein a patient who is "unable to give consent" can nevertheless be tested in order to help the health care provider to make a diagnosis or to determine an appropriate course of treatment. This paragraph also provides for the patient to be informed "in a timely manner" that a test has been performed and that the patient shall be given the opportunity to obtain test results and appropriate counselling.

Your Committee has redrafted paragraph (6) of the bill regarding protection of health care workers and we have restored the subsection granting rule-making authority to the Department of Health. Your Committee believes that mandating this rule-making is clearly necessary since the Department's expertise is vital in formulating an approach to such a complex issue. Rules are required for a number of sections of the law, and especially to define terms such as "in a timely manner", which concern notification of individuals that they have been tested.

Specifically, your Committee on Conference has amended the bill in the following ways:

(1) We have drafted a new paragraph (6) entitled "Protection of health care workers." This new language requires that a test be ordered by a physician if the physician has determined that the patient is incapable of giving consent prior to treatment, and when there is reason to believe that the safety of health care providers may be affected.

The new paragraph (6) also requires that the availability and quality of service shall not be compromised because of the test results, that costs of such tests be borne by the health care provider, that the patient be informed in a timely manner that a test has been performed, and that the patient be provided the opportunity to obtain test results and appropriate counseling.

(2) Subsections (a), (c), (d) and (e) of the statute have been restored to the bill as they appeared in the original House version in conformance with correct drafting procedures.

(3) A new subsection (f), which appeared in the original bill, has been restored. It states: "The department shall adopt rules, pursuant to chapter 91, to establish procedures and standards to implement this section."

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2268, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2268, S.D. 1, C.D. 1.

Representatives Shon, Metcalf, Hagino, Leong and Hemmings,
Managers on the part of the House.

Senators B. Kobayashi, Matsuura and George,
Managers on the part of the Senate.

Conf. Com. Rep. 13-88 on H.B. No. 3190

The purpose of this bill is to repeal the law providing for preparation of a community impact plan by the Department of Health for small group facilities involving adult residential homes or intermediate care facilities, and to create a new chapter to establish a Dispersal Review Council to ensure that group living facilities for the developmentally disabled, the elderly, the handicapped, the mentally ill, and the totally disabled are dispersed throughout the State. The bill appropriates \$72,544 for its implementation.

The Dispersal Review Council shall do the following:

- (1) Maintain an updated registry of group living facilities;
- (2) Establish criteria to determine geographic areas for group living facilities dispersal, including the saturation rating of the area, and criteria to determine when an area is oversaturated;
- (3) Establish memoranda of agreement with licensing agencies to utilize the saturation rating system;
- (4) Review applications for licensure of new group living facilities;
- (5) Explore means to resolve conflicts between group living facilities and the community; and
- (6) Explore incentives for new and existing group living facilities to locate or relocate outside saturated areas.

Your Committee on Conference finds that a Dispersal Review Council can serve to address the problem of uneven dispersal of group living facilities throughout Hawaii, particularly in certain communities on Oahu. The State Health

Planning and Development Agency is authorized herein to provide staff services to the newly created Council, but it will remain administratively separate.

Your Committee has amended the bill in the following ways:

(1) We have created a new paragraph (7) under Section -4, "Powers, duties, and functions of the council", which sets out additional criteria to determine "the density within a geographic area with regards to the proximity of group living facilities to each other". Subsequent paragraphs were renumbered.

(2) In Section -5 of the bill, "Use of rating system", we have deleted (a) and (b) and substituted new language setting forth conditions under which a group living facility shall be granted licensure.

(3) In Section -7 of the bill, "Rules", we have drafted a new paragraph (4) specifying additional criteria which shall be used in rule-making. Subsequent paragraphs were renumbered.

(4) The content of Section -9, "Interim Control", which referred to certain census tracts for which no new permits were to be issued, has been deleted. A new Section -9 has been drafted which deals with "Unlicensed Facilities" and how they may obtain licensure.

(5) Section 3 of the bill, which dealt with the members of the council and their initial organization has been deleted. In its place is a new section directing that the first priority of the Council in developing saturation ratings shall be the Kalihi-Palama area and Waipahu.

(6) In Section 6 of the bill, proviso (2) dealing with the gubernatorial nomination of the Council members, has been deleted.

(7) Non-substantive changes have been made for the purpose of style, clarity and conformance with existing law.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3190, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3190, H.D. 1, S.D. 2, C.D. 1.

Representatives Shon, Souki, Arakaki, Leong and Cavasso,
Managers on the part of the House.

Senators B. Kobayashi, Yamasaki, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 14-88 on H.B. No. 2067

The purpose of the bill is to add a new section to Chapter 188, Hawaii Revised Statutes (HRS) to prohibit the taking of live stony coral of the taxonomic order, Madreporaria, including the Fungidae or Pocilloporidae families and any other live stony corals, for any reason, except with a permit authorized under sections 187A-6 or 183-41, HRS, for scientific, educational, or propagation purposes or for forest and water reserve provisions. The bill also increases the fine for each specimen of aquatic life taken illegally from \$25 to \$100.

Your Committee finds that the enforcement officers of the Department of Land and Natural Resources prefer to have the specific taxonomic order and scientific families included in the bill as it will be easier to enforce.

Your Committee, therefore, has amended the bill by amending the title of the proposed new section to be more descriptive of the contents of the section and by including the taxonomic order and scientific families of the live stony coral.

In addition, your Committee has further amended the bill by making nonsubstantive changes to eliminate redundant language.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2067, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2067, H.D. 2, S.D. 1, C.D. 1.

Representatives Bunda, Metcalf, Andrews, Hiraki and O'Kieffe,
Managers on the part of the House.

Senators Hagino, Matsuura and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 15-88 on H.B. No. 2876 (Majority)

The purpose of this bill is to appropriate out of the general funds the sum of \$1, to be expended by the Department of Business and Economic Development, for the completion of a hyperbaric treatment chamber system and for the construction of a structure to house the hyperbaric treatment chamber system. The bill also requires that all permits for the completion of the chamber and the construction of the structure to house the chamber be obtained before the money is made available.

Your Committee recognizes that the Hyperbaric Treatment Center performs a service for the people of Hawaii that is both highly valuable and unique and has saved the lives of many individuals. In addition to treating decompression sickness (bends), the Center has provided hyperbaric oxygen therapy for over a dozen serious medical disorders.

Your Committee, therefore, has amended the bill to appropriate \$1,750,000 for the completion of a chamber system and for the construction of a structure to house the system.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2876, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2876, S.D. 1, C.D. 1.

Representatives Bunda, Souki, Hashimoto, Say and Cavasso,
Managers on the part of the House.

Senators Matsuura, Yamasaki, Aki, Blair and A. Kobayashi,
Managers on the part of the Senate.
(Senator Blair did not concur.)

Conf. Com. Rep. 16-88 on H.B. No. 2691

The purpose of this bill is to provide the required matching funds for a federal appropriation of \$6,375,000 for a National Center for Applied Aquaculture in Hawaii.

The bill appropriates out of the general revenues the sum of \$1,000,000, to be expended by the Department of Land and Natural Resources, for planning, design, and construction of a Center for Applied Aquaculture in Hawaii. Before any funds are expended, a memorandum of understanding for cooperation shall be signed by the President of the University of Hawaii, the Chairperson of the Department of Land and Natural Resources, and the Chairperson of the Oceanic Institute. The funds appropriated may be expended for facilities at the Oceanic Institute and elsewhere and the parties to the memorandum of understanding shall provide the Legislature progress reports every six months until the Center for Applied Aquaculture is completed.

Your Committee finds it imperative to insure there is a harmonious working relationship amongst the three parties involved. If Hawaii is to be a forerunner in the field of aquaculture, then cooperation between the interested groups is needed.

It is your Committee's understanding that the Department of Land and Natural Resources, as the expending agency for the appropriation, shall ensure that the legislative intent for the Center for Applied Aquaculture is met. Furthermore, the Department shall ensure that the expenditure of funds shall be consistent with the public purpose requirements of the State Constitution and State Law.

Your Committee has amended this bill to make the Center responsible for providing the progress reports to the Legislature, and to change the timing of the progress reports to every twelve months.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2691, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2691, S.D. 2, C.D. 1.

Representatives Bunda, Taniguchi, Souki, Tajiri and Cavasso,
Managers on the part of the House.

Senators Matsuura, Yamasaki, Hagino and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 17-88 on S.B. No. 3076

The purpose of this bill was to lower the amount of the penal bond required of used motor vehicle dealers pursuant to Section 437-17(a), Hawaii Revised Statutes, from \$100,000 to \$25,000 for those selling seventy-five or less motor vehicle units a month.

Current law provides the lower rate for used motor vehicle dealers who sell twenty-five or less units a month. New motor vehicle dealers must keep a bond in the penal sum of \$200,000 and larger used motor vehicle dealers must keep a bond in the sum of \$100,000.

Your Committee finds that bonding is necessary to protect the public from unscrupulous, fraudulent, and deceptive practices. However, your Committee finds that smaller new and used motor vehicle dealers may present less of a problem than envisioned by the 1985 Legislature, which provided the current bond amounts. Therefore, your Committee has amended this bill by providing that new motor vehicle dealers who sell less than ten new units per month average on an annual basis may satisfy the requirements of Section 437-13(a) with a bond in the amount of \$50,000. Used motor vehicle dealers who sell sixty or less units per month average on an annual basis may satisfy the requirements with a bond in the amount of \$25,000.

In addition, your Committee has provided that these reduced bonding requirements shall be repealed as of July 1, 1989, and that during this period, dealers who take advantage of the lowered bond amount shall not collect payments on motor

vehicle purchases without delivery of the motor vehicle. In the meantime, the Motor Vehicle Licensing Board shall study and report to the 1989 Legislature on the appropriateness of the bonding amounts as well as the requirement itself.

Your Committee has further amended this bill by making a technical change which has no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3076, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3076, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Bellinger, Hiraki and Hemmings,
Managers on the part of the House.

Senators Cobb, Nakasato and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 18-88 on H.B. No. 2523

The purpose of this bill is to change registration of travel agencies and sales representatives to licensing under the Travel Agencies Law.

The bill establishes conditions for revocation and suspension of license and procedures for hearings on disciplinary actions. In addition, the bill does the following:

- (1) Provides that a sales representative does not include a salaried employee who does not receive a commission;
- (2) Amends usage of the Travel Agency Recovery Fund to allow recovery for persons aggrieved by an omission of material fact or where a licensee is a debtor under the Bankruptcy Code;
- (3) Requires advertisements for travel agency and sales representative to include its license number;
- (4) Requires each travel agency and sales representative to disclose any restrictions, limitations, conditions, and fee assessments pertaining to a person's right to cancel, obtain a refund, change itinerary, or make a claim for lost tickets when the person purchases travel services; and
- (5) Provides that failing to make a refund in a timely manner to a person with whom the travel agency or sales representative has contracted for travel services within thirty days from the day (A) the refund is requested in writing, or (B) the travel agency or sales representative has recovered the amount to be refunded or has obtained credits from the transportation carrier, travel service provider, or other source, whichever is later, is a basis for disciplinary action;
- (6) Provides that failure to make a refund in a timely manner for documents, including tickets, for travel services which are not honored by transportation carriers, constitutes a basis for disciplinary action.

Your Committee, upon further consideration, has made amendments to this bill by:

- (1) inserting a definition of "airline award";
- (2) requiring a specific written disclosure to the customer when an airline award is purchased; and
- (3) deleted the amendment to section 468K-11 dealing with maximum liability of the Travel Agency recovery Fund.. By making this deletion your Committee does not mean to express any legislative intent with respect to the amount of liability of the Travel Agency Recovery Fund in any particular case.
- (4) eliminating refund or credit by wholesale travel service providers as a permissible reason for delaying a refund to a consumer beyond thirty days, thus requiring refunds in such instances within thirty days of the request for refund in writing.

Your Committee on Conference is in accord with the intent and purpose of H.B. 2523, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2523, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Andrews, Hiraki, Shito and Medeiros,
Managers on the part of the House.

Senators Cobb, B. Kobayashi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 19-88 on S.B. No. 2276

The purpose of this bill is to prohibit the sale of processed milk or any milk product or raw agricultural commodity which is labeled "island fresh" unless one hundred percent of the commodity has been produced in this State, or in the case of processed milk or milk products, ninety percent of the product has been produced in the State.

The bill also amends the law which restricts the use of the term "made in Hawaii" to products having at least twenty-five percent or greater of their wholesale value added by manufacture, assembly or fabrication within the State. The amendment increases the requirement for local manufacture, assembly or fabrication to fifty-one percent.

Your Committee, upon consideration, has amended the bill by inserting a severability clause. The bill has been further amended to make nonsubstantive format changes in the proposed subsection (b).

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2276, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2276, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Hayes, Hiraki, Yoshimura and Hemmings,
Managers on the part of the House.

Senators Cobb, Matsuura and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 20-88 on H.B. No. 3494

The purpose of this bill is to combine into a single chapter the existing authority and responsibility of the Division of Measurement Standards. The bill also removes a nonoperable section, Section 292-11, Hawaii Revised Statutes, relative to the odometer revolving fund, provides for the bonding of nonresident or nonregistered scale installers or service personnel, and deletes the redundant role imposed upon the chairperson of the Board of Agriculture as the Director of Measurement Standards.

The bill also provides that the price of gasoline sold by the liter must also be posted by the gallon.

Your Committee, upon further consideration, has amended this bill to delete the requirement of posting gasoline prices by the gallon as your Committee believes this issue has been separately addressed by the Legislature and need not be addressed in this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3494, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3494, H.D. 2, S.D. 1, C.D. 1.

Representatives Hirono, Cachola, Hiraki, Shito and Hemmings,
Managers on the part of the House.

Senators Cobb, Nakasato and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 21-88 on H.B. No. 3287

The purpose of this bill is to require motor vehicle mechanic apprentice/trainees and motor vehicle mechanic helpers to register with the Motor Vehicle Repair Industry Board and to require that an apprentice or helper work under the direct supervision of a registered motor vehicle repair dealer or motor vehicle mechanic. The bill also makes the motor vehicle mechanic or repair dealer responsible for work done by the apprentice or helper.

Your Committee, upon further consideration, has made amendments to this bill to eliminate certain redundant definitions in Section 437-1, Hawaii Revised Statutes, and to add a new definition for "certified mechanic". The amended bill also deletes the definitions for "apprentice/trainee" and "registered certified mechanic".

Your Committee has also amended this bill to eliminate references to apprentice/trainees to conform with the deletion of the definition for "apprentice/trainee".

Your Committee has also amended this bill to eliminate any registration requirement for motor vehicle mechanic helpers and remove specific reference to responsibility for the work of the motor vehicle mechanic helpers. Your Committee is informed that the Motor Vehicle Repair Board will address the question of registration of helpers during the interim.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3287, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3287, S.D. 1, C.D. 1.

Representatives Hirono, Cachola, Hiraki, Yoshimura and Jones,
Managers on the part of the House.

Senators Cobb, Fernandes Salling, Nakasato and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 22-88 on H.B. No. 3601

The purpose of this bill is to correct references to the general corporation laws found in other chapters of the Hawaii Revised Statutes.

Chapters 419, 421, 421H, 422, 423, and 424, regarding the formation and existence of certain types of corporations, cooperatives, and associations, make reference to Chapter 416, "Corporations, Generally," which was repealed effective July 1, 1987. The Department of Commerce and Consumer Affairs (DCCA) testified that this housekeeping measure incorporates correct statutory references to repealed sections which have been recodified into Chapters 415 or 415B.

The bill also provides that fifty, rather than one-fourth of all licensed dentists and dental surgeons in the state are necessary to form a dental service corporation.

Your Committee, upon further consideration, has amended this bill to delete the changes to section 421C-31 relating to merger and consolidation for purpose of clarity. A Ramseyer error was also corrected.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3601, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3601, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Cachola, Hiraki, Peters and Medeiros,
Managers on the part of the House.

Senators Cobb, Blair, Chang and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 23-88 on H.B. No. 2604

The purpose of this bill is to appropriate funds to be expended by the Department of Health for fiscal year 1988-1989 for the continuation of a community-based program for the chronically mentally ill.

Your Committee on Conference finds that the funds appropriated would be used to continue a program called "The Clubhouse" created pursuant to Act 340, Session Laws of Hawaii 1987, to afford severely mentally ill persons the maximum opportunity to reach their highest level of functioning in a work environment. This program is unique as a psychosocial and vocational rehabilitation program because of the community-based setting it offers which many of the chronically mentally ill find more comfortable than established community mental health centers.

Your Committee has amended this bill by specifying an appropriation of \$279,000 for fiscal year 1988-1989.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2604, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2604, H.D. 2, S.D. 2, C.D. 1.

Representatives Shon, Souki, Arakaki, Leong and Cavasso,
Managers on the part of the House.

Senators B. Kobayashi, Yamasaki, Matsuura and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 24-88 on H.B. No. 3012

The purpose of this bill is to provide funds to the Department of Health for additional mental health positions for mental health services to children and youths in each geographic region of the State.

Your Committee finds that this bill would provide flexibility in funding and staff so that a range of appropriate mental health resources could be allocated student by student, region by region, to meet the mental health needs of children and youth throughout the State. The bill also includes a mechanism for assessing, documenting and reporting to the Legislature and the Governor the unmet needs for mental health services for students in each geographic area.

Your Committee has amended this bill by specifying an appropriation of \$550,000 and adding language noting that the appropriation is intended to fund high priority areas for the development and improvement of children's mental health services.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3012, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3012, H.D. 1, S.D. 2, C.D. 1.

Representatives Shon, Souki, Kawakami, Leong and Hemmings,
Managers on the part of the House.

Senators B. Kobayashi, Yamasaki, Matsuura and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 25-88 on H.B. No. 2046

The purpose of this bill is to fund high priority programs in the fight against AIDS; to relieve the pressure on private non-profit organizations; to enlist a broad range of agencies in the fight against AIDS; and to deal with AIDS in the context of other pressing health issues, such as drug abuse, health education, case management, and outpatient care.

The bill addresses the three broad areas of AIDS education and information; health care and treatment; and AIDS administration and coordination. The bill also requires the Department of Health to utilize Federal funds to the fullest as they become available; to expend funds according to the needs of different populations; to report to the 1989 Legislature on the expenditure of funds; and to provide some flexibility in the transfer of funds from one category to another. This bill represents a significant legislative commitment to combat AIDS in Hawaii and is the largest and most comprehensive legislative appropriation for AIDS programs to date.

Your Committee on Conference has amended the Senate draft of the bill in the following manner:

(1) In Section 2 of the bill we have appropriated \$800,000 for AIDS education and information. This reflects programs which are specifically listed in the House draft, as well as an additional \$200,000 for district health educators to work with the Department of Education.

(2) Section 3 of the bill appropriates \$490,000 for housing, statewide case management, outpatient care and drug abuse treatment. These programs are listed with specific amounts and include two grants-in-aids, in accordance with the House version of the bill.

(3) Section 4 appropriates \$160,000 for administration and coordination of programs within the Department of Health. The Senate amount has been reduced from \$189,000 to \$160,000, reflecting only the funds requested in the Administration's supplemental budget.

(4) Section 5 of the bill, which appropriated funds for coordination and policy development, has been deleted and the subsequent sections have been renumbered.

(5) In the new section 5, paragraph (2) which mandated flexibility of funds relating to section 3 on case management, shelter, outpatient care and drug abuse treatment, has been deleted as has paragraph (4) which mandated flexibility for funds pursuant to the original Section 5.

(6) In the new Section 6 the requirement that all State funds which can be replaced with Federal funds be returned to the State general fund has been deleted.

(7) The new section 8 has been amended to delete reference to the selection of private organizations at a later date since the private organizations are specifically identified in Section 3 of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2046, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2046, H.D. 1, S.D. 2, C.D. 1.

Representatives Shon, Souki, Hagino, Leong, and Hemmings,
Managers on the part of the House.

Senators B. Kobayashi, Yamasaki, Matsuura and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 26-88 on S.B. No. 3219

The purpose of this bill is to allow the County/State Hospital Division (C/SHD) of the Department of Health (DOH) to purchase diagnostic and therapeutic medical equipment, upon approval of the Department of Accounting and General Services (DAGS), without necessarily adjusting specifications for the purpose of qualifying more than one vendor and without being bound to accept the lowest bid if doing so is inconsistent with the needs of C/SHD.

The bill allows this deviation from standard procedures for five years, until June 30, 1993. DAGS and DOH are required to submit reports to the Legislature on January 1, 1989 and January 1, 1993, to assure appropriate legislative oversight.

The bill, as passed by the Senate, exempted the purchase of diagnostic and therapeutic medical equipment from the bid procedures. The five year limit, with reports to assure legislative oversight, were included in the Senate's draft.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 3219, S.D. 1, H.D. 1:

(1) Section 103-22 has been reformatted, to include the exceptions to the bid requirement in a list with appropriate nonsubstantive drafting amendments. The list is located after the statement of the general rule which it modifies, rather than bifurcating the statement of the general rule. This makes the statute easier to understand.

(2) New language is added, constituting a sixth exception, for the emergency replacement of existing diagnostic and therapeutic equipment for C/SHD.

(3) The structure of Section 103-22 is amended so that subsection (b) in H.D. 1 is now subsection (c). Subsection (c) is amended to make it clear that the general list of exceptions in subsection (a) and the provisions of subsection (b) also apply to purchases of medical diagnostic or therapeutic equipment by C/SHD. For example, for a purchase in an amount

below \$4,000 bidding would not be required. Similarly, where the DOH specifications are not adjusted to qualify more than one vendor, Section 103-22(a)(3) would apply.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3219, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3219, S.D. 1, H.D. 1, C.D. 1.

Representatives Shon, Souki, Hagino, Leong and Marumoto,
Managers on the part of the House.

Senators Blair, B. Kobayashi and George,
Managers on the part of the Senate.

Conf. Com. Rep. 27-88 on S.B. No. 2871

The purpose of this bill is to clarify confidentiality issues relating to medical information which identifies persons who have HIV infection, AIDS Related Complex (ARC), or Acquired Immune Deficiency Syndrome (AIDS).

The bill would authorize the release of sufficient information to third party payors to insure reimbursement of health care providers for services rendered. In addition, the bill would permit such information to be transmitted by one health care provider to another who is taking over the case or providing additional treatment, and allows for release pursuant to a court order, after an in camera review of the information and upon a showing of good cause.

Your Committee finds that confidentiality issues with regard to persons with HIV infection, ARC, or AIDS are a subject of continuing concern among those individuals, health care providers, third party payors such as insurers, and the community. This bill represents a well thought out balance of interests which insures both confidentiality and access to necessary information.

Your Committee has amended this bill by making technical changes which have no substantive effect.

Your Committee notes that House Draft 1 of this bill deletes section 325-101(a)(9) of the Senate version, providing for release of information to another individual in the same office, agency, or firm for clerical, administrative, or other bona fide business purpose. It is the intent of your Committee that normal exchanges of information in the business sector be unencumbered by statute as long as confidentiality is respected by all parties.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2871, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2871, S.D. 1, H.D. 1, C.D. 1.

Representatives Shon, Metcalf, Hagino, Leong and Hemmings,
Managers on the part of the House.

Senators B. Kobayashi, George and Solomon,
Managers on the part of the Senate.

Conf. Com. Rep. 28-88 on S.B. No. 1541

The purpose of this bill is to establish the statutory provisions governing the donation and recovery of anatomical gifts.

Hawaii currently has a "Uniform Anatomical Gift Act" (Chapter 327, Part I, Hawaii Revised Statutes). However, your Committee finds that the 1987 version drafted by the National Conference of Commissioners on Uniform State Laws, which is for the most part provided in this bill, represents a significant improvement and will be of substantial value in Hawaii's efforts to increase the supply of donated organs and tissues for transplant purposes.

Your Committee has amended this bill by recasting part of proposed Section 327-4 to clarify that a medical examiner, coroner, or coroner's physician are the officials that may allow removal of a part from a body if certain conditions are met and that the person or entity requesting the part has the responsibility for making a reasonable effort to contact the persons who have the option to make, or object to making, an anatomical gift.

The bill has been further amended by deleting the material on page 9, lines 6-8, which provides for negative or non-responses to a routine inquiry as to whether a hospital patient is a donor. Your Committee has also provided that the hospital personnel responsible for eliciting information regarding a patient's status as a donor shall make available information regarding anatomical gift options rather than require that such information be provided.

Your Committee has also amended this bill by changing the word "direction" to "discretion" on page 10, line 7; by substituting the word "firefighter" for "fireman" on page 10, line 14; and by making technical changes which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1541, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1541, S.D. 2, H.D. 2, C.D. 1.

Representatives Shon, Metcalf, Leong, Tom and Ribellia,

Managers on the part of the House.

Senators B. Kobayashi, Matsuura and George,
Managers on the part of the Senate.

Conf. Com. Rep. 29-88 on S.B. No. 2868

The purpose of this bill is to extend the protections from unwanted smoke, which are currently provided to public employees, to persons who work in organizations which receive State funds pursuant to Chapter 42, Hawaii Revised Statutes.

Your Committee finds that organizations which receive State funding in the forms of grants, subsidies, or purchase of service contracts are a vital extension of our government service system and that their workers deserve the same considerations as do those working within established government offices.

Your Committee has amended this bill by deleting the proposed definition of "bar" and providing that employers affected by the expanded definitions in this bill shall adopt smoking policies within three months of its effective date.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2868, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2868, S.D. 1, H.D. 2, C.D. 1.

Representatives Shon, Metcalf, Hagino, Hayes and Hemmings,
Managers on the part of the House.

Senators B. Kobayashi, McMurdo and George,
Managers on the part of the Senate.

Conf. Com. Rep. 30-88 on H.B. No. 3261

The purpose of this bill is to allow a failed or failing state-chartered bank or industrial loan company whose investment or thrift certificates are insured by the FDIC, to be acquired by an out-of-state financial institution. The bill creates a new chapter and sets forth the procedures by which acquisitions could occur. Upon determining that a state-chartered financial institution, as defined in this bill, is in danger of failing, the Commissioner of Financial Institutions is empowered to take certain actions in order to protect depositors and the public.

The bill specifies certain factors which must be considered by the Commissioner in evaluating applications which are tendered for the failed or failing financial institution.

The bill also sets up an order of priority for the type of institution which would be allowed to acquire the failed or failing institution.

Your Committee, upon further consideration, has amended this bill to eliminate the priorities established and related provisions. Your Committee does not, by this amendment, intend to indicate a preference for any order of priority at this time. The question before the Committee was in which priority to place local savings and loan companies. This amendment to the bill was a result primarily of regulatory concerns including lack of information with respect to the speed at which a savings and loan company could take over a bank, as compared to the speed at which a bank could take over a failed or failing bank. Your Committee is informed that there is pending currently on the mainland the acquisition of a failing or failed bank by a savings and loan company. It is expected that many of your Committee's regulatory concerns may be answered upon the resolution of this acquisition. Your Committee expects regulators to take an especially close look at this and other acquisitions of banks by non-banks to assess the effect of the different regulatory scheme for savings and loan companies on bank acquisitions.

Your Committee intends that the questions of who can acquire failing banks and in what order of priority as well as out-of-state acquisitions be left for a future date and the status quo be preserved by this bill, on these two issues.

Your Committee does believe the provisions of the balance of this bill have substantial merit in clarifying the authority of, and giving direction to, the Commissioner in the area of emergency takeovers of banks and industrial loan companies.

Your Committee has also made non-substantive amendments to this bill for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3261, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached here to as H.B. No. 3261, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Bellinger, Cachola, Hiraki and Medeiros,
Managers on the part of the House.

Senators Cobb, Chang and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 31-88 on H.B. No. 2553

The purpose of this bill is to appropriate funds for fiscal year 1988-1989 to subsidize liability insurance premium payments for certain obstetricians and gynecologists designated by the insurance commissioner.

The bill appropriates \$100,000 but, upon further consideration, your Committee has amended this bill to appropriate \$125,000 for this purpose.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2553, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2553, H.D. 1, S.D. 2, C.D. 1.

Representatives Hirono, Souki, Cachola, Hiraki and Medeiros,
Managers on the part of the House.

Senators B. Kobayashi, Yamasaki, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 32-88 on S.B. No. 2362

The purpose of this bill is to encourage the development and use of nonfossil fuel sources of electric energy.

The effect of this bill is to expressly provide the Public Utilities Commission (PUC) the discretion to allow an electric utility to recover the firm capacity payments and related revenue taxes made to a nonfossil fuel energy producer on an interim basis until the electric utility's next general rate proceeding. This interim rate relief would properly compensate the electric utility in a timely manner and thereby encourage their use of nonfossil fuel generated electricity.

Under this bill, the PUC may grant an appropriate interim rate increase upon application by the public utility, notification of the affected utility customers, completion of evidentiary hearings, and a favorable finding on the following five points. The capacity payments must be: (1) just and reasonable, (2) not unduly prejudicial to the customers of the public utility, (3) promotional of Hawaii's long-term objective of energy self-sufficiency, (4) encouraging to the maintenance or development of nonfossil fueled sources of electrical energy, and (5) in the overall best interest of the general public. The PUC also has the discretion to require a public hearing.

Your Committee, upon consideration, has amended the proposed subsection (d) of Section 269-27.2 by replacing the term "resulting rates" at page 4, line 9 with "amount of increase in rates due to the payments for firm capacity and related revenues taxes" to clarify the bill's intent of providing the PUC with the discretion to allow an interim rate increase between general rate proceedings, and not to encumber the earlier stated objectives of this bill with the technical details inherent in a general rate proceeding.

Your Committee wishes to emphasize that this amendment does not preclude the PUC from due consideration of the effect of the interim increase in rates upon the electric utility customer. For example, if an interim increase will add \$1 to a current \$60 per month bill, in addition to examining the reasonableness of the \$1 interim increase, the PUC shall consider the effect of a \$61 per month bill on the utility's customers. It is understood that the \$60 portion of the bill was found to be just and reasonable in the utility's most recent general rate proceeding and will be examined anew in its next general rate proceeding, rather than in the evidentiary hearing for the recovery of capacity payments made to nonfossil fuel producers.

The bill has been further amended to conform with recommended drafting style by capitalizing the first letter of the five items enumerated on page 4 of the bill and by adding the word "and" after the semi-colon of the fourth enumerated item.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2362, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2362, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Andrews, Hiraki, Takamine and Jones,
Managers on the part of the House.

Senators Matsuura, A. Kobayashi and Young,
Managers on the part of the Senate.

Conf. Com. Rep. 33-88 on H.B. No. 2783

The purpose of this bill is to amend the accident and sickness insurance provisions by requiring persons offering policies or contracts for sickness or other health care services to file every manual of classifications, rules and rates, every rating plan, and every modification with the Insurance Commissioner.

Your Committee, upon further consideration, has amended this bill to clarify that the adoption of rules provided would be pursuant to Chapter 91, Hawaii Revised Statutes.

Your Committee has also amended this bill to make the Commissioner's review of the filings mandatory and to make the Commissioner's adoption of rules optional in the Commissioner's decision.

Finally, your Committee has amended this bill to clarify that rates for these policies or contracts shall not be excessive, inadequate or unfairly discriminatory.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2783, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2783, H.D. 1, S.D. 1, C.D.1.

Representatives Hirono, Shon, Hagino, Hiraki and Medeiros,
Managers on the part of the House.

Senators Cobb, B. Kobayashi, Tungpalan and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 34-88 on S.B. No. 2318

The purpose of this bill is to shorten, from 45 to 30 days, the deadline by which the State or the counties must pay vendors' invoices.

The House Draft made two amendments to the bill, as introduced:

(1) the proposed addition of the word "automatically" in reference to the entitlement of vendors to interest was deleted, and

(2) the effective date of the bill was changed from "January 1990" to "upon approval."

The deletion of the word "automatically" from the bill should not be interpreted as an affirmative decision by the legislature that interest need not be paid. There appears to be conflicting practices within State agencies concerning the payment of interest. These conflicts will have to be resolved based upon the current law.

Your Committee, upon further consideration, has amended the bill to change the effective date to January 1, 1990. This will give agencies time to adjust to the new payment schedules.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2318, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2318, H.D. 1, C.D. 1.

Representatives Souki, Takamine, Ihara, Taniguchi and Marumoto,
Managers on the part of the House.

Senators Blair, Fernandes Salling, Young and George,
Managers on the part of the Senate.

Conf. Com. Rep. 35-88 on S.B. No. 2773

The purpose of this bill is to allow the Director of Finance to have a designated representative to serve on the Board of Trustees of the Public Employees Health Fund and the Board of Trustees of the State Deferred Compensation Plan.

The bill also allows the Director of Business and Economic Development to have a designated representative to serve on the State Planning Policy Council, the Board of Directors of the Housing Finance Development Corporation, the Aloha Tower Development Corporation, and the Board of Directors of the Research Corporation of the University of Hawaii.

Presently, the law does not clearly empower a department head to designate a representative when the department head is unavailable. Thus, it is not clear whether a representative can exercise the authority of the absent department head and have other privileges and immunities of the department head.

Your Committee has made the following amendments to the bill:

(1) Further amended Section 226-53(a)(3), Hawaii Revised Statutes, by substituting "chairpersons" for "chairmen" on page 4, line 1 and clarifying the reference to the director of environmental quality control on page 4, lines 6 and 7.

(2) Corrected the name of the Department of Business and Economic Development by deleting the word "planning" on page 6, line 3, and replacing it with the word "business"; and

(3) Deleted Section 5 of the bill, which would have allowed the Director of Business and Economic Development to have a designated representative on the Board of Directors of the Aloha Tower Development Corporation. Since the law designates the Director of Business and Economic Development as the chairperson, there should be no need to send a representative. Subsequent sections of the bill are appropriately renumbered.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2773, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2773, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Hayes, Hiraki and Hemmings,
Managers on the part of the House.

Senators Blair, Fernandes Salling, Young and George,
Managers on the part of the Senate.

Conf. Com. Rep. 36-88 on H.B. No. 2096

The purpose of this bill is to expand and clarify the authority of the Aloha Tower Development Corporation, including the expansion of the Aloha Tower Complex boundaries. Inasmuch as significant steps have been taken towards implementing a master plan of the Honolulu waterfront, improving the development viability of the Aloha Tower project is timely and consistent with that planning effort.

As received by your Conference Committee, H.B. No. 2096, S.D. 2, has broadened the Aloha Tower Development Corporation's development prerogatives in order to provide the Corporation with the flexibility it needs to develop a viable project. In addition, the bill has amended the Aloha Tower Complex boundary so as to encompass the entire waterfront area from Pier 4 to Pier 23, and also parcels adjacent to the waterfront including the Hawaiian Electric power plant, Irwin Park and several parking lots.

Your Committee, upon further consideration, has made the following amendments to H.B. No. 2096, S.D. 2:

(1) The area from Pier 4 up to the Diamond Head boundary of the Aloha Tower Complex, which is currently a part of the Kakaako Community Development District, has been removed from the proposed new Aloha Tower Complex boundary.

(2) The new provision which authorizes the Aloha Tower Development Corporation to require other public agencies to convey or lease their lands to the Aloha Tower Development Corporation upon request has been deleted.

(3) Language to clarify the Aloha Tower Development Corporation's and the Department of Transportation's jurisdiction over various facilities developed as part of the Aloha Tower project has been added. These amendments are consistent with existing statutory language and, therefore, non-substantive in nature.

(4) Other technical, non-substantive amendments have been added.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2096, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2096, S.D. 2, C.D. 1.

Representatives Shito, Kawakami, Shon, Tom and Hemmings,
Managers on the part of the House.

Senators Chang, Yamasaki, Aki, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 37-88 on H.B. No. 3173

The purpose of this bill is to amend Section 40-88 of the Hawaii Revised Statutes, to change the name of the Honolulu Symphony endowment fund to the State of Hawaii endowment fund and to establish certain restrictions upon and clarify appropriations for the fund.

Under Act 382, Session Laws of Hawaii 1987, this particular fund was established. An appropriation of \$500,000 for each of the fiscal years 1987-88 and 1988-89, to provide financial assistance to the symphony, is to be matched on a one-to-one basis by the symphony. Those funds not matched by June 30, 1989, are to revert back to the general fund.

Your Committee, upon consideration of H.B. No. 3173, H.D. 2, S.D. 2, has made the following amendments:

1) Provides that funds appropriated in fiscal year 1987-1988 will lapse in fiscal year 1988-1989;

2) Clarifies in Section 2 of the bill by inserting the name of the endowment fund;

3) Insert language to clarify that the 1987-1988 appropriation is to be released upon the enactment of this Act;

4) Inserts language to clarify that the 1988-1989 appropriation shall be available to the symphony on July 1, 1988; provided that those sums are matched on a one to one basis by the symphony through a special fund-raising effort;

5) Inserts language in the bill to clarify that the total amount of State funds appropriated shall not exceed \$1,000,000 and any funds not matched by the end of fiscal year 1989 will revert to the general fund.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3173, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3173, H.D. 2, S.D. 2, C.D. 1.

Representatives Taniguchi, Souki, Horita, Say and Marumoto,
Managers on the part of the House.

Senators Yamasaki, Tungpalan and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 38-88 on H.B. No. 2151

The purpose of this bill is to establish a temporary revolving loan program to provide seed capital for small business development and growth on the island of Molokai.

With the cessation of commercial pineapple cultivation and the recent cattle depopulation, Molokai's economy is severely depressed and the island's unemployment is the highest in the State. The expansion of the small business community which includes artisans and cottage-type industries is viewed as having an important role in the revival of a healthy economy on Molokai. Your Committee finds that government-sponsored small business loans are needed to start up these ventures. This bill will provide such loans to facilitate the growth of small business and economic revival of Molokai.

Your Committee has amended this bill:

(1) To allow the loan program to consider existing as well as new businesses by deleting the word "new" in section 2 and by deleting the phrase "seed capital" and inserting the phrase "financing opportunities" in subsection 3(a);

(2) To allow the loan rate to be set between four and ten percent inclusive depending on the nature of the loan;

(3) By inserting a "drop dead" clause to end the program on June 30, 1993; and

(4) By providing for an appropriation of \$250,000.

Your Committee has also made a technical, nonsubstantive change for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2151, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2151, H.D. 2, S.D. 2, C.D. 1.

Representatives Levin, Souki, Honda, Kanoho and Pfeil,
Managers on the part of the House.

Senators Yamasaki, Chang, Matsuura and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 39-88 on H.B. No. 3137

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to negotiate long-term leases to qualifying permittees, who depend on farming State land for a livelihood.

This bill is consistent with objectives of the Hawaii State plan for continued growth and development of diversified agriculture throughout the State and provides for one of several stipulated uses for proceeds from the public land trust.

Certain permittees of agricultural lands have occupied State lands for long periods but do not have the assurance of continued occupation because their tenure is on a month-to-month basis. Your Committee finds that this situation places an unacceptable burden on such permittees because adequate financing is not available to permittees without long-term tenure. As a result, farmers are constrained by their uncertain tenure from developing the land to its fullest potential and using it more productively.

This bill would establish the criteria for DLNR to decide who is eligible for negotiation of long-term leases, the type of land eligible for lease negotiation and the conditions under which lands may be leased. This bill also provides for notification of eligible permittees and the conditions under which they may apply for a long-term lease.

In addition, this bill appropriates \$500,000 for the department to implement this program and to hire the necessary personnel.

Your Committee has amended Section 2 of this bill by excluding from lease eligibility any person who owns 25 acres or more of agriculturally-zoned land, but reducing the other requirements of eligibility. In this way, your Conferees believe we can best accommodate the small farmers and homesteaders who have been without security for so long.

Your Committee has also made a non-substantive change in Section 3.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3137, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3137, H.D. 2, S.D. 2, C.D. 1.

Representatives Levin, Fukunaga, Isbell, Lee and Pfeil,
Managers on the part of the House.

Senators Aki, Yamasaki, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 40-88 on H.B. No. 3441

The purpose of this bill is to amend the capital loan program to delete the requirement of having to be turned down by commercial lenders on participation loans and to allow the interest rate to fluctuate.

Your Conference has amended this bill by deleting the phrase "and for borrowers outside of the State" on page 1, line 3-4, in order to make clear that the department is being authorized to become involved in participation loans for any borrower, whether the borrower is a domestic or foreign operation. Of course, in any event it is understood that the loan will be made for activities benefitting the State of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3441, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3441, S.D. 2, C.D. 1.

Representatives Levin, Fukunaga, Kanoho, Lee and O'Kieffe,
Managers on the part of the House.

Senators Chang, Yamasaki, B. Kobayashi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 41-88 on H.B. No. 2055

The purpose of this bill is to establish a demonstration project to provide transitional child care, health care, and housing benefits for families receiving assistance from the Aid For Dependent Children or the General Assistance program when benefits are terminated or decreased due to employment which has been subsequently acquired.

Upon further consideration, your Committee has amended the bill by inserting the amount of \$1,613,578 as the sum appropriated for the demonstration project. The bill has also been amended to specify that the project is to serve 300 families.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2055, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2055, H.D. 1, S.D. 2, C.D. 1.

Representatives Hagino, Souki, Arakaki, Shon and Ribellia,
Managers on the part of the House.

Senators Yamasaki, McMurdo, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 42-88 on S.B. No. 3217

The purpose of this bill is to establish criminal penalties for negligent and knowing violations of water pollution control rules, permit conditions, and pretreatment requirements.

The Department of Health is currently preparing a redelegation request for the National Pollutant Discharge Elimination System (NPDES) program from the federal Environmental Protection Agency. The NPDES program is a key element and a major source of funds in the State's effort to control water pollution. In order to complete the redelegation request, the State is required to have statutory authority to enforce pretreatment requirements and have criminal penalty requirements which are consistent with the federal Water Quality Act of 1987, Public Law 100-4. This bill would satisfy those requirements.

Your Committee has amended the bill as follows:

(1) Added the possible penalty of imprisonment for not more than one year for an initial negligent violation and imprisonment for not more than two years for any subsequent violation;

(2) Added the new definition of "Industrial user" to Section 342-31, Hawaii Revised Statutes (HRS);

(3) Added an amendment to Section 342-33, HRS, by providing that no person, including any industrial user, shall discharge any pollutant or effluent into a publicly owned treatment works or sewerage system in violation of a pretreatment standard established by the department or the publicly owned treatment works, or a pretreatment condition in a permit issued by the department or a publicly owned treatment works; and

(4) Added an amendment to Section 342-11, HRS, by deleting subsection (e), relating to penalties for willful or negligent violations of Part III of Chapter 342, to prevent inconsistencies with the penalties proposed in this bill.

(5) Made technical amendments for the purposes of clarity and conformance with recommended drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3217, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3217, S.D. 1, H.D. 2, C.D. 1.

Representatives Andrews, Metcalf, Honda, Isbell and O'Kieffe,
Managers on the part of the House.

Senators Hagino, Menor and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 43-88 on S.B. No. 546

The purpose of this bill is to repeal the special or local statutes setting forth the powers of particular counties and replace them with grants of general powers which apply uniformly to all counties.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 546, S.D. 1, H.D. 2:

(1) Amended the findings and purpose section to reflect the issuance of Attorney General Opinion 87-1, which superceded Attorney General Opinion 62-11.

(2) Deleted the words "Any other law concerning counties to the contrary notwithstanding, but", at the beginning of the new section on page 2, lines 13-14. The explicit repeal of Chapters 61, 62, 64, 65, 66, 67 and 70 makes them unnecessary. They were included in S.D. 1 only because that draft superceded, without repealing, the special or local statutes.

(3) Deleted the word "rented" from the new paragraph 46-___ (12). It is an unnecessary limitation on the ability to impose and enforce liens.

(4) Corrected a typographical error in the new paragraph 46-___ (16) by replacing the word "presale with "the sale".

(5) Amended 46-___ (24) to include zoning code violations, in addition to building code violations.

(6) Deleted SECTION 6, regarding the "Kula pipeline" since Section 66-5, HRS is obsolete. Subsequent Sections of the bill have been appropriately renumbered.

(17) Made technical changes which have no substantive effect.

Your Committee considered amending the phrase "any property held for school purposes", in the new paragraph 46-___ (16), to read "any property used for school purposes". Upon reflection, it was decided to retain the word "held". Thus, if county-owned property is "abandoned" by the Board of Education, the consent of the Superintendent of Education is not required. However, land which is "held" for future school use and not abandoned by the Board of Education, even if not actually "used" for school purposes, cannot be disposed of without the consent of the Superintendent. City owned land actually "used" for school purposes clearly cannot be disposed of without the consent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 546, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 546, S.D. 1, H.D. 2, C.D. 1.

Representatives Crozier, Souki, Horita and Marumoto,
Managers on the part of the House.

Senators Blair, Fernandes Salling, Young and George,
Managers on the part of the Senate.

Conf. Com. Rep. 44-88 on S.B. No. 587

The purpose of this bill is to improve the system of bicycle registration and renewal by, inter alia, requiring bicycles having two tandem wheels that are twenty inches or more in diameter and all mopeds to register on a biennial basis at a cost of \$6 and allowing owners of "sidewalk bikes" to register them by paying the biennial fees.

Your Committee has made the following amendments to the bill:

(1) Increased the biennial registration fee to \$8, splitting the difference between S.D. 1 and H.D. 1.;

(2) Deleted the reference to bicycles which are "not used on public highways" because most bicycles, regardless of the size, will occasionally be used on public highways at least in residential neighborhoods;

(3) Deleted the 10 cents charge for tag and decal, because the administrative cost of processing the charge exceeds the income produced;

(4) Increased the penalty from 50 cents to \$1 for bicycles and mopeds having no tag or decal affixed to it as required by Section 294-14;

(5) Increased the charge from 10 cents to \$2 for the issuance of a duplicate tag or decal; and

(6) Made nonsubstantive technical changes as follows (Reference to page and line numbers are to the bill as received):

(a) Page 2, line 3 - deleted the comma after the word "year" and substituted a semicolon therefor;

(b) Page 2, line 4 - deleted the words "calendar year" and substituted "biennium" therefor;

(c) Page 3, line 10 - indicated that brackets currently appear around "\$249-14.3" and deleting the brackets under the Ramseyer format;

(d) Page 5, line 3 - added a comma after the word "finance;" and

(e) Page 7, line 2 - corrected a typographical error by replacing "259-14" with "249-14."

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 587, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 587, S.D. 1, H.D. 1, C.D. 1.

Representatives Bellinger, Crozier, Ihara, Kotani and Marumoto,
Managers on the part of the House.

Senators Blair, Fernandes Salling, Young and George,
Managers on the part of the Senate.

Conf. Com. Rep. 45-88 on H.B. No. 225

The purpose of this bill is to appropriate \$675,000 for the development and operation of a state veterans cemetery on Oahu.

Your Committee finds that this bill adequately addresses the problem of creating a second veterans' cemetery to supplement the current site at Punchbowl, the only national military cemetery in Hawaii, which is rapidly approaching full capacity.

After further consideration your Committee has made the following amendments to the bill:

1. Replaced the application of this appropriation from the acquisition of property to the planning, design, development and construction of a state veterans cemetery on Oahu since lands have already been set aside for these purposes.

2. The Department of Defense replaces the Department of Land and Natural Resources as the expending agency, since by separate legislation, all functions relating to veterans will be discharged by the Office of Veterans which is administratively attached to the Department of Defense.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 225, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 225, H.D. 2, S.D. 2, C.D. 1.

Representatives Hagino, Levin, Souki, Arakaki and Ribellia,
Managers on the part of the House.

Senators Yamasaki, J. Wong and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 46-88 on H.B. No. 3242

The purpose of this bill is to merge the basic needs allowance and the shelter allowance provided to public assistance recipients into a single assistance allowance. The bill also establishes the assistance allowance at sixty percent of the federal poverty level.

Upon further consideration, your Committee has amended the bill by providing for annual changes in the assistance allowance in accordance with changes in the federal poverty level.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3242, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3242, H.D. 2, S.D. 2, C.D. 1.

Representatives Hagino, Souki, Arakaki, Hayes and Ribellia,
Managers on the part of the House.

Senators Yamasaki, B. Kobayashi, McMurdo, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 47-88 on H.B. No. 2532

The purpose of this bill is to establish an Office of Veterans' Services within the State Department of Defense.

There are approximately 102,000 veterans in Hawaii who may be eligible for services and benefits provided by the State. These services and benefits are dispersed throughout five State departments. The overriding problem with existing statutes is the lack of focus and direction to address and resolve issues confronting veterans. Your Committee finds that this bill will coordinate and streamline the concerns of veterans through the establishment of a State Department of Defense.

After further consideration, your Committee has technically amended the bill by replacing "administration" with "operation" in subsection (c)(9) on page 6, line 13.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2532, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2532, H.D. 2, S.D. 2, C.D. 1.

Representatives Hagino, Fukunaga, Arakaki, Shon and Hemmings,
Managers on the part of the House.

Senators Yamasaki, J. Wong and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 48-88 on H.B. No. 2054

The purpose of this bill is to appropriate funds for a parenting education demonstration project based on a Minnesota model to teach parenting techniques, to help parents and other caregivers cope with the stresses of child rearing, and to link parents with community resources.

Upon further consideration, your Committee has amended the bill by adding funding for a parent information telephone line and increasing the total amount appropriated to \$150,000. Amendments were also made to Section 1 of the bill to reflect the addition of the parent information telephone line.

In addition, technical, nonsubstantive amendments were made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2054, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2054, H.D. 1, S.D. 2, C.D. 1.

Representatives Hagino, Fukunaga, Arakaki, Shon and Ribellia,
Managers on the part of the House.

Senators Yamasaki, B. Kobayashi, Matsuura, McMurdo and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 49-88 on H.B. No. 3297

The purpose of this bill was to provide that a sole proprietor, partnership, corporation, or other business entity operating a condominium hotel, who is not a custodian or caretaker, must register on a biennial basis as a condominium operator.

The bill also provides that a registration fee may be assessed by the Commission. The bill further provides that late fees may not be deducted from the current payment of common expenses by a condominium unit owner and reduces the percentage of condominium unit owners necessary to change the use of common elements but provides that all directly affected owners must approve.

Your Committee, upon further consideration, has made amendments to this bill to delete references to provisions for changing the use of common elements. Your Committee additionally amended the provision with respect to late fees to allow such a deduction if written notice is mailed or delivered to the owner at least seven days prior to such a deduction.

Your Committee has further amended this bill to provide that registration of condominium hotel operators shall include information as to the number of units managed for others and units owned by the operator. The bill is also amended to suspend the requirement that such operators be licensed as real estate brokers until June 30, 1989. Also effective until June 30, 1989 is an amendment providing that licensure as a broker may be accepted, at the Commission's discretion, as an alternative to the bonding requirements. Your Committee intends that the bonds required by this section are surety bonds. Finally, your Committee has suspended the bonding requirements until June 30, 1989 for operators managing ten units or less for others.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3297, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3297, H.D. 1, S.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Bellinger, Hiraki and Medeiros,
Managers on the part of the House.

Senators Cobb, Blair and A. Kobayashi,

Managers on the part of the Senate.

Conf. Com. Rep. 50-88 on H.B. No. 3291

The purpose of this bill is to reenact amendments made to the insurance laws in the 1987 Session to ensure that those amendments are not repealed by virtue of the effective date of Act 347, Session Laws of Hawaii 1987. This bill also provides that failure to provide the insured with a reasonable explanation of a claim delay within thirty calendar days, if the explanation is by telephone, or ninety calendar days, if by writing, constitutes an unfair practice.

The bill further removes the requirement that motorcycle or motorcycle insurers must provide a fifteen percent premium reduction for liability insurance if the applicant has passed a motorcycle education course approved by the Department of Transportation.

Your Committee, upon further consideration, has amended this bill to provide that failure to provide the insured with a reasonable written explanation of unresolved claim delay within thirty calendar days from the date the claim was reported, constitutes an unfair practice.

Your Committee has also deleted the provision which would remove the 15% premium reduction for motorcycle insurance where the applicant has passed a motorcycle education course. The 15% premium reduction would thereby be preserved.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3291, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3291, H.B. 1, S.D. 1, C.D. 1.

Representatives Hirono, Hagino, Hiraki, Metcalf and Medeiros,
Managers on the part of the House.

Senators Cobb, Blair, Matsuura and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 51-88 on H.B. No. 2071

The purpose of this bill is to provide funds for the construction or rehabilitation of buildings for emergency shelters within each county for evictees and other homeless people.

Your Committee has amended the bill by:

- (1) changing the appropriation from \$1,000,000 to \$492,470 in fiscal year 1988-89;
- (2) deleting the counties and replaced with specific references to emergency shelters;
- (3) providing grants-in-aid to the specific references to emergency shelters for effectuating the purpose of this bill; and
- (4) the funds are to be used for plans and design for construction or rehabilitating emergency shelters.

Your Committee has made technical, non-substantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2071, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2071, H.D. 1, S.D. 2, C.D. 1.

Representatives Shito, Souki, Arakaki, Leong and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Aki, Hagino, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 52-88 on S.B. No. 3188

The purpose of this bill, as received by your Committee, is to make several "housekeeping" amendments to chapter 201E, Hawaii Revised Statutes.

Act 337, Session Laws of Hawaii 1987, which created the State Housing Finance and Development Corporation, repealed certain provisions of chapters 356, 359, and 359G, Hawaii Revised Statutes, and consolidated and recodified those provisions into chapter 201E, Hawaii Revised Statutes. This bill seeks to correct erroneous references and clarify certain provisions of chapter 201E.

Specifically, the word "chapter" in section 201E-204 is replaced with the word "part". The creation and uses of the dwelling unit revolving fund, which were previously addressed in section 359G-10, Hawaii Revised Statutes, are now contained in section 201E-204. However, the new section still makes reference to the repealed "chapter" (chapter 359G, Hawaii Revised Statutes), rather than the new "part" (part III of chapter 201E).

This bill also revises section 201E-204 by deleting references to elderly persons. This section addresses the appropriate uses of the dwelling unit revolving fund, which include but are not limited to the construction of housing projects for the elderly and the related expansion of community services for the elderly. Deletion of references to the elderly will more accurately reflect the current scope of the Housing Finance and Development Corporation's housing development program, and will not exclude housing projects and community facilities for the elderly.

This measure also allows the Housing Finance and Development Corporation to develop economically integrated housing projects without necessarily having to enter into agreements with private developers. This authorization was previously provided under section 359G-10.5, Hawaii Revised Statutes, prior to being repealed by Act 337.

Your Committee amended section 2 of this bill to replace the \$1 appropriation with \$10 million, and has made the following technical, nonsubstantive changes:

- (1) Deleting a superfluous bracket and underscoring "(4)" on page 2, line 5; and
- (2) Deleting superfluous underscoring under "(a)" on page 4, line 16.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3188, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3188, S.D. 1, H.D. 2, C.D. 1.

Representatives Shito, Souki, Hagino, Leong and Hemmings,
Managers on the part of the House.

Senators Yamasaki, Aki, Blair, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 53-88 on S.B. No. 3195

The purpose of this bill is to establish a \$120 million "homes revolving fund" for the purpose of developing and implementing affordable housing development programs.

The homes revolving fund will be administered by the Housing Finance and Development Corporation, and will be used principally for the development of large tracts of land. Moneys will be used to finance at least one major development on each of the four major islands of Hawaii, Maui, Oahu, and Kauai, and will be used for the construction of off-site and on-site infrastructure, as well as for the development and construction of housing.

Your Committee believes that establishment of this fund is a positive step toward relieving the statewide shortage of affordable housing units.

Upon further consideration of this measure, your Committee has amended this bill as follows:

(1) Under section 201E- (b), the Governor, in addition to the Director of Finance, is required to approve the advancing of \$120,000,000 (or so much thereof) to the homes revolving fund from moneys available in the general fund. Also, such advance has been made discretionary by changing the word "shall" to "may" in reference to making the advance.

(2) Reporting requirements have been placed on the Housing Finance and Development Corporation to provide for greater accountability to the Legislature with regard to the homes revolving fund.

(3) The appropriation section authorizes expenditure of only revenue bond and other evidences of indebtedness.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3195, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3195, S.D. 2, H.D. 2, C.D. 1.

Representatives Shito, Souki, Kawakami, Tam and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Aki, Blair, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 54-88 on S.B. No. 2584

The purposes of this bill are to designate the Bishop Museum as the State of Hawaii Museum of Natural and Cultural History and to provide for State funding to the Museum outside of the requirements of chapter 42, Hawaii Revised Statutes, the grants, subsidies, and purchases of service law.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 2584, S.D. 1, H.D. 2:

(1) Deleted Section 5 which made an appropriation to the Museum, because funding for the Museum is contained in the executive budget;

(2) Changed the effective date of the bill to July 1, 1988; and

(3) Made technical nonsubstantive changes for the purposes of style, including changing two commas to semicolons and placing "such" after "classics" in section 1, page 2, line 17.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2584, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2584, S.D. 1, H.D. 2, C.D. 1.

Representatives Taniguchi, Souki, Honda, Shon and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Tungpalan and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 55-88 on H.B. No. 3563

The purpose of this bill is to allow the Department of Business and Economic Development (DBED) to operate out-of-state offices as part of a strategic plan for the State's economic development.

The bill allows DBED to: (1) enter into and perform contracts, cooperative agreements, or other transactions; (2) establish bank accounts in out-of-state locations; (3) receive any property through gifts, grants, devises, or bequests; (4) sell, lease, rent, hold, maintain, use, and operate any property; and (5) hire necessary staff for its out-of-state offices. The bill also provides that the DBED may be exempted from certain state laws to allow flexibility in hiring its personnel and in handling moneys.

Your Committee finds that the bill will enable the State to have a business and marketing presence in overseas locations and strengthen the State's economy by allowing the DBED to develop programs to reach targeted out-of-state and foreign companies or industries. Further, your Committee believes that the bill gives the DBED the necessary flexibility in operating its out-of-state offices, and yet maintain sufficient legislative oversight in order to protect the public interest in the expenditure of state funds.

Your Committee has amended the bill by:

(1) Limiting the extent of the information required in the annual report on the operation of the offices by inserting the word "major" in the sections covering out-of-state government policies and promotional work done by the department;

(2) Amending the list of laws the department may be exempted from for the purpose of operating these offices to include all of chapters 103, 38, 76, and 77;

(3) Amending the provisions relating to the hiring of personnel, exemption from state laws, and the creation of the special fund by removing them from the section amending the statutes and placing them in a section having session law status;

(4) Allowing the department to hire personnel to administer the out-of-state offices not subject to chapters 76 and 77, provided that the initial appointment may not exceed three years, during which time the positions shall be submitted to the Legislature for approval;

(5) Changing the effective date of the Act to upon approval;

(6) Providing that the Legislative Auditor shall review the Department's use of the special powers granted by this Act and make recommendations regarding continuation of that authority to the 1990 Legislature;

(7) Providing that gifts may be received by these offices. This applies to the Department itself; any gift to an employee will continue to be controlled by existing State laws applicable to all government employees.

Your Committee has also made technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3563, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3563, H.D. 2, S.D. 2, C.D. 1.

Representatives Levin, Fukunaga, Lee, Tajiri and O'Kieffe,
Managers on the part of the House.

Senators Yamasaki, Chang and Herkes,
Managers on the part of the Senate.

Conf. Com. Rep. 56-88 on S.B. No. 743

The purpose of this bill is to improve the State's historic preservation program by establishing rules for the protection, preservation, reinterment, and archaeological examination of significant prehistoric and historic burial sites.

Upon consideration of discussion during conference, your Committee has amended this bill by:

(1) Replacing the words "identified cemeteries" on page 2, line 11, with the phrase "a known, maintained, actively used cemetery," in order to exclude only actively used cemeteries from the requirements of this bill regarding the discovery of human skeletal remains;

(2) Deleting proposed subsection (e)(4) on page 4 on the basis that the time requirements proposed in the subsection were unrealistic;

(3) Specifying that the mitigation plan be developed according to the guidelines in subsection (c)(3), which clarifies the time frame for development of a mitigation plan by the department;

(4) Inserting new language as subsection (e)(2) on page 4 directing project activities to resume once necessary archaeological excavations have been completed. The amendment is intended to avoid prolonged delays; and

(5) Making technical changes which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 743, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 743, S.D. 1, H.D. 1, C.D. 1.

Representatives Levin, D. Ige, Isbell, Lee and Pfeil,
Managers on the part of the House.

Senators Tungpalan, Hagino and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 57-88 on S.B. No. 251

The purpose of this bill is to establish a State holiday on the third Monday in January, to be known as Dr. Martin Luther King, Jr. Day, and repeal the State holiday on the second Monday in October, which is currently celebrated as Discoverers' Day.

Your Committee, upon further consideration, has amended S.B. No. 251, S.D. 1, H.D. 2 by:

(1) Making technical corrections to Section 8-1, Hawaii Revised Statutes (HRS) for uniformity of terminology;

(2) Adding a new section which recognizes Discoverers' Day, without making it a state holiday; and

(3) Consolidating Section 8-5, HRS and Section 8-6, HRS, because both contain provisions relating to the King Kamehameha Celebration Commission.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 251, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 251, S.D. 1, H.D. 2, C.D. 1.

Representatives Takamine, Souki, Horita, Kotani and Medeiros,
Managers on the part of the House.

Senators Blair, Fernandes Salling, Young and Herkes,
Managers on the part of the Senate.

Conf. Com. Rep. 58-88 on H.B. No. 3150

The purpose of this bill is to provide flexibility to the Department of Health in the administration of the County/State Hospitals Division.

Specifically, the bill would do the following:

(1) Authorize the Director of Health to provide perquisites for hiring in shortage categories in the County/State Hospitals Division, including monetary incentives, free travel, and moving expenses;

(2) Establish a Hospital Administration Fund in the Department of Health to be used to defray the general administrative costs of the County/State Hospitals Division and to provide supplemental funds to those hospitals that do not have sufficient moneys in their special funds to cover required lawful operating expenditures;

(3) Require quarterly assessments of five percent from each hospital special fund at the beginning of each quarterly allotment period for deposit in the Hospital Administration Fund;

(4) Provide for transfer of all moneys remaining in a hospital special fund, after payment of required lawful operating expenditures, into the Hospital Administration Fund, including special fund balances from prior years;

(5) Prohibit general fund appropriations for operating expenses of the County/State Hospitals during any allotment period unless the Director of Finance finds that the moneys in the special funds are insufficient to meet required lawful operating expenditures; and

(6) Require a report to the Legislature from the Director of Finance on the sufficiency of the special funds at the end of each allotment period.

Your Committee finds that the County/State Hospitals Division needs the kind of flexibility provided by this bill if it is to appropriately carry out its duties and responsibilities.

Your Committee has amended this bill by providing that the assessment from each special fund shall be two percent rather than ten percent. In addition the Hospital Administration Fund shall also be used to correct hospital deficiencies cited by agencies which monitor and evaluate county/state hospitals. In the event the balance in the Fund at the end of a fiscal year exceeds ten percent of expenditures of all public hospitals, the funds in excess of ten percent shall be transferred to the General Fund. The Director is also authorized to transfer funds from the Hospital Administration Fund to the General Fund at any time pursuant to Section 37-53, Hawaii Revised Statutes.

Your Committee has further amended this bill by requiring the Director of Health to report annually to the Legislature on all fund balances and ceiling increases in the various hospital funds, including transfers and expenditures made from the funds and the purposes of the expenditures.

Your Committee has also made several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3150, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3150, H.D. 1, S.D. 2, C.D. 1.

Representatives Shon, Souki, Hagino, Leong and Marumoto,
Managers on the part of the House.

Senators B. Kobayashi, Yamasaki and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 59-88 on S.B. No. 3095

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in order to assist Hawaiian Sun Products, Inc., in constructing and equipping a plant for manufacturing products from fruits and nuts. The bonds will be issued pursuant to part III, of chapter 39A, Hawaii Revised Statutes; and has been determined to be in the public interest and furthers the attainment of the State's goals and policies regarding diversified enterprises.

Your Committee upon further consideration has made the following amendments to S.B. No. 3095, S.D. 1, H.D. 1:

- (1) Amended section 3, page 2, line 4, to authorize issuance of up to \$8,000,000 of special purpose revenue bonds;
- (2) Amended section 3, page 2, line 6, by adding the words "or its subsidiary" following the words "Hawaiian Sun Products, Inc., a Hawaii corporation,";
- (3) Amended section 3, page 2, line 7, to specify locating the manufacturing plant in the Hamakua District of the County of Hawaii; and
- (4) Made non-substantive language changes for clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3095, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3095, S.D. 1, H.D. 1, C.D. 1.

Representatives Honda, Souki, Andrews, Hashimoto and Pfeil,
Managers on the part of the House.

Senators Yamasaki, Matsuura and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 60-88 on S.B. No. 2024

The purpose of this bill is to establish the Hawaii ocean resources management program to assure the conservation and development of ocean resources affecting Hawaii. The bill also provides for a Hawaii ocean and marine resources council to advise and assist the Governor and Legislature on the use, development, and management of Hawaii's ocean resources, and the development of a Hawaii ocean resources management plan.

Your Committee has amended SECTION 1, page 1, paragraph (2), to read:

"Exploration, development, and production of ocean resources likely to result from both federal agency programs in federal waters of the outer continental shelf and initiatives of private companies within state waters will increase the chance of conflicting demands on ocean resources for food, energy, and minerals, as well as waste disposal and assimilation, and may jeopardize ocean resources and values of importance to this State;"

The amendment was made to emphasize the concern of the Legislature of the potential for conflict between federal agency programs and values of importance to Hawaii.

A further amendment was made to SECTION 3, page 15, to appropriate \$150,000 to carry out the purposes of this bill.

Your Committee has also made the following technical, nonsubstantive amendments for the purpose of style:

- (1) Added "the" to section -2, page 5, line 1 before the word "planning";
- (2) Capitalized "State" in section -6, page 8, line 9, and section -12(b)(5), page 15, line 4;
- (3) Changed "State" in section -7(a), page 9, line 3, and section -12(a)(4), page 11, line 20 to "state";
- (4) Inserted a colon after "recommendations" in section -12(b)(1), page 12, line 6;
- (5) Deleted a comma after "exploration" in section -12(b)(1)(B)(iv), page 13, line 22; and
- (6) Added a comma after "exploration" in section -12(b)(1)(B)(v), page 14, line 2.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2024, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2024, S.D. 1, H.D. 2, C.D. 1.

Representatives Bunda, Souki, Hashimoto, Tajiri and O'Kieffe,
Managers on the part of the House.

Senators Yamasaki, Matsuura and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 61-88 on H.B. No. 3102

The purpose of this bill is to amend Act 218, Session Laws of Hawaii 1987, to provide supplemental appropriations to the Office of Hawaiian Affairs (OHA) for fiscal year 1988-89.

Your Committee carefully examined the supplemental budget request submitted by OHA and made provisions for those program activities which would assist OHA in its efforts to implement the recommendations of the 1986 management audit. Of priority to your Committee was the need to delineate the authority and duties of the Board of Trustees and improve its effectiveness. Therefore, this bill provides funds to establish formal operating procedures for the Board, as recommended by the 1986 management audit.

In addition, your Committee strongly recommends that OHA increase its efforts to improve its working relationship with other public and private agencies, including the Department of Hawaiian Home Lands, Alu Like, the Department of Health, the University of Hawaii, and others. In addition to eliminating the duplication and overlapping of services, greater cooperation would foster increased and improved services for Hawaiians and native Hawaiians, notably in the provision of pilot projects and new ventures. In this regard, your Committee has provided funds for OHA to work with other agencies to develop programs aimed at improving the health and welfare of Hawaiian and Native Hawaiian children.

Furthermore, in response to the current and projected growth in land acquisitions by OHA, your Committee has provided the resources necessary to meet the related increase in demand for administrative and legal services and to initiate the development of a land management plan which is both legally appropriate and culturally sensitive to Hawaiian values.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3102, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3102, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, Arakaki, Fukunaga, Horita, D. Ige, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Kotani, Leong, Tajiri, Cavasso, Marumoto and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Aki, Blair, Fernandes Salling, Hagino, B. Kobayashi, Matsuura, Mizuguchi, Nakasato, Young, Herkes, Ikeda and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 62-88 on S.B. No. 3197 (Majority)

The purpose of this bill is to increase the conveyance tax, to provide that conveyance tax moneys collected at the rate of 5 cents per \$100 of actual and full consideration be deposited into the general fund, and to provide that all conveyance tax moneys collected in excess of 5 cents per \$100 of actual and full consideration be deposited, with the approval of the Director of Finance, into the rental assistance revolving fund to assist qualified families in making rent payments.

Your Committee finds that Hawaii has one of the tightest rental markets in the nation, almost ninety-nine per cent occupancy, and that it appears to have an average rental rate that is at least forty per cent above the national average. Your Committee finds that the need for more affordable rental housing is evidenced by the following:

(1) As of August, 1987, there were 7,825 applicants on the Hawaii Housing Authority's waiting lists for public housing. Additionally, during fiscal year 1987, there was an average of 3,195 applicants on the waiting list for Section 8 certificates.

(2) Applicants, especially the elderly, often wait an average of three to five years before being placed in assisted housing.

(3) Rental rates have substantially increased during the past five years while rental stock has decreased. For example, in March, 1983, advertised rents for partly furnished and unfurnished apartments and townhouses in the Kalihi, Makiki, McCully, Manoa, and Nuuanu areas averaged \$460 a month. By March, 1988, advertised rents increased nearly 40 per cent, to an average of \$643 a month; while rental stock decreased by 27 per cent. (*Hawaii Realtor Journal*, April 1, 1988)

The tight rental housing market can be attributed to a number of factors: the keys being (1) severe cutbacks in federal funding for public housing, (2) the cessation of the federal Section 8 New Construction program, which provided rental subsidies to encourage private sector production of affordable rental housing, and (3) the passage of the federal Tax Reform Act of 1986, which eliminated many of the incentives available to private investors desiring to develop or rehabilitate rental housing projects.

Your Committee finds that in response to mounting rental market pressures, the Governor's Comprehensive State Housing Plan calls for the production of some 6,000 rental housing units by the year 2000. Without deep federal subsidies, however, the State must be relied upon to fill the void. Therefore, in order to meet this goal of constructing an average of 500 rental units a year, the commitment of state resources is required.

The State Rental Assistance Program is one component of the newly created Rental Housing System which is designed to provide affordable rental units. Basically, appropriations to the rental assistance revolving fund are invested in a manner that preserves the principal sum and maximizes the rate of return on these moneys. Earnings from the investments are used to subsidize eligible families' rents on all or a portion of the units in a project.

By amending the bill to increase the conveyance tax to 10 cents per \$100 of actual and full consideration the State will gain about \$5 million. By increasing the conveyance tax, the present and future market for affordable housing will see little effect from the increase in the conveyance tax. For example, the tax on a \$150,000 residence will increase from \$75 to \$150. Your Committee finds this is a modest increase to pay towards affordable housing for those who need such housing. In order to ensure the necessary funds for housing, your Committee has earmarked all revenues from the conveyance tax to the rental assistance revolving fund or other fund established under chapter 201E.

Your Committee finds that the use of the conveyance tax to fund a rental assistance program is a public purpose and use of those moneys, and in fact requires those persons who can afford expensive real property to provide rental assistance to those persons who are unable to afford such housing. It is beneficial to the State and all the people of the State to provide adequate shelter and housing to those who cannot afford it. This is particularly true since expensive real property increases the rents charged to live in such property. Since rents are driven up by high real property costs, there is a direct relationship between the price of real property in this State and the high rental costs in this State. By increasing the tax and the tax paid on the sale of high-priced real property, the State will be able to fund the provision of rental assistance payments to assist those who cannot afford high rental costs.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3197, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3197, S.D. 2, H.D. 2, C.D. 1

Representatives Shito, Souki, Fukunaga, Hagino and Cavasso,
Managers on the part of the House.
(Representative Cavasso did not concur.)

Senators Yamasaki, Aki, Blair, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 63-88 on S.B. No. 2267

The purpose of this bill is to allow certain secretaries to top-level managerial and administrative personnel to be covered by public employee collective bargaining.

Currently, secretaries to top-level managerial and administrative personnel are excluded from coverage under collective bargaining. This bill repeals this exclusion except for those secretaries whose job duties involve confidential matters affecting employee-employer relations or policy making powers.

After due deliberation, your Committee finds that the phrase "or with policy making powers" on page 1, lines 11 and 12 established too broad a category of secretaries to continue to be excluded under this subsection and dilutes the original intent of this bill on which the Department of Personnel Services and the Hawaii Government Employees Association testified favorably. Your Committee has therefore amended this bill by deleting the above phrase, thereby continuing to exclude from collective bargaining only those secretaries concerned with confidential matters affecting employee-employer relations who work for top level administrative personnel.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2267, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2267, S.D. 1, H.D. 1, C.D. 1.

Representatives Takamine, Horita, Ihara, Yoshimura and Medeiros,
Managers on the part of the House.

Senators Nakasato, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 64-88 on S.B. No. 2336

The purpose of this bill is to expand the scope of Section 347-13, Hawaii Revised Statutes (HRS), which prohibits discrimination against blind, partially blind, and physically handicapped persons with regard to access to public accommodations and transportation services.

Under Chapter 347, Hawaii Revised Statutes, the blind, visually impaired, and other physically disabled persons are entitled to full and equal accommodations, advantages, facilities, and privileges of all common carriers, public conveyances, and other places where the general public is invited. This bill amends Section 347-14, HRS, which provides for penalties for violation of Section 347-13, HRS, to clarify that businesses and agencies are included within the scope of Section 347-13, HRS, and are subject to the penalties for violations. The bill also deletes imprisonment as a possible penalty for discriminatory practices.

Your Committee finds that it is important to discourage discrimination against the physically handicapped and therefore, has amended the bill to add a new Section which:

(1) Enables a person injured by a violation of Section 347-13 to have a private right of action against the person who has violated the section;

(2) Permits the injured person to recover three times the person's actual damages or \$1,000, whichever sum is greater, for each violation;

(3) Entitles the person bringing the action to recover the person's costs and reasonable attorney's fees; and

(4) Establishes jurisdiction within the Circuit Court and venue in the district in which the violation is alleged to have occurred.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2336, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2336, H.D. 1, C.D. 1.

Representatives Hagino, Metcalf, Bellinger, Hayes and Medeiros,
Managers on the part of the House.

Senators McMurdo, Menor and Herkes,
Managers on the part of the Senate.

Conf. Com. Rep. 65-88 on S.B. No. 1265

The purpose of this bill is to regulate parasailing. The bill requires the Department of Transportation to designate areas in the waters of the State on or above which persons may engage in parasailing. The bill also prohibits a person less than fifteen years of age from engaging in the activity.

Your Committee finds that the major intent of this bill is to implement one of the recommendations of the report entitled: A Statewide Ocean Recreation Management Plan. Among other things, the Plan recommends that "(N)o parasailing should be permitted, except in designated areas."

Major amendments to the bill are as follows:

(1) The prohibition on a person less than fifteen years of age engaging in parasailing has been deleted. Your Committee feels that the prohibition has not been justified sufficiently at this time;

(2) The provisions in section 267-16, Hawaii Revised Statutes, which prohibit thrill craft operations and parasailing, except in areas designated by the Department of Transportation, have been separated into different subsections. Your Committee finds that the separation makes the provisions clearer;

(3) The deadlines by which the department must designate areas in the waters of the State where thrill crafts may operate and parasailing occur have been extended to October 1, 1988, from July 1, 1988. Your Committee has recently become aware that the department may not be able to meet the July 1 deadlines. Thus, your Committee has decided to give the department an extension of three months;

(4) A new subsection (e) has been added to section 267-16, Hawaii Revised Statutes. The subsection, in effect, places a moratorium on the number of commercially used thrill crafts and parasailing vessels. Your Committee intends that the

number of thrill crafts and level of parasailing activity on the effective date of the bill not be increased during the extension period. Your Committee finds that the moratorium is a necessary tradeoff for the extended deadlines. If the deadlines are not extended, thrill craft operations, surely, and parasailing, possibly, would be banned.

Your Committee has also made other changes to conform to the abovementioned amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1265, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1265, S.D. 1, H.D. 1, C.D. 1.

Representatives Bunda, Oshiro, Bellinger, Hashimoto and Medeiros,
Managers on the part of the House.

Senators Holt, Aki and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 66-88 on S.B. No. 2848

The purposes of this bill are to prohibit a person from mooring a leased vessel at a berth in a state small boat harbor unless the terms of the lease are set at fair market value and to impose, when any interest in a corporation or business entity possessing a commercial mooring permit is transferred, certain conditions to the concomitant transfer of the permit. The intent of this bill is to reduce speculation in mooring permits.

Your Committee has amended the bill as follows:

(1) The phrase "in continuous commercial operation" on page 3, lines 7 and 8, of the bill, as received, has been replaced by "engaged in the same commercial vessel activity, as defined in section 266-21". The new language is intended to state clearly that the corporation or business entity must have been engaged for at least one year in the commercial activity for which it requires the permit.

(2) The phrase "equal to the value of the mooring permit transferred which shall be determined" on page 3, lines 10 and 11, of the bill, as received, has been replaced with "as provided". The new language is intended to provide the Department of Transportation with flexibility in establishing the business transfer fee.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2848, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2848, S.D. 1, H.D. 1, C.D. 1.

Representatives Oshiro, Bunda, Bellinger, Say and Medeiros,
Managers on the part of the House.

Senators Fernandes Salling, Holt and Herkes,
Managers on the part of the Senate.

Conf. Com. Rep. 67-88 on S.B. No. 3073

The purpose of this bill is to provide the Department of Transportation (DOT) the means to pursue the development of an interisland or inraisland water ferry transportation system.

The majority of commuters on Oahu travel by automobile, resulting in heavy traffic congestion along the island's major traffic corridors during morning and afternoon peak travel periods. Limits on monetary and natural resources severely restrict the construction of more roadways. A water ferry system connecting Ewa and East Honolulu with the central business district in downtown Honolulu has been found to be a viable alternative to relieving traffic congestion.

This bill establishes a new section in Chapter 268, Hawaii Revised Statutes (HRS), allowing the DOT to enter into a contract, lease, or other agreement with any person to provide for a privately operated ferry or ferry system under such terms and conditions as the DOT deems appropriate.

The bill also amends Section 248-9, HRS, to allow the use of moneys in the state highway fund as a means of having the State share in the cost of operating a privately operated ferry system.

Your Committee, upon consideration, has amended the bill by:

1) Clarifying that no contract, lease or other agreement pertaining to the operation of a water ferry system be made except under contract let after public advertisement for sealed tenders, subject to the provisions under Chapter 103, HRS;

2) Deleting SECTION 3 which pertains to the shared costs of operating the privately operated water ferry system; and

3) Numbering the remaining sections of the bill accordingly and making a technical change which has no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3073, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3073, S.D. 1, H.D. 1, C.D. 1.

Representatives Oshiro, Souki, Horita, Ihara and Marumoto,
Managers on the part of the House.

Senators Fernandes Salling, Holt and George,
Managers on the part of the Senate.

Conf. Com. Rep. 68-88 on S.B. No. 2680

The purpose of this bill is to authorize the counties to establish shared-ride taxicab service.

Presently traffic congestion is a critical problem facing the State. There have been numerous proposals made regarding different methods of alleviating traffic congestion. One strategy that has been suggested entails promoting ridesharing among taxicab passengers.

This bill authorizes the counties to regulate taxicab rates including metered and non-metered rates; authorizes the counties to regulate shared taxicab activities by ordinance; and includes non-metered taxicabs in the exemptions of Section 271-5, Hawaii Revised Statutes (HRS).

Your Committee, upon consideration, has amended the bill by:

- 1) Including another declaration paragraph in Section 46-16.5, HRS, expressing the State's policy to further promote privately-operated public passenger vehicle service, by including the picking-up and discharge of passengers from various unrelated locations by taxicabs;
- 2) Clarifying that the counties may, as long as not under the jurisdiction of the Public Utilities Commission, regulate public passenger vehicle service operated within their jurisdiction of the county, provided they promote the policies set forth in subsection (a) of Section 46-16.5, HRS;
- 3) Deleting proposed new language on page 3, lines 21 and 22 which specifically authorizes the counties to regulate metered and non-metered taxicab rates;
- 4) Making clarifying language changes in proposed new subparagraph (B) on page 5, line 19 through page 6, lines 1-7 relating to exemption from the Motor Carrier Law for shared-ride taxicab services; and
- 5) Making technical changes which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2680, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2680, S.D. 1, H.D. 1, C.D. 1.

Representatives Oshiro, Bellinger, Crozier, Kotani and Marumoto,
Managers on the part of the House.

Senators Fernandes Salling, Holt and George,
Managers on the part of the Senate.

Conf. Com. Rep. 69-88 on S.B. No. 3190

The purpose of this bill is to empower the Housing Finance and Development Corporation (HFDC) with the right, but not the obligation, to repurchase or rent a dwelling unit which is subject to HFDC's buy back restrictions for the purpose of repairing substantial construction defects.

This bill proposes to grant HFDC the ability to repurchase a home, based on the repurchase formula as set forth in Section 201E-221(a)(1). The bill provides that when HFDC purchases a home against a homeowner's will, relocation assistance shall be provided in accordance with Chapter 111, Hawaii Revised Statutes (HRS). The bill also requires HFDC to give preference in all other projects of HFDC to all owners whose units are repurchased pursuant to this measure. Additionally, certain eligibility requirements for these owners may be waived by HFDC, and HFDC shall, after repairs are completed, offer the first right of refusal to the previous owners.

As an alternative, if HFDC does not opt to repurchase a dwelling unit which has a substantial defect, HFDC is provided with the right to enter into a contract to repair that dwelling unit. If the owner is required to vacate the premises so that repairs can be performed, HFDC shall pay rent to the homeowner for an amount not to exceed the homeowner's present mortgage payments during the period in which the unit is being repaired.

This measure also provides HFDC with ninety days in which to decide its course of action, prior to a homeowner being allowed to file suit against HFDC. If HFDC does not execute either a contract to repurchase the dwelling unit or an agreement to repair and rent the unit within ninety days after written notice is given to HFDC of a substantial construction defect, the homeowner may pursue any available legal remedy.

Currently, if substantial repairs are needed and the warranty has expired, the affected homeowners and HFDC attempt to get the responsible parties to make the repairs. However, if the developer, contractor or other responsible party refuses to cooperate, the affected homeowner must file a lawsuit or claim against HFDC which must then proceed through legal channels to have the necessary repairs done. The affected homeowners are therefore required to incur certain legal costs before HFDC can take necessary legal action against the responsible developer, contractor, or other parties. In many cases, the affected homeowner must not only retain an attorney, but also construction experts such as an architect, a civil engineer, a soils engineer, a structural engineer, etc.

During this lengthy process, the home remains unrepaired and the affected homeowners are faced with the predicament of living in the unsafe or unhealthy home, or relocating at their own expense.

Your Committee is in support of this measure, as it will provide fair and equitable alternatives to litigation, which are intended to benefit both the State and affected homeowners. This measure is not intended to preclude a homeowner from suing the State if that homeowner so desires.

Your Committee, upon further consideration and discussion, has made the following amendments to this bill:

(1) Instead of substantive amendments being made to Section 201E-221, HRS, a new section is to be added to Chapter 201E, entitled: "Corporation's right to repurchase or rent unit; authority to seek recovery."

(2) It has been further clarified that the provisions in this section will only apply when dwelling units developed, constructed, financed, purchased, or sold pursuant to Act 105, Session Laws of Hawaii 1970 (SLH 1970) as amended, are found to have a substantial construction defect. Further, "substantial construction defect" has been defined and includes (but is not necessarily limited to): structural defects such as shifting foundations and bearing walls; structural deficiencies due to the use of defective or undersized materials; and defects affecting the health and safety of occupants.

(3) HFDC is provided with the authority to take necessary legal action against the developer, co-developer, general contractor, and their subcontractors, consultants and other parties notwithstanding any statute of limitations if moneys are expended for substantial repairs.

Your Committee believes that this will address the concern that HFDC will expend substantial amounts of money for repairs, but may be unable to seek recovery from the responsible parties.

(4) HFDC is provided with the right, but not the obligation, to file a legal action on behalf of the owner or lessee of the dwelling unit for the recovery of damages or for injunctive relief against the developer, co-developer, general contractor, and their subcontractors, consultants and other parties notwithstanding any statute of limitations problems, if dwelling units were developed, constructed, financed, purchased, or sold pursuant to Act 105, SLH 1970, as amended.

(5) It has been clarified that the bill shall have retroactive, as well as prospective effect and shall apply to all dwelling units developed, constructed, financed, purchased, or sold pursuant to Act 105, SLH 1970, as amended. This amendment makes it clear that HFDC is authorized to seek remedy for substantial construction defects on dwelling units developed, constructed, financed, purchased, or sold by the Hawaii Housing Authority, pursuant to Chapters 359A or 359G, HRS.

(6) A severability clause has been added to the proposed new section.

(7) Other amendments have been made to further clarify HFDC's powers under this measure.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3190, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3190, S.D. 1, H.D. 1, C.D. 1.

Representatives Shito, Hayes, Kawakami, Tam and Ribellia,
Managers on the part of the House.

Senators Aki, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 70-88 on H.B. No. 3570

The purpose of this bill are to: (1) provide a streamlined procedure for initiation of automatic income assignments based on support orders issued in another state; (2) provide that all support orders shall be accompanied by an income assignment order; (3) clarify the role of public attorneys in what has traditionally been a private matter; and (4) repeal obsolete provisions relating to court trustees.

This bill amends the existing child support law and utilizes income withholding to collect child support pursuant to local and foreign (i.e., out-of-state) support orders.

Upon further consideration, your Committee has amended this bill by clarifying in the bill that the Child Support Enforcement Agency will be primarily responsible for the processing and enforcement of foreign support requests. Language has also been added to specify that a certified copy of the support order is to accompany the out-of-state request. This is because before any Court action may be taken on the request, the foreign order must first be "filed" with the Court to insure that it will be enforced in the same manner as a support order issued by a court of this state. It is only after the order is "filed" and after sufficient notice given to the obligor, that an income withholding order may be issued.

Moreover, since the agency is to be the administrative body for support payments, the agency should be the one to issue notices to obligors and to receive statements of objection along with all other administrative matters pertaining to support. Your Committee has therefore replaced appropriate references to the "court" to refer to the "agency".

Your Committee has also amended this bill to correct certain typographic, technical, and stylistic errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3570, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3570, H.D. 1, S.D. 1, C.D. 1.

Representatives Hagino, Metcalf, M. Ige, Tom and Ribellia,
Managers on the part of the House.

Senators Hee, Chang, Holt, Tungpalan and George,
Managers on the part of the Senate.

Conf. Com. Rep. 71-88 on S.B. No. 3222

The purpose of this bill is to make changes to certain definitions and exclusions within the child care laws.

Current law provides for the number of children which can be cared for in family and group child care homes, the caregiving relationships requiring licensing, the hours of care per week requiring licensing, the licensing authority, and the types of programs excluded from licensing. This bill makes the following amendments to current law:

(1) Increases the number of children permitted in family child care homes to six and the minimum number of children permitted in group child care homes to seven in order to accommodate the growing need for child care while reducing the cost of care per child;

(2) Exempts adoptive caregiving relationships from licensing because such a relationship is as personal and bonding as by blood or marriage;

(3) Restructures the exemption for casual child caring by changing the standard from less than three hours a day but no more than two times a week to not less than six hours a week in order to provide more flexibility in applying the exemption;

(4) Clarifies that programs licensed by the Department of Education qualify for exemption to avoid the potential for duplicate licensure;

(5) Clarifies the exemption for those programs which provide exclusively for specialized development for children, such as sports, language, dance, drama, music, or martial arts; and

(6) Exempts from licensing those programs for children four years and older which operate for no more than two consecutive calendar weeks in a three-month period to eliminate the prohibitive costs and amount of bureaucratic red tape necessary for licensing such programs of short duration.

Your Committee has amended the bill by making nonsubstantive changes for the purpose of clarity and conformance with recommended drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3222, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3222, S.D. 1, H.D. 1, C.D. 1.

Representatives Hagino, Arakaki, Kawakami, Tam and Ribellia,
Managers on the part of the House.

Senators McMurdo, Menor and Herkes,
Managers on the part of the Senate.

Conf. Com. Rep. 72-88 on S.B. No. 2363

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Energy Conversion Devices, Inc., or Chromar Corporation, or their subsidiaries to manufacture amorphous silicon alloy photovoltaic products or devices in the State of Hawaii.

Currently, photovoltaic generated electricity is cost-effective for remote power applications and consumer products, but not for utility scale applications. However, rapid advances in photovoltaic technology, especially amorphous silicon, promises to make utility scale photovoltaic generated electricity cost competitive with fossil fuel generated electricity by the early to mid-1990's.

Your Committee finds that the proposed manufacturing facilities will produce the most advanced multijunction amorphous silicon panels. Cost reductions achieved through more stable and efficient cells, a larger-scale production

facility, and other technological advances will increase significantly the market potential of photovoltaic systems throughout the Pacific Basin. Hawaii has an opportunity to share in this potential and to generate new jobs and incomes.

Your Committee upon further consideration has made the following amendments to S.B. No. 2363, S.D. 2, H.D. 2:

(1) The amount of the special purpose revenue bonds to be issued has been increased from \$2 to \$30,000,000.

(2) In recognition of the limited amount of special purpose revenue bonds available, a new section has been added which requires the Department of Business and Economic Development, with assistance and collaboration from the Hawaii Natural Energy Institute, to recommend one of the two named corporations, Energy Conversion Devices, Inc., or Chromar Corporation, to the Department of Budget and Finance to be assisted by the issuance of special purpose revenue bonds under this Act.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2363, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2363, S.D. 2, H.D. 2, C.D. 1.

Representatives Andrews, Souki, D. Ige, Kanoho and Pfeil,
Managers on the part of the House.

Senators Matsuura, Yamasaki and Herkes,
Managers on the part of the Senate.

Conf. Com. Rep. 73-88 on S.B. No. 3182

The purpose of this bill is to establish a comprehensive permit system relating to geothermal and cable system development.

This bill was submitted by the administration upon the recommendation of the Governor's Advisory Board on the underwater cable transmission project concerning new legislation relating to the development and use of geothermal energy.

One of the major and fundamental difficulties in the development of the geothermal resources on the island of Hawaii and the concurrent development of the cable system project that would move the generated electrical energy to the island of Oahu is the diverse array of federal, state, and county land use, planning, environmental, and other related laws and regulations. This bill seeks to facilitate that permit process and thereby make the development of one of Hawaii's most significant energy sources more attractive to private developers.

Your Committee upon further consideration has made the following amendments to S.B. No. 3182, S.D. 2, H.D. 2:

(1) Recognition has been added of the possibility of the development of geothermal resources on the island of Maui.

(2) To clarify the intent of this Act, the purpose and subsequent references have been changed from "comprehensive permit system" to "consolidated permit application and review process".

(3) Clarification has been added regarding the timetable for regulatory review.

(4) The role of the applicant's representative relative to the consolidated permit application and review team has been clarified.

(5) The roles and responsibilities of the department, the interagency group, and the agencies affected by this Act have been clarified for the purposes of the project and the consolidated permit application and review process.

(6) A provision has been added to provide that any decision made by an agency in a contested case proceeding involving a permit within the agency's jurisdiction may be appealed directly on the record to the Hawaii supreme court for final decision, similar to what currently exists under chapter 205, Hawaii Revised Statutes, for geothermal resource subzones.

(7) The exclusivity of responsibility for functions transferred to the department has been deleted.

(8) Shoreline setback approvals as set forth in part III of chapter 205A were deleted as a function to be transferred.

(9) The provision for lapse of any unexpended or unencumbered portion of the appropriation into the general fund was deleted.

(10) Provisions have been added to ensure that all procedures for public information and review under chapter 91, Hawaii Revised Statutes, shall be preserved, and that the jurisdiction or authority of any agency under existing law shall not be affected by the consolidated permit application and review process.

(11) Other minor nonsubstantive amendments have been made for purposes of style and clarity and to correct a reference.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3182, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3182, S.D. 2, H.D. 2, C.D. 1.

Representatives Andrews, Fukunaga, Honda, Kanoho and O'Kieffe,
Managers on the part of the House.

Senators Yamasaki, Matsuura and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 74-88 on S.B. No. 2860

The purpose of this bill is to provide the State Environmental Council (Council) with the authority to issue declaratory rulings.

Recently, the Council's authority to issue declaratory rulings has been questioned. As a result the Council has refused to act on petitions for declaratory rulings submitted by interested persons. Your Committee finds that there is a need to include specific language in Chapter 343, Hawaii Revised Statutes (HRS), to affirm the Council's authority, especially since the Office of Environmental Quality Control is solely responsible for the oversight of that chapter.

This bill would clearly allow the Council to issue, on petition or its own motion, a declaratory ruling or an advisory opinion as to the applicability of any statutory provision of Chapter 343, HRS, or any rule or order adopted by the Council in matters pursuant to the chapter.

This bill also performs a housekeeping function by removing Section 343-6(a)(9) from the HRS, since it is already included in Section 343-6(a)(3).

Upon consideration, your Committee has amended this bill by deleting the proposed amendments which would have repealed Section 343-4(b), HRS. Your Committee further amended this bill by making non-substantive technical changes to conform with proper drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2860, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2860, S.D. 1, H.D. 1, C.D. 1.

Representatives Andrews, Hashimoto, Honda, Kanoho and Pfeil,
Managers on the part of the House.

Senators Hagino, Menor and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 75-88 on S.B. No. 1450

The purpose of this bill is to expand the provision of personal care services based on a sliding fee scale to the non-medicaid eligible population that is not able to afford such services.

Your Committee finds that personal care services foster independence and self respect to this gap group and allow them to be contributing members of our community. In addition, it has been shown that providing personal care services to this population is a cost-effective alternative to institutional care.

Your Committee has amended this bill by:

(1) Deleting the sentence: "Personal care services provided under this section shall be funded under the medical assistance program and state funded social services program, to be administered by the community long term care branch.";

(2) Adding non-medicaid recipients to those individuals who would be able to receive personal care services, and adding a definition of "non-medicaid recipients";

(3) Changing the appropriation from \$1 to \$450,000 and requiring that the sum appropriated be expended by the department of human services within funding limitations and considering individual circumstances and need; and

(4) Providing that those funds may be distributed to reflect departmental priorities after the individual's personal circumstances and needs have been considered.

Your Committee notes that people who are eligible for personal care services may have up to four hundred per cent of current financial standards but may be required to share in the cost of the service on a sliding fee schedule.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1450, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1450, S.D. 2, H.D. 2, C.D. 1.

Representatives Hagino, Souki, Arakaki, Kawakami and Ribellia,

Managers on the part of the House.

Senators Yamasaki, B. Kobayashi, McMurdo and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 76-88 on H.B. No. 1499

The purpose of this bill is to exempt positions that are allocated to the Governor by the general appropriations act from coverage under the civil service law.

The bill's intent is to enable the Governor to recruit and hire individuals for special and unique projects and events which require highly trained and skilled individuals with specialized education and experience.

The bill as received in conference proposed an amendment to subsection 76-16(5), Hawaii Revised Statutes, by exempting positions which the Governor is authorized to establish and place in program areas as allocated to the Governor by the general appropriations act.

Despite the bill's intent to give the Governor's office a measure of flexibility in recruiting and hiring of individuals, your committee has made an amendment to the bill which places a reasonable limitation on the Governor's recruiting and hiring authority outside of the civil service system. Instead of amending subsection 76-16(5), your committee has amended subsection 76-16(16), and has further added language to prohibit replacement of any civil service position with any of the governor's authorized positions.

Your Committee believes that the addition to the amendment to subsection 76-16(16) which is expressly intended to protect civil service positions, whether or not the positions are covered under collective bargaining or are excluded from collective bargaining, and the presence of exclusive representatives of appropriate bargaining units in matters which may affect them will serve to constrain any conversions of civil service positions to exempt status, without following established procedures to fill those positions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1499, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1499, H.B. 2, S.D. 1, C.D. 1.

Representatives Takamine, Fukunaga, Hirono, Ihara and Medeiros,
Managers on the part of the House.

Senators Nakasato, Mizuguchi and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 77-88 on S.B. No. 2422

The purpose of this bill was to provide that in addition to a fine, the owner and the driver of an illegally operated uninsured motor vehicle shall have their driver's licenses suspended for one year. However, lack of knowledge or proof of insurance would be considered good faith defenses.

Your Committee finds that driving without insurance is a serious offense and that the prospect of automatic license suspension, in addition to a stiff fine, should deter this behavior.

After further consideration, your Committee has amended this bill by providing that in addition to the fine, the driver and the owner shall have their licenses suspended for six months or shall be required to maintain proof of financial security pursuant to Sections 287-21(2), (3), or (4), Hawaii Revised Statutes, and keep a nonrefundable no-fault insurance policy in force for six months. Your Committee finds that this punishment is needed to protect Hawaii's citizens and should convince many drivers that it is better to be insured than to risk the consequences of driving illegally.

Your Committee has also made technical changes which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2422, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2422, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Hagino, Hayes and Jones,
Managers on the part of the House.

Senators Cobb, Nakasato and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 78-88 on S.B. No. 2931

The purpose of this bill is to authorize a board of directors of an association of apartment owners or a managing agent of a condominium project to do a background check of prospective employees who would have access to keys to the apartments.

This bill would require an applicant to disclose information relating to unexpunged criminal convictions, if the applicant agrees to the background check, and the board or the managing agent may verify the criminal history information through the Hawaii Criminal Justice Data Center. In addition, the bill provides that failure to do a background check and verify it does not itself give rise to liability for the acts and omissions of the employee.

Your Committee finds that this bill would assist owners and residents of condominiums in hiring suitable employees.

Your Committee has amended this bill by clarifying that the persons who may be checked are those applying for employment as security guard, manager, or for a position which would allow access to apartments or association funds. The bill has been further amended to authorize the manager, rather than the managing agent, and the board to conduct the background check and to allow delegation of responsibility for conducting the check to another responsible person.

In addition to the foregoing amendments, your Committee has made minor language changes which do not affect the intent and purpose of the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2931, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2931, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Metcalf, Hayes, Hiraki and Medeiros,
Managers on the part of the House.

Senators Cobb, Aki, Blair and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 79-88 on S.B. No. 2633

The purpose of this bill is to ensure the availability of telephone relay services for the deaf and hearing-impaired.

Your Committee has considered the following funding mechanisms to implement the intent of this bill:

- (1) Yearly appropriation;
- (2) Tax credit granted to the telephone utility; and
- (3) A surcharge, inclusion in the rate structure, or both.

After careful consideration, your Committee finds that the funding mechanism is dependent on the establishment of Telecommunication Device for the Deaf (TDD) Relay Service as either a social service or an integral part of existing service.

Your Committee finds that telephone service for the hearing impaired should be considered as an integral part of telephone service. The service is an integrated part of the pervasive responsibilities of a regulated telecommunications utility to meet the widespread common needs and conveniences of all consumers, be they hearing-impaired or nonhearing-impaired. As such, funding mechanisms incorporating either a yearly appropriation or a tax credit are not appropriate.

Your Committee finds that although the issue has been funded by a yearly appropriation in the past, the continuation of such a process does not address the fundamental issue of equal access nor does it adequately provide for, or guarantee a service level for the hearing-impaired equal to that provided to the general public to the extent that technology limits the achievement of this goal.

Your Committee has amended this bill to provide the necessary language to allow the telephone utilities to implement an interim surcharge imposed on all subscriber lines subject to review and approval by the public utilities commission (PUC), in order to permit the recovery of actual costs incurred from the time of commencement of services for the hearing-impaired to the next general rate increase.

Your Committee has also amended subsection (b) to clarify the meaning of "relay services for the deaf and hearing-impaired" to mean a twenty-four-hour operator-assisted telephone relay service, not an answering service, staffed by persons who are able to receive and transmit phone calls between deaf and hearing-impaired and hearing persons using a telecommunication device for the deaf in conjunction with a telephone.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2633, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2633, H.D. 2, C.D. 1.

Representatives Hirono, Souki, Arakaki, Hiraki and Medeiros,
Managers on the part of the House.

Senators Young, Yamasaki and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 80-88 on S.B. No. 2884

The purpose of this bill is to establish a tourism training council to monitor and coordinate government and industry activities and programs designed to develop the quality of the visitor industry workforce and to encourage opportunities for upgrading and career development for present and future visitor industry employees.

Your Committee finds that there is a tremendous need for training programs on the outer islands for the visitor industry in both the managerial and non-managerial levels due to the recent hotel and resort developments on the outer islands. As such, it is vital for Hawaii's number one industry to have a trained workforce.

To achieve these goals funds are appropriated for the School of Travel Industry Management to develop and expand management and professional level programs on the outer islands.

Your Committee has taken these factors into consideration and has amended the bill to provide that \$78,000 be appropriated for the School of Travel Industry Management to develop and expand management and professional level programs to the outer islands as well as appropriating \$78,000 for the University of Hawaii community college system to develop and expand vocational education and training programs for the visitor industry on the outer islands.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2884, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2884, S.D. 1, H.D. 1, C.D. 1.

Representatives Cachola, Souki, Crozier, Ihara and Medeiros,
Managers on the part of the House.

Senators Yamasaki, Holt, Nakasato, Solomon and A. Kobayashi
Managers on the part of the Senate.

Conf. Com. Rep. 81-88 on H.B. No. 501

The purpose of this bill is to authorize the issuance of general obligation bonds and to declare findings that the total amount of principal and interest, estimated for such bonds and all bonds authorized but unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii, requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has amended this bill by inserting the amounts provided by the Department of Budget and Finance.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 501, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 501, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Arakaki, Fukunaga, Horita, D. Ige, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Kotani, Leong, Tajiri, Cavasso, Marumoto and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Aki, Blair, Fernandes Salling, Hagino, B. Kobayashi, Matsuura, Mizuguchi, Nakasato, Young, Herkes, Ikeda and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 82-88 on S.B. No. 2882

The purpose of this bill is to appropriate funds for the Legislative Auditor to conduct a feasibility study on Hawaii's waste streams.

This study would include an assessment of 1) the availability of state, national, and foreign markets for recycled materials; 2) other states' recycling programs; 3) the economic viability of a recycling program in Hawaii; and 4) possible ways to encourage service stations to participate in collection programs.

Your Committee finds that solid waste management and recycling have serious health and economic ramifications on the State. There are only a few, limited areas in the State where landfills can be safely sited to prevent any adverse impact on the environment and our drinking water supply. Thus, county landfills have become less acceptable and more difficult to site.

A related problem is the liability that service stations risk when they voluntarily accept used oil from consumers. If a station unknowingly accepts used oil that is mixed with hazardous waste, it could cost the station up to \$10,000 to legally dispose of the contaminated oil. As a result, most service stations are reluctant to accept used oil.

Your Committee finds that this bill is in the best interest of the health, safety and welfare of this state by addressing these and other concerns involving solid waste.

It is the intent of the Legislature that the study consider the City and County of Honolulu's commitment to H-POWER and that the study not detract from the viability of H-POWER.

Your Committee notes that an article in the December 1987 Optue of Governing illustrates that recycling and incineration are not mutually exclusive.

Your Committee, upon consideration, has amended the bill by appropriating the sum of \$50,000 to conduct this study, and by changing the effective date from "upon approval" to "July 1, 1988".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2882, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2882, S.D. 2, H.D. 2, C.D. 1.

Representatives Andrews, Souki, Say, Tajiri and O'Kieffe,
Managers on the part of the House.

Senators Hagino, Yamasaki and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 83-88 on S.B. No. 2955

The purpose of this bill is to provide for increases to the level of care payments made by the department of human services for persons residing in adult residential care homes.

Your Committee finds that adult residential care homes are an important component in assuring long-term care for the frail, elderly, handicapped, chronically mentally ill, and other adults whose condition might otherwise necessitate institutionalization. However, increases in the cost of providing home care are discouraging many existing adult residential care home operators. A growing number have either quit or are contemplating quitting to seek higher-paying, less-demanding pursuits.

Your Committee, upon further consideration, has amended the bill as received by:

- (1) Decreasing the appropriation from \$2,786,220 to \$1,575,120;
- (2) Deleting all references to the dispersal review council; and
- (3) Changing the effective date from the date of approval to July 1, 1988.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2955, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2955, S.D. 2, H.D. 2, C.D. 1.

Representatives Hagino, Souki, Arakaki, Tam and Ribellia,
Managers on the part of the House.

Senators Yamasaki, B. Kobayashi, McMurdo, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 84-88 on H.B. No. 3009

The purpose of this bill is to:

- (1) Require that the Chief of Police of each county consult with the Department of Education on identifying the need for Junior Police Organizations;
- (2) Authorize the State to procure liability insurance for the program, though not make its existence dependent on procurement;
- (3) Raise the amounts of benefits allowable for injuries or death; and
- (4) Appropriate grants-in-aid to the counties to hire traffic monitors to supervise junior police officer programs.

Your Committee upon further consideration has amended this bill by providing that the Department of Education shall have the authority to organize junior police organizations in schools but that each county police department, not the educational officers of the participating public schools, has the responsibility of supervising and training the junior police officers in the respective county.

Your Committee also amended the bill to specify the grant-in-aid appropriation to each county for the purpose of training junior police officers and hiring traffic monitors to supervise the junior police officer programs.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3009, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3009, H.D. 1, S.D. 2, C.D. 1.

Representatives Metcalf, Souki, Kawakami, Leong and Marumoto,

Managers on the part of the House.

Senators Yamasaki, Hee, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 85-88 on H.B. No. 3548

The purpose of this bill is to authorize appropriations for the purpose of satisfying judgments against the State, settlements, refund of real property taxes, and miscellaneous claims as provided in section 37-77.

Your Committee has amended the bill to include an additional appropriation of \$100,000 for the payment of the following settlement which the Attorney General recently approved:

United States--Veteran's Administration	
Refund of overpayment of federal funds	
appropriated to the Predischarge	
Education Program	\$100,000

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3548, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3548, H.D. 2, S.D. 2, C.D. 1.

Representatives Metcalf, Souki, Bellinger, Hayes and Medeiros,
Managers on the part of the House.

Senators Yamasaki, Chang, Hee, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 86-88 on S.B. No. 3166

The purpose of this bill, as received, is to:

(1) Transfer the Land Use Division (LUD) and the Coastal Zone Management (CZM) Programs from the Department of Business and Economic Development (DBED) to the Office of State Planning (OSP);

(2) Sharing the Capital Improvements Program (CIP) allotment process between the Office of State Planning and the Department of Budget and Finance (B&F);

(3) Abolish the Hawaii Institute of Management and Analysis in Government (HIMAG);

(4) Create an Office of Space Industry and provide appropriations therefor; and

(5) Create a Small Business Incubator Program and provide appropriations therefor.

Act 336, Session Laws of Hawaii (SLH) 1987, which established the OSP, provided for the transfer of certain programs and activities from the Planning Division and the Population Analysis Program of DBED and the HIMAG to OSP. However, the LUD and the CZM of DBED were not transferred.

Your Committee finds that LUD and CZM are better suited to the planning functions and activities of OSP rather than DBED whose role is business advocacy. This bill incorporates these changes.

It should also be noted that under the provision of Section 12, the transferred staff will be tenured as civil service employees without loss of salary and other employee benefits and privileges.

Your Committee finds that the statewide training mandate of HIMAG is not compatible with the purposes and functions of OSP and that the responsibility for statewide employee training programs rests with the Department of Personnel Services (DPS). Hence, the bill repeals the pertinent sections of chapter 81, Hawaii Revised Statutes, dealing with the HIMAG program, thus eliminating the previous jurisdictional problems associated with statewide training functions between DPS and HIMAG.

Your Committee has amended this bill by deleting the provisions relating to the Office of Space Industry and the Small Business Incubator Program. Your Committee has also amended the bill by fully transferring the CIP allotment process from the Office of State Planning to the Department of Budget and Finance.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3166, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3166, H.D. 1, C.D. 1.

Representatives Andrews, Bunda, Levin, Souki, Fukunaga, D. Ige, Isbell, Kanoho, O'Kieffe and Pfeil,
Managers on the part of the House.

Senators Yamasaki, Chang, Hagino, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 87-88 on S.B. No. 3161

The purpose of this bill is to amend section 36-41, Hawaii Revised Statutes, which deals with the use of third party financing for energy efficiency improvements in state and county facilities.

This bill provides agencies greater flexibility in arranging for the installation and financing of equipment and devices that will reduce the cost of operation of facilities and, where appropriate, will permit the facility to utilize alternate energy sources. Further, the term "third-party financing" is changed to "energy performance contracting" as the latter term more accurately and comprehensively describes the options made available to agencies under this bill. The bill also sets procedures for bidding and entering into such contracts.

The legislative intent of S.B. No. 3161, S.D. 1, H.D. 2, is to encourage the widest possible use of those practical and effective energy conserving and alternate energy measures in public facilities that will in fact serve to reduce our State's consumption of oil. The legislature finds that well-designed cogenerators, photovoltaic cells, wind turbine generators, hydro-electric generators, solar water heaters, heat pump water heaters, and waste heat recovery heat exchangers are among those measures that, when properly applied, will serve to reduce the amount of imported oil required by our State and its economy.

Your Committee has determined that S.B. No. 3161, S.D. 1, H.D. 2, clearly conveys this legislative intent to reduce our State's oil consumption. For this reason, your Committee has determined that this legislation should not specifically name any one of the above listed devices or measures to the exclusion of the others.

Accordingly, your Committee has amended S.B. No. 3161, S.D. 1, H.D. 2, by deleting the word "cogeneration" on line 7, page 1, line 17, page 2, and line 1, page 6.

Your Committee has also amended by bill by replacing "ten" for "fifteen" on line 8, page 5, to keep consistent with lines 22 to 24, page 3, the number of years an agency may enter into an energy performance contract.

Finally, your Committee has made technical, nonsubstantive changes to the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3161, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3161, S.D. 1, H.D. 2, C.D. 1.

Representatives Andrews, Fukunaga, D. Ige, Kanoho and Pfeil,
Managers on the part of the House.

Senators Yamasaki, Matsuura and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 88-88 on S.B. No. 3146

The purpose of this bill was to establish provisions relating to the right of first refusal for purchase of the fee interest in land under condominiums and cooperative housing corporations.

As received, this bill would require that when the fee interest in land under condominiums or cooperative housing projects is to be sold, the seller shall first notify the board of directors of the association which shall then notify each owner. An exception would be provided in cases where the land under the condominium or cooperative housing corporation is part of a larger tract and the lessor will not agree to sell in parts.

Your Committee finds that it is appropriate for apartment owners to have first chance to purchase the land under their projects, but changes are necessary to ensure that the process takes into account all factors contributing to such a transaction. Therefore, your Committee has amended this bill as follows:

(1) Provided definitions for "condominium unit lessee," "condominium project," "cooperative project," and "cooperative unit lessee," and clarified the definition of "lessor";

(2) Deleted the definition of "owner";

(3) Provided that the board of directors shall be given notice by registered mail of the full terms of any offer to sell to anyone other than the association of owners;

(4) Provided that the right of first refusal includes the right to purchase the seller's interest in any improvements other than the leasehold interest in any unit which is held by the seller;

(5) Provided that no offer shall be made to another prospective purchaser until a right of first refusal has been offered and rejected in writing. An offer would be deemed rejected if not accepted in writing by the board within one hundred twenty days of receipt or if the sale has not closed upon purchase of one hundred percent of the interest being sold within one hundred eighty days. In the event that closing is delayed by the seller, the deadline would be extended for a period equal to the delay;

(6) Granted the association or cooperative housing corporation the power to purchase the leased fee interest if at least seventy-five percent of the owners approve. The association or corporation would be able to purchase or acquire the

leased fee interest, incur liabilities, assess the unit lessees for expenses incurred in acquiring the leased fee interest, and sell the leased fee interest appurtenant to a condominium to any condominium lessee or subsequent purchaser of the unit. No lessee would be compelled to participate in the purchase of the lease fee interest but instead would be able to pay lease rent to the association;

(7) Provided that if a sale is voided the association or corporation would have the right to buy the interest which had been conveyed by virtue of the sale, subject to time restrictions; and

(8) Provided that the bill shall not affect any sale to an association of owners or cooperative housing corporation as to which a binding contract existed prior to such effective date.

Your Committee also made technical changes which have no substantive effect.

Your Committee finds that this bill, as amended, represents a balanced and well thought out consideration of the rights and privileges which should inure to lessees and owners alike in such lease to fee conversion transactions.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3146, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3146, S.D. 1, H.D. 1, C.D. 1.

Representatives Shito, Hirono, Hayes, Hiraki and Medeiros,
Managers on the part of the House.

Senators Cobb, Aki, B. Kobayashi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 89-88 on S.B. No. 2468

The purpose of this bill as received is to authorize the issuance of special purpose revenue bonds and refunding special purpose revenue bonds to assist Hawaiian Electric Company, Oahu, Hawaii Electric Light Company, Hawaii, Kauai Electric Division of Citizens Utilities Company, Kauai, and Maui Electric Company, Maui in certain capital improvement programs, subject after January 1, 1990, to certain prerequisites that must be satisfied before the remaining amount of the special purpose revenue bonds may be issued. These prerequisites would require:

(1) A utility to devise and file with the Public Utilities Commission a comprehensive integrated energy resource plan that contains its strategy for meeting future electrical needs for its service territory through the optimum mix of supply-side and demand-side resources, including energy efficiency improvements, load management, cogeneration, and renewable energy sources, at the least cost;

(2) The Public Utilities Commission to approve the integrated resource plan;

(3) The utility to demonstrate that its proposed capital improvement program is consistent with its integrated resource plan and represents the least-cost means of satisfying end-use energy needs; and

(4) The Commission otherwise approves any project to be financed by the special purpose revenue bonds.

The bill as received also would require the Public Utilities Commission to adopt rules concerning integrated resource planning and would prohibit the use of funds for nuclear fuel generating units.

Your Committee makes the following findings:

(1) Primary goals of Hawaii's energy policy are:

(A) To reduce Hawaii's critical dependence upon imported oil for over ninety per cent of its total energy needs, which dependency leaves the State economically and socially vulnerable to a disruption in the flow of oil or a sharp price escalation in the world oil market;

(B) To increase energy self-sufficiency by pursuing the development of alternate renewable energy sources to replace oil; and

(C) To provide adequate and dependable supply of energy at reasonable cost;

(2) This bill, through the issuance of special purpose revenue bonds, will lower the cost of building generating plants to the electric utilities which ultimately will benefit electricity consumers;

(3) Traditional methods of utility planning emphasize increasing generating plants and capacity to meet peak demands, but fail to address environmental, conservation, load management, and alternate energy considerations;

(4) Integrated resource planning, on the other hand, looks to the optimum mix of supply-side and demand-side resources to meet electrical needs at the least cost;

(5) The concept of integrated resource planning is consistent with the State's primary energy goals;

(6) The Public Utilities Commission has established a task force of representatives from the Commission, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, the Energy Division of the Department of Business and Economic Development, and all of the State's electric utilities with the stated goal of developing a specific integrated resource plan for Hawaii;

(7) The Chair of the Public Utilities Commission has given assurances that the task force will develop a specific integrated resource plan by the end of 1989, based upon an assessment and scoping report to be prepared by an independent consultant.

Your Committee strongly supports the concept and implementation of an integrated resource plan; however, your Committee does not feel this bill is the appropriate vehicle to mandate such action. Furthermore, in view of the assurances made concerning integrated resource planning and in reliance thereon, your Committee recommends that any action mandating integrated resource planning be postponed for the time being and strongly urges the Public Utilities Commission and the electrical utilities to adopt integrated resource planning of their own accord. Your Committee further recommends that if the Public Utilities Commission and the electric utilities fail to adopt integrated resource planning, the Legislature reconsider the need for mandatory action.

Accordingly, upon further consideration, your Committee has made changes to S.B. No. 2468, S.D. 1, H.D. 1, by deleting the following:

(1) The condition that prerequisites relating to integrated resource planning be satisfied before remaining special purpose revenue bonds may be issued;

(2) The definition of integrated resource plan; and

(3) The requirement that the Public Utilities Commission adopt rules concerning integrated resource planning.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2468, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2468, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Souki, Andrews, Fukunaga and Medeiros,
Managers on the part of the House.

Senators Yamasaki, Young, Matsuura and Herkes,
Managers on the part of the Senate.

Conf. Com. Rep. 90-88 on H.B. No. 3238

The purpose of this bill is to provide for the planning, coordination, development, land acquisition, construction, management, protection, and implementation of the Hawaii statewide trail and access system, to be known as "Na Ala Hele".

Na Ala Hele was initiated by Act 69, Session Laws of Hawaii 1974, to promote public use and enjoyment of trails and other recreational areas served by accesses. Act 69 resulted in the report entitled Proposal for Planning, Coordination and Development of Hawaii's Statewide Trail and Access System, issued in 1978, by the Department of Land and Natural Resources.

Implementation of Na Ala Hele, however, has not progressed. Thus, your Committee finds that this bill is necessary to establish more clearly the Department of Land and Natural Resources' powers and duties, one of which is to serve as an advocate for the system, and appropriate necessary moneys.

Your Committee has made the following amendments:

(1) On page 6, line 15, of the bill, as received, the phrase "trail and access" has been replaced by "trails and accesses". This amendment is nonsubstantive.

(2) On page 6, line 16, of the bill, as received, the word "May" has been replaced with "Shall". The amendment requires the department to establish advisory councils for the system. The number and geographical areas represented by the councils and qualifications of members are left to the discretion of the department.

(3) An appropriation of \$664,000 has been inserted into Section 4.

Your Committee also desires to clarify the references to "trails, accesses, or lands under the jurisdiction of the Department of Land and Natural Resources". The references, or similar variations, are intended to mean trails, accesses, or lands in which the department has a property interest. The classification of privately owned lands in the conservation district does not by itself place the lands or trails and accesses on the lands "under the jurisdiction of the department" for the purposes of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3238, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3238, H.D. 2, S.D. 2, C.D. 1.

Representatives Levin, Fukunaga, Hashimoto, Isbell and Pfeil,

Managers on the part of the House.

Senators Holt, Yamasaki, Hagino and George,
Managers on the part of the Senate.

Conf. Com. Rep. 91-88 on S.B. No. 2979

The purpose of this bill is to:

(1) Require the family court to provide nonsecure shelter facilities for juveniles under the court's jurisdiction who are status offenders or law violators exhibiting a low degree of involvement in illegal and antisocial activities and appropriate funds to establish these nonsecure shelters;

(2) Appropriate funds to expand emergency shelter for abused or neglected children;

(3) Require the family courts to provide for juvenile intake and diagnostic services on a twenty-four hour basis and to appropriate funds therefor; and

(4) Appropriate funds for demonstration rehabilitation programs as alternatives to detention for juvenile offenders.

Your Committee finds that this bill will expand the range of alternatives to the State for the placement of juveniles under its jurisdiction. The bill will enable the family court to separate juvenile law violators who are significantly involved in illegal activities from status offenders and those only marginally involved in illegal activities. The bill also will expand emergency shelter to accommodate the increasing numbers of abused or neglected children.

Upon further consideration, your Committee has amended the bill as follows:

(1) Added a findings and purpose section as a new Section 1;

(2) Deleted the requirement in Section 2 that the court provide intake and diagnostic services on a twenty-four basis and added the language "The court or other designated agency" for purposes of consistency with other amendments;

(3) Added the following language to Section 2 at page 3, line 21: "or temporary shelter in a nonsecure shelter";

(4) Changed the amount appropriated for diagnostic services to \$43,288 and deleted the reference to "juvenile intake";

(5) Added the following language to Section 9 at page 10, line 11: "who are also status offenders or minor law violators.";

(6) Deleted the appropriation for demonstration rehabilitation programs as alternatives to incarceration for juvenile offenders;

(7) Renumbered the Section numbers as necessary for purposes of consistency;

(8) Made technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2979, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2979, S.D. 2, H.D. 2, C.D. 1.

Representatives Hagino, Souki, Arakaki, Kawakami and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Menor and Herkes,
Managers on the part of the Senate.

Conf. Com. Rep. 92-88 on H.B. No. 3292

The purpose of this bill is to increase the statutory compensation payable to trustees annually out of principal from one tenth of one per cent to one and one-half tenths of one per cent. The bill also makes technical non-substantive changes to Section 607-18 for the purpose of style and clarity.

Your Committee, upon further consideration, has made an amendment to this bill to increase the rate of compensation to three tenths of one per cent.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3292, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3292, H.D.1, S.D. 2, C.D. 1.

Representatives Hirono, Bellinger, Hayes, Hiraki and Medeiros,
Managers on the part of the House.

Senators Hee, Cobb, Solomon and A. Kobayashi,

Managers on the part of the Senate.

Conf. Com. Rep. 93-88 on S.B. No. 2988

The purpose of this bill is to increase the maximum rent supplement payment under the State's rent supplement program and to allow for a larger homeowner participation of the program.

Under the program, the Hawaii housing authority makes direct rental supplement payments to housing owners on behalf of qualified tenants. Currently, the maximum monthly supplement amount for qualified tenants, i.e., eligible families and elderly persons is \$70 and \$90, respectfully.

Your Committee finds that the current maximum monthly supplement amount does not accurately reflect the needs of the average recipient. This bill, as received, increases the maximum monthly supplement amount to \$200 for all eligible program participants, and provides for a potential larger supply of housing units by allowing any other qualified owner of a standard housing unit or units to participate in the program, in addition to those already allowed under section 359-122, Hawaii Revised Statutes.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 2988, S.D. 2, H.D. 2:

- (1) Changed the rent supplement program maximum monthly supplement amount to \$160 for both eligible families and elderly persons;
- (2) Increased the appropriation for the rent supplement program to \$2,519,040; and
- (3) Added a new section designated as "section 6" to conform the bill to the Ramseyer format, which is a nonsubstantive change.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2988, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached as S.B. No. 2988, S.D. 2, H.D. 2, C.D. 1.

Representatives Shito, Hagino, Fukunaga, Hayes, Leong and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Aki, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 94-88 on H.B. No. 1361

The purpose of this bill, as received, is to amend section 237-18, Hawaii Revised Statutes, by adding specific language to provide that for general excise tax purposes, where transient accommodations are furnished by a travel agency or tour packager at noncommissioned negotiated contract rates, the gross income is to be divided between the travel agent or tour packager, on the one hand, and the operator of the transient accommodations, on the other hand. The bill allows this income splitting only where there is proof that the tax has been paid by the travel agency or tour packager, or such persons are subject to the general excise tax. The bill also provides that the income splitting provisions of section 237-18, Hawaii Revised Statutes, apply to fishing charters, and repeals the exemption from the general excise tax for amounts passed on and collected as transient accommodations taxes.

Your Committee finds that in the case of the tour packager and the operator of transient accommodations, in many instances the tour packager blocks out a number of rooms and acts as a wholesaler of those rooms to the members of the tour. The tour packager packages the rooms as part of a tour which may include ground transportation, meals, and entertainment. Although it is clear that the tour packager is in business to make money, neither the operator of transient accommodations or others involved in the tour know what the mark-up of the tour packager is. In these instances the Department of Taxation is imposing the general excise tax on the operator based on the cost of the room and not on the price for which the operator sold the rooms to the tour packager. The department bases its imposition on the fact that, in the case of transient accommodations, the cost of commissions is attributable to the gross income of the operator without deduction. In a commission operation the hotel may offer a 10 per cent commission to a travel agent. The hotel then may collect \$100 from the agent and return \$10 to the agent or the agent may collect \$100 and return only \$90 to the hotel. In both situations the hotel must pay the general excise tax on the \$100 room rental. Both the hotel industry and the department agree that this is proper. In the case before your Committee in this bill, the hotel does not know what the actual price the \$100 room is sold for by the tour packager. The rooms may be sold to the tour packager for \$90 and the tour packager may resell the rooms for \$90, \$100, or any price in between or even less than \$90. Many of the largest tour packagers operate out of New York and Japan, and the hotel industry has no means of knowing what the mark-up of these packagers is. The Department of Taxation is grossing up the revenues of the hotel to \$100 in the preceding example, by treating this as a commission operation. In this instance, it appears unfair for the department to gross up the amount of revenue received by the hotels, and your Committee finds that this bill will solve that problem and disallow gross up in this instance.

Your Committee after reviewing the amendments made by the Senate finds that the provisions requiring the tax to be paid by the tour packager or requiring the tour packager to be subject to the tax are unnecessary and they have been deleted. Your Committee also finds that the addition of fishing charters to the income splitting provisions of section 237-18, Hawaii Revised Statutes, is unnecessary and this provision has also been deleted from this bill. Finally, your Committee has deleted the amendment which would provide for the taxation of transient accommodations taxes passed on by an operator under the general excise tax.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1361, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1361, H.D. 2, S.D. 1, C.D. 1.

Representatives Cachola, Souki, Horita, Kotani and Medeiros,
Managers on the part of the House.

Senators Yamasaki, Holt and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 95-88 on H.B. No. 479

The purpose of this bill is to amend the landlord-tenant code to require that termination of tenancy notices be in writing. The bill also makes it a misdemeanor for a person to enter or remain unlawfully in a transitional housing project, even if invited by a tenant, if requested to leave by the project authorities or the police.

The bill further:

(1) Excludes from the scope of Chapter 521, Hawaii Revised Statutes, occupancy in project for temporary or transitional housing for homeless persons operated by a non-profit corporation which has filed its rules and regulations with the Department of Commerce and Consumer Affairs;

(2) Adds new definitions of "homeless person", "temporary housing for the homeless", "transitional housing for the homeless", and "non-profit corporations" to section 521-8;

(3) Requires that landlords provide their general excise tax number to all tenants for the purpose of filing for a low-income tax credit.

Your Committee, upon further consideration, has amended this bill in the following respects.

(1) Section 521-7(9) has been amended to provide that the rules and regulations governing tenancy at a temporary or transitional housing project for the homeless shall be reasonable and that a copy thereof shall be furnished each tenant. It has been further amended to provide that such projects shall be included within the landlord-tenant code for the purpose of defining trespass as it relates to such projects.

(2) Section 5 of the bill has been amended to delete any reference to the penal code and to substitute therefor a section to fall within the landlord-tenant code relating to trespass. The section has been further amended to make clear that a warning or request to leave a temporary or transitional housing project for the homeless shall only be issued if the person so notified has engaged in unlawful conduct or has violated the house rules and regulations, a copy of which are on file with the director of commerce and consumers affairs and a copy of which have been provided to each tenant. The amendment of this section provides standards for the issuance of a warning or request relating to trespass and protects against the arbitrary or capricious exercise of the power to issue such notices by the project authorities or a police officer.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 479, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 479, S.D. 1, C.D. 1.

Representatives Hirono, Hagino, Hayes, Hiraki and Medeiros,
Managers on the part of the House.

Senators Aki, Young and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 96-88 on S.B. No. 2559

The purpose of this bill is to allow the prosecuting attorney to appear and present oral and written testimony at minimum term and parole hearings before the Hawaii Paroling Authority; to require the Hawaii Paroling Authority to adopt guidelines for the uniform determination of minimum sentences; and to allow attendance by the victims, surviving immediate family member, or designees at minimum term hearings.

Presently, hearings before the Paroling Authority are conducted with the presence of the defendant and his counsel. Prosecuting attorneys are presently allowed to make oral presentation at these hearings. This bill codifies the procedure permitting the prosecuting attorney to attend parole hearings and present oral and written testimony. However, the Committee is concerned that oral testimony may be interpreted to include testimony by witnesses. In keeping with the intent that the hearings before the Paroling Authority be non-adversarial in nature, the Committee amended the bill by replacing "oral testimony" with "oral comment". This amendment will make clear that oral presentation by the prosecuting attorney shall not include testimony from witnesses but instead shall take the form of only oral comments. The bill retains the provision which permits the prosecuting attorney to present written testimony from any interested party.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2559, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2559, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Hiraki, Shito and Hemmings,
Managers on the part of the House.

Senators Hee, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 97-88 on H.B. No. 2345

The purpose of this bill is to regulate the rooming house business to prohibit those practices which are unfair, deceptive, or contrary to public policy.

The bill empowers the Department of Human Services to enforce the prohibitions and to defer violations to other appropriate state and county agencies.

The bill provides that the letting of space to the number of three or more unrelated persons is part of the definitions of "lodging or tenement house", "group home", "group residence", "group living arrangement", or "rooming house".

The bill also provides for the right of senior citizens and frail elderly to keep personal pets if the project receives government aid and clarifies that any person injured by a violation of any part of this bill has a private right of action and may bring a civil action to recover three times the person's actual damages or \$1,000 for each violation, whichever is greater.

Additionally the bill empowers the State to enjoin rooming house businesses from continued operation if they violate these provisions.

Your Committee, upon further consideration, has made amendments to this bill:

- 1) Non-profit agencies which have government contracts will be exempt from the provisions of this bill.
- 2) The provisions with respect to the right of senior citizens and frail elderly to have pets, has been deleted.

In respect to the removal of the pet provisions, your Committee recognizes that the Senate, while generally strongly in favor of availability of pets for senior citizens and frail elderly, for their therapeutic value, had four strongly contravening reasons for agreeing to delete this provision. The first is that additional information was received about the Section 8 exemption; the second is that many, if not most, elderly which might be affected are already covered by federal provisions on the subject; the third is that there is an overriding social benefit to this bill which should not be jeopardized; and the fourth is that, notwithstanding the request of the Department of Human Services for funding, it is clear that passage of this bill will be of significant assistance in dealing with this problem.

Your Committee strongly feels that, despite any concerns as to the adequacy of funding for the enforcement of this bill, the bill will provide the Attorney General with a valuable tool and, further, the provision of a private right of action plus treble damages and attorney's fees will cause the legal community and the affected persons themselves to actively assist in the bill's enforcement.

Your Committee considered and decided against providing a time period for the length of any injunction under this bill, believing that the courts were better positioned to fashion the length of any injunction based upon the facts of each individual case.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2345, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No 2345, H.D. 2, S.D. 1, C.D. 1.

Representatives Hirono, Arakaki, Bellinger, Shon and Hemmings,
Managers on the part of the House.

Senators Cobb, Aki and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 98-88 on S.B. No. 2523

The purposes of this bill are to exempt jurors and witnesses from paying fines for parking violations while attending court duties. The effect of this bill is to exempt jurors from prosecution, penalty, or fine as a result of a parking violation committed in the juror appearing at court for jury duty.

Your Committee agrees with the intent of the bill to remove the penalty for parking violations on jurors and witnesses who are providing an important public service.

Your Committee has amended the bill as follows:

- 1) Replaced the phrase in subsection (c) from "All jurors should" to "All jurors shall".

2) Clarified the language in subsection (c) that the parking citation shall be presented to the court clerk of the circuit court or the jury pool clerk, since jurors are only in attendance in circuit court.

3) As to witnesses, the language has been clarified that the clerk of court shall keep the attendance roll for witnesses summoned to appear in court, including family court.

4) Adopting section 3 of H.D. 1, by adding a provision that the lessee of a motor vehicle is responsible for any parking citation which is responsible for any parking citation which is issued on that motor vehicle. The lessor must provide the address of the lessee to the court and in lieu of providing the address, pay an administrative fine of \$5.00 to the court.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2523, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2523, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Hayes, Yoshimura and Hemmings,
Managers on the part of the House.

Senators Hee, Holt and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 99-88 on S.B. No. 2922

The purpose of this bill is to amend section 712-1242 by making possession of one-eighth ounce or more of methamphetamine an offense of Promoting a Dangerous Drug in the Second Degree.

Previous testimony received from the law enforcement agencies reported a dramatic rise in the sale, use or possession of "crystal meth", a concentrated street version of the drug methamphetamine. This bill is intended to control this street drug "crystal meth" by lowering the threshold weight of crystal meth before it becomes subject to the offense of Promoting a Dangerous Drug in the First Degree. However, it is intended that illegal distribution of prescription methamphetamine that is in capsule or tablet form remains to be prosecuted under paragraph (1)(b)(i) of the statute.

Your Committee finds that the addition of the term "non-prescription" to describe methamphetamine is unnecessary since the dispensing of controlled substances is covered under sections 329-38 and section 712-1240.1 which provides for a defense in a prosecution for promoting a dangerous, harmful or detrimental drug if the drug was possessed or distributed under authority of law.

Accordingly, your Committee has amended the bill by deleting the term, "non-prescription".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2922, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2922, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Hiraki, Yoshimura and Hemmings,
Managers on the part of the House.

Senators Hee, Menor and George,
Managers on the part of the Senate.

Conf. Com. Rep. 100-88 on S.B. No. 2923

The purpose of this bill is to amend section 712-1242 by making possession of one-eighth ounce or more of methamphetamine an offense of Promoting a Dangerous Drug in the Second Degree.

Previous testimony received from the law enforcement agencies reported a dramatic rise in the sale, use or possession of methamphetamine or "crystal meth", a concentrated street version of the drug methamphetamine. This bill is intended to control this street drug "crystal meth" by lowering the threshold weight of crystal meth before it becomes subject to the offense of Promoting a Dangerous Drug in the Second Degree. However, it is intended that illegal possession of prescription methamphetamine that is in capsule or tablet form remains to be prosecuted under paragraph (1)(a)(i) of the statute.

Your Committee finds that the addition of the term "non-prescription" to describe methamphetamine is unnecessary since the dispensing of controlled substances is covered under sections 329-38 and section 712-1240.1 which provides for a defense in a prosecution for promoting a dangerous, harmful or detrimental drug if the drug was possessed or distributed under authority of law.

Accordingly, your Committee has amended the bill by deleting the phrase, "non-prescription".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2923, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2923, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Hagino, Hayes and Hemmings,
Managers on the part of the House.

Senators Hee, Menor and George,
Manager on the part of the Senate.

Conf. Com. Rep. 101-88 on S.B. No. 3088

The purpose of this bill is to expand optional health care to low-income pregnant women, children, elderly persons, aliens, the homeless, and other handicapped and medically needy persons.

Your Committee agrees that this bill will make medical services available to those in this "gap group" who may not be seeking medical attention.

Your Committee has amended this bill by:

(1) Amending the new paragraph (14) being added to section 346-14, Hawaii Revised Statutes, to "expand" rather than "maximize" optional health care to low-income persons identified as pregnant women, children, elderly persons, aliens, homeless, and other handicapped and medically needy persons;

(2) Changing the appropriation from \$1 to \$3,564,312;

(3) Deleting Section 3 of the bill containing the provisions pertaining to and services provided by the Catholic Immigration Center of Catholic Charities; and

(4) Renumbering the remaining sections.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3088, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached as S.B. No. 3088, S.D. 2, H.D. 2, C.D. 1.

Representatives Hagino, Souki, M. Ige, Tam and Ribellia,
Managers on the part of the House.

Senators Yamasaki, B. Kobayashi, McMurdo, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 102-88 on S.B. No. 2112

The purpose of this bill is to broaden the definition of "fugitive from justice" under section 134-1, Hawaii Revised Statutes, to include persons who have fled the United States to avoid lawful extradition from the United States.

Your Committee finds that the intent of this bill is to prohibit possession or ownership of firearms by the individual who has fled a foreign country and is avoiding extradition back to that foreign country. Under the current draft of this bill, it is unclear whether the proposed language incorporates this intent. Accordingly, your Committee has amended this bill to define such a fugitive as any person who "has fled from any country other than the United States and is avoiding lawful extradition back to that country".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2112, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2112, H.D. 1, C.D. 1.

Representatives Metcalf, Hiraki, Peters, Takamine and Medeiros,
Managers on the part of the House.

Senators Hee, Chang and George,
Managers on the part of the Senate.

Conf. Com. Rep. 103-88 on H.B. No. 2003

The purpose of this bill is to confer certain legal authorities upon centers which are established to facilitate the resolution of various international commercial disputes by means other than international litigation ("centers").

Under this bill, the centers will have the authority to establish arbitral tribunals and panels. The arbitral tribunals and panels established by such centers will conduct, administer and facilitate resolutions by such means as arbitration, mediation, conciliation. The bill would provide to the tribunals and panels the following functions and powers:

- (1) determination of the relevance and materiality of evidence;
- (2) administering of oaths;
- (3) fixing of witness fees; and
- (4) awarding of interest and reasonable attorney's fees and costs.

The tribunals and panels would be further afforded limited subpoena powers to be enforced by the circuit court.

Your Committee, upon further consideration, has amended the bill to provide that a dispute concerning real property in the State is not excluded from the proposed provisions if the parties in writing expressly submit the resolution of the

dispute to arbitration, mediation or conciliation by a tribunal or panel of a center pursuant to this bill. Your Committee also removed the authority of a center to require that tribunals or panels assess commissions from the parties for utilization of the center to be allocated to certain non-profit organizations. Your Committee also made technical, nonsubstantive changes and amended the purpose section for clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2003, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2003, S.D. 1, C.D. 1.

Representatives Metcalf, Hagino, Hirono, Peters, Medeiros,
Managers on the part of the House.

Senators Chang, Hee and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 104-88 on S.B. No. 986

The purpose of this bill, as received by your Committee, is to create a new chapter which establishes health insurance benefits for mental health, alcohol, and drug abuse treatment provided in licensed and accredited facilities.

The present provision of third-party coverage for the treatment of alcoholism, drug abuse, and mental illness is varied and inconsistent. Your Committee finds that these illnesses are diseases and should be treated as such, and that passage of this bill is consistent with legislative efforts to provide for the public health.

However, with some estimates of the cost of this bill ranging as high as \$21,000,000, your Committee is greatly concerned about the economic impact of such a bill, particularly as it may affect employers who must pay a major portion of the health care premiums.

Your Committee requested the Legislative Auditor to study the social and financial impact of this bill and report his findings to the 1988 legislative session. That report concluded that coverage for substance abuse was generally inadequate and varied from plan to plan for mental health. The report emphasized that this bill, as then drafted, did not contain adequate measures to ensure cost containment.

At an informational meeting to discuss the Legislative Auditor's report in February 1988, your Committee requested the Department of Health to convene a committee of health professionals, including Kaiser Permanente and HMSA, to work together to develop cost containment measures for this bill. The Department worked with providers, the Legislative Auditor, and insurers to develop a bill which would address these economic concerns, and submitted their proposed changes which greatly narrowed the scope of the benefits and provided for cost containment, which your Committee finds acceptable.

The revisions make only minor changes in the mental health coverage presently in effect by retaining the existing thirty days of mental health inpatient coverage but increasing the amount available for less costly outpatient coverage from \$500 to \$750 or seven to eight visits per year to twelve visits per year, with payment allowed for the first visit, which is a small but important change in priority. Substance abuse benefits have been included as part of the existing thirty days of mental health inpatient coverage. There is now a substitution on a two for one basis of less costly residential day treatment, and partial hospitalization for inpatient care. In addition, combined mental health and substance abuse benefits carry the requirement that care be medically and psychologically necessary and provided at the least costly level of care, which will serve as a major cost containment factor. Added requirements for accreditation by the Joint Commission on Accreditation of Health Care Organizations or the Commission on Accreditation of Rehabilitation Facilities will serve as quality assurance and cost containment mechanisms, as well.

The overall estimates of costs for this revised combined benefit have decreased considerably from the earlier high of \$21,000,000 to the Department of Health's estimate of \$8,492,000, which breaks down to \$4,936,000 or \$.68 per month per member for substance abuse and \$3,556,098 or \$.49 per month per member for mental health. HMSA estimates a cost of \$13,068,000, which includes \$4,968,000 or \$.63 per month per member for substance abuse and \$4,035,000 or \$.57 per month per member for mental health.

Another cost containment factor is a "drop dead" provision, which will repeal the legislation after five years. That, combined with the "inflation proof" construction of the bill with its limits by days and visits rather than dollars will serve to deter any efforts to increase benefit limits. The Department of Health has pledged not to support any changes in the proposed benefits until they have been evaluated at the end of the five year period.

Your Committee notes some comments expressed by the Department of Health and by HMSA regarding this bill. There is a concern that the consumer be protected at all times in this process, and this includes protection in the event that peer review determines that services provided were not medically or psychologically necessary or were not provided at the least costly level of care.

The Department commented that concern over inflationary erosion of benefits led to the compromise of the twelve visit outpatient cap and thirty day inpatient cap with the costs to be contained through contract negotiations and UCR's by the insurers, and through good utilization review procedures.

There was considerable discussion by the Department of Health and its group members about allowing additional services for adolescents and for dual diagnoses (mental illness and substance abuse). However, in the absence of a solid local data base at this time, it was agreed to proceed with the benefit limitations as stated, with the understanding that treatment needs and services to these two populations need to be monitored through the evaluation process.

The Department of Health and its group also considered a separate benefit for substance abuse equal to or greater than the benefit for mental health. Mindful of the need to contain costs, the Department chose to support the proposed combined benefit, which offers substance abuse treatment where little or none was previously available. Through the evaluation process, however, the true need for a separate benefit structure can be determined more clearly.

The Department of Health emphasized the intent that these benefit limitations should not be used to deny the consumer medical care which is outside the scope of the alcohol and drug program's scope of services.

The issue of discrimination received considerable discussion by the Department of Health and its group. The Department is greatly concerned that assurances remain in the bill which would keep consumers of this type of care from having to pay proportionately more than consumers of comparable medical care.

Finally, HMSA raised concerns about the clarity of the definitions of residential, partial hospitalization and day treatment care, as well as some concern over vagueness of the specific services to be covered which "are required for licensure and accreditation." Your Committee finds that these details can be addressed adequately in the administrative rule making process.

Your Committee finds that this measure constitutes a cost contained, effective, responsible, and humane social policy.

Your Committee has amended the bill as follows:

- (1) Provided a new definition of alcohol and drug dependence outpatient services to narrow the scope of this service;
- (2) Added a requirement that a mental health outpatient facility shall be accredited by a national accrediting body as a quality assurance and cost containment measure;
- (3) Deleted "social and other" from services included in mental health outpatient services to narrow the scope of this service;
- (4) Added a definition of treatment episode for clarity in describing alcohol and drug dependence benefits;
- (5) Added an exemption for insurance policies which cover only one specific disease or other limited, specialized services at the request of insurers who offer cancer insurance policies;
- (6) Added a requirement that service be provided at the least costly appropriate level of care for cost containment purposes;
- (7) Deleted the requirement that the insurer's licensed physician or psychologist be certified pursuant to Chapter 321 because of lack of sufficient eligible physicians or psychologists;
- (8) Added statements of purpose to the peer review requirements to incorporate the use of review criteria and to allow for certain types of review as a cost containment measure;
- (9) Added a new section describing a combined mental health, alcohol, and drug dependence treatment benefit which retains the existing thirty days limit on in-hospital care but allows the benefit to be applied to alcohol or drug dependence as well as mental health treatment; increases the existing outpatient benefit from an average of seven visits to twelve visits, and allows the benefit to be applied to alcohol and drug dependence as well as mental health; and limits the number of treatment episodes of alcohol or drug dependence treatment to two episodes per lifetime, as cost containment measures;
- (10) Included detoxification services as part of the covered in-hospital services but excluded the services from the lifetime limitation so as not to deny a consumer needed medical care for a potentially life-threatening situation;
- (11) Deleted the requirement for an approved plan of additional treatment since insurers generally approve treatment programs, not treatment plans, and appropriateness of treatment will be covered through the review process;
- (12) Added a requirement that services covered under alcohol and drug dependence and mental health through in-hospital, nonhospital residential, partial hospitalization, or day treatment shall include those services required for national accreditation as a quality assurance and cost containment measure;
- (13) Added new material describing the covered benefit for alcohol or drug dependence outpatient services which requires a treatment plan reasonably expected to produce remission and limits services to those performed by a licensed physician or psychologist who is certified pursuant to Chapter 321, as a cost containment measure;
- (14) Changed the requirement that deductible or copayment plans be equivalent to those applied to comparable diseases to a requirement that they be proportionately no greater than those applied to comparable illnesses at comparable levels of care, as a consumer protection measure;
- (15) Added language to allow for the determination of benefit equivalences for health maintenance organizations, whose operations differ substantially from other providers of care;
- (16) Expanded the parties to be involved in rule making to include the Board of Medical Examiners and the Board of Psychology as well as interested parties including representatives of insurance carriers, public and private providers, consumers, and employers as a cost containment measure, as these groups will bear the major impact of this bill;

(17) Added the requirement that rule making include criteria for Health Maintenance Organizations and an appeal process to ensure consumer rights;

(18) Expanded the parties included in the evaluation process to be consistent with the rulemaking effort;

(19) Modified the Department of Health's task in evaluation to be solely that of gathering specified information for the Legislature, in response to concerns by the insurers that the Department was not an objective third party for the necessary analysis;

(20) Changed the report dates for information to be conveyed to the Legislature to allow for information to be transmitted eighteen months after implementation and again just prior to the repeal date;

(21) Changed the implementation date to allow ample time for the rules to be finalized and for programs to apply for and receive accreditation through the national accrediting bodies, and to allow smoother and less costly administration by the insurers;

(22) Added a repeal provision as a cost containment measure to allow time to provide an adequate data base upon which to conduct an evaluation of the impact of this bill; and

(23) Made technical, nonsubstantive corrections and provided new language for clarification purposes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 986, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 986, S.D. 2, H.D. 1, C.D. 1.

Representatives Hirono, Shon, Hagino, Hiraki and Medeiros,
Managers on the part of the House.

Senators Cobb, Blair, B. Kobayashi and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 105-88 on S.B. No. 2924

The purpose of this bill is to establish in the penal code the offenses of negligent injury in the first and second degrees and to redefine and establish three degrees of negligent homicide. The effect of this bill is to impose criminal penalties upon a person whose negligent driving results in serious or substantial bodily injury to another person. The bill further redefines negligent homicide in the first degree as a class B felony where a person under the influence of drugs or alcohol causes the death of another person while operating a vehicle in a negligent manner.

Your Committee feels that stronger measures are needed to protect the public and to deter those who negligently operate a motor vehicle and cause injury or death to others especially while under the influence of drugs or alcohol.

Your Committee upon further consideration has made the following amendments to S.B. No. 2924, S.D. 1, H.D. 1:

(1) Negligent homicide in the first degree is a class B felony where a person operates a motor vehicle in a negligent manner while under the influence of drugs or alcohol and causes the death of another;

(2) Negligent homicide in the second degree is a class C felony where a person operates a motor vehicle in a negligent manner and causes the death of another;

(3) Negligent homicide in the third degree is a misdemeanor when a person causes the death of another person in a manner which is simple negligence;

(4) Negligent injury in the first degree is a class C felony where a person operates a motor vehicle in a negligent manner and causes serious bodily injury to another person; and

(5) Negligent injury in the second degree is a misdemeanor where a person operates a motor vehicle in a negligent manner and causes substantial bodily injury to another person.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2924, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2924, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Hayes, Hiraki and Hemmings,
Managers on the part of the House.

Senators Hee, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 106-88 on H.B. No. 2081

The purpose of this bill is to amend Act 216, Session Laws of Hawaii 1987, which appropriates funds for the 1987-89 fiscal biennium.

FINANCIAL AND BUDGETARY OVERVIEW

Forecasts of the State's fiscal 1988 outlook project an increase in general fund tax revenues of 4.6 percent over the prior fiscal year and another 6.9 percent in fiscal 1989. Furthermore, an additional \$95.6 million of liquor tax payments has been transferred to the general fund as a result of the settlement of lawsuits. Combined with the reported general fund carry over balance of \$243.5 million from the end of fiscal 1987, a general fund balance of \$401.2 million is projected by the end of the 1988 fiscal year.

This projected surplus has resulted in deluge of new funding requests. If the surplus materializes as projected--and there is a reasonable prospect that it could even be somewhat larger than previously estimated--it will be the largest surplus in the history of Hawaii. This favorable financial circumstance, viewed within the context of the far-reaching needs of our State, means that several key public investments and important program initiatives can be undertaken.

Hawaii is at the doorway of what many predict will be the era of the Pacific. However, in order to capture and benefit from an important role in the era of the Pacific, the State must be able to deal from a position of financial health and must also have the resources to propose and capitalize on new opportunities.

Consequently, your Committee has approached its spending decisions determined that the surplus should not be squandered irresponsibly to satisfy only the shortsighted demands of the moment but to ensure prosperity in the coming years.

With this in mind, your Committee has emphasized investment decisions over purely spending decisions, and has concentrated on three areas which constitute the socio-economic infrastructure of our State: economic development, education, and human services. In these and other areas, priority has been given to the following elements: bold initiatives which offer the potential of pace-setting accomplishments; approaches which are coordinated and planned; measures to increase government efficiency and accountability; and actions which reflect our commitment to the deeply-held values of our people and ensure the quality of life which will shape Hawaii during the coming decade.

This bill incorporates, for the most part, the projects and programs recommended by the Governor, with emphasis on economic development, education, and human resources, as well as initiatives gathered from your Committee and the subject matter committees. Collectively, the supplemental budget and the other programs provided for in separate appropriation measures represent your Committee's efforts to provide the State with the foundation and stimulus to move with confidence into the next crucial decade.

ECONOMIC DEVELOPMENT

In recognition of the external forces affecting Hawaii's future as we continue into the Pacific Era, your Committee strongly supports new and continuing initiatives to improve the standard of living of all Hawaii's people through the development of a viable, competitive, and stable economy. Through economic diversification, expansion of existing businesses, and attraction of new businesses, the State will lead in the development of business enterprises that meet the State's economic and quality-of-life goals.

Tourism. Last session, the Legislature provided the Department of Business and Economic Development with the resources to take a stronger leadership role in the tourism program by strengthening the State Tourism Office. Your Committee has reviewed the recently developed strategic marketing plan and provided \$4.3 million in supplemental funding for the market of the visitor industry. Additionally, your Committee has added \$1.3 million to promote Hawaii at the Fukuoka Exposition and \$500,000 for the promotion of Hawaiian culture and the arts.

Business Promotion. Your Committee has taken bold steps to foster and facilitate economic development in promising areas such as telecommunications, space, high technology, and international business.

The Governor has declared 1988 to be the "Year of Telecommunications in Hawaii". This presents an excellent theme to expand Hawaii's economy through the development of an information industry. Your Committee has therefore provided the resources necessary to effectively market Hawaii as a location for telecommunications-oriented business activities.

Evaluation of the potential for the development of a space industry in Hawaii has revealed that Hawaii is well positioned to pursue both launch and non-launch space-related activities. Your Committee supports the expansion of space-related work in the State and has provided \$1.5 million for environmental impact studies and related groundwork, bringing Hawaii closer to realizing its potential in the space industry.

Your Committee has also provided the funds necessary to establish an Innovation Center in Manoa and a Research and Technology Center on Maui. Additional funding has been provided to the Kaimuki Technology Enterprise Center to meet the need for increased space by new businesses. These facilities will encourage the development and growth of high technology businesses.

TRANSPORTATION FACILITIES AND SERVICES

This bill provides for the continued development of the State's airport facilities to accommodate the increasing volume of visitor arrivals, as well as for the accelerated upgrading of Hawaii's harbors. Resources have been provided to: increase the level of security at the airports to comply with recent amendments to federal aviation regulations; promote Hawaii's harbors; replace vehicles; and purchase new equipment, including a new computer system. Funds have also been provided for a demonstration project to estimate the effect on downtown Honolulu traffic of employees working at home through a telework center; for mass transit studies for the islands of Hawaii, Maui, and Kauai; and for Phase II of

the intra-island ferry system study. Your Committee has also provided for the improvement and expansion of airfields, terminals, and other support facilities; the improvement and expansion of harbor facilities; and the upgrade and expansion of highways throughout the State.

ENVIRONMENTAL PROTECTION

Funds have been provided for the continued development of regulations for the disposal and recycling of used oil, and a workload increase in the issuance of air permits. Authorization was given for federal assistance in the development and implementation of an air toxic program. Funds have also been provided for a computerized system to aid in pesticide registration and licensing; monitoring of pesticide residues in soils near storage and mixing sites; a baseline study of Hanalei River estuary and other north shore rivers on Kauai; soil and water conservation projects at Kahakuloa Road on Maui; eradication of marijuana plants on State lands; a study to determine the feasibility of a hazardous waste storage and treatment facility; and an environmental education program.

HEALTH

County/State Hospitals Division. Your Committee continues to be concerned with the lack of managerial and financial efficiency at the County/State Hospitals Division. Although the majority of the individual hospitals are not able to generate sufficient revenues to cover their expenditures, as a division, an estimated surplus of approximately \$10.5 million will be realized at the end of fiscal year 1988. Consequently, your Committee has developed a plan to phase out the general fund appropriations from the County/State Hospitals Division over a ten year period, at a 10% of base-year 1988 reduction per annum. This action will not hinder the operations of the hospitals, but rather, is designed to initiate self-sufficiency by the County/State Hospitals Division.

Emergency Medical Services. Continued growth in the State's resident population and number of tourists visiting the islands has created the need for improved and increased ambulance services. There are few programs where time is more critical than for the emergency medical services program; however, timely response has been difficult in some rural areas of the State. To alleviate this shortcoming, an appropriation of \$1.1 million will enable emergency stations to be established in Hawaii Kai and Ewa, expansion of the limited emergency service in Waialua to 24-hour service, and the provision of backup service to supplement the existing service in Lahaina.

Deinstitutionalization of Mentally Ill and Developmentally Disabled Patients. Your Committee continues to be concerned with the deinstitutionalization of mentally ill and developmentally disabled patients. Funds have been provided to treat and rehabilitate these patients enabling them to be placed back into the community to function and interact with other citizens.

Public Protection from Exposure to Harmful Contaminants and Radioactive Emissions. The quality of the food and water consumed in our daily lives is critical to ensure the health and public safety of the citizens of our community. To this end, your Committee has provided for an increase in the number of staff to collect, monitor, and regulate unhealthy, harmful contaminants and pollutants in the public drinking water supply, commercial food products, and the processing of milk. Increased monitoring will aid in reducing the spread of disease and illness from the consumption of these items. Additional staffing is also being provided to monitor and regulate radiation emission from x-ray machines in medical and dental offices.

Laboratory complex. A modern and efficient health laboratory has long been one of the Department of Health's most pressing needs. Funds were previously appropriated for the preliminary planning of a new laboratory complex, and your Committee is now following through with funds for design in the amount of \$1.64 million.

SOCIAL SERVICES

Long-term care. After reviewing generated studies and evaluating past experiences, your Committee finds that the Executive Office on Aging is the logical agency to devise a plan and recommend a strategy for the provision and financing of long-term care in Hawaii. Therefore, funds have been appropriated to launch an adult long-term care financing mechanism; to implement a demonstration project providing housing assistance for elderly residents; to develop and execute a public awareness program on long-term care; and to provide for the distribution of information to the elderly on long-term care services.

Public assistance allowances. By a separate measure, your Committee has recommended an increase in the level of benefits to recipients. Beginning July 1, 1988, the legislation supported by your Committee will establish the assistance allowance at 60 percent of the federal poverty standard.

Services to Children. Adjustment have been made in federal funding authorizations for Title IV-B, Child Welfare Services, and Title IV-E, Foster Care and Adoptions Assistance, to meet requirements for permanency planning for children. In addition, a number of social service assistant positions have been provided statewide to promote parent-child visits and family reunification of children who have been placed out of the home.

Health Care Payments. Your Committee has continued its emphasis on prevention programs by funding a new Medicaid program, Medical Options for Mothers and Infants (MOMI). This program will enable indigent women to receive prenatal care and children up to one year old to receive primary care. Funding has also been provided to maintain the 56% reimbursement level for Medicaid providers. Reimbursement for dental health care is also included in this funding.

LOWER EDUCATION

Your Committee is acutely aware that, in the face of a rapidly changing world in which technology plays an increasingly important role, our greatest resource is a well-educated population. Creating excellent universities will yield minimal benefits if our students are not prepared to enter them. Thus, your Committee has concentrated its efforts on strengthening the basic foundation of our public school system with funding to meet special education needs, pilot distance learning technology, improve school facilities and streamline internal departmental operations.

In the new information age, education is not limited to schooling. Since information and knowledge is everchanging, learning will also have to be a lifetime activity. As we proceed down that road, the public library system of our State becomes a more crucial component of the education infrastructure.

Special Education. A commitment to educational improvement for handicapped children has been made. An additional \$5.1 million has been provided to begin the implementation of recently adopted special education staffing goals. The new goals provide for a systematic reduction of the ratio of students to instructional personnel. These additional resources will specifically benefit the severely handicapped who require special classes and special teachers. The department should also focus on those children who are mildly handicapped and are able to attend schooling in regular classrooms. To determine what kinds of improvements can be made to assist teachers.

Parent/Community Networking Centers. The objective of parent education is to provide parents and other members of the community with experiences and knowledge to help them learn and practice ways to develop personal esteem, a strong belief system, and a prudent reasoning process for themselves, their children, and the people around them. The pursuit of this objective is being accomplished through parent networking centers. Additional resources will make possible the continuation of the existing parent networking centers and the expansion to new sites.

Distance Learning Technology. The distance learning project is in pursuit of a long-standing objective: equal educational opportunities for all students, barrier-free education, improved quality of instruction, and efficient use of resources.

This bill provides an appropriation of \$540,105 to enable program components of distance learning to be tested in a number of schools in order to move the public school system towards a new horizon in education. Funds have also been provided to begin the initial planning for access to a cable television channel devoted to education. In view of the fact that 78% of all public schools and a significant number of student's homes are already cable connected, your Committee believes that the use of cable television should be pursued.

School Repairs and Maintenance. The repairs and maintenance program of public school facilities will always be an important part of the educational process for our children and community. An additional \$7.0 million has been provided to supplement the \$21.7 million already funded in the fiscal year 1988-89 budget. This bill accelerate the State's efforts to provide a safe environment conducive to learning for students and staff.

Financial management. The Department of Education has characterized its financial system as "operating in the dark ages" and that "its cumbersome, centralized...system generates a paper blizzard and excessive red tape for over-burdened school employees." It has proposed a general overhaul of the existing system. Your Committee is supporting the first phase of a new computerized system with an appropriation for its development and installation. At the same time, your Committee urges that subsequent phases be carefully analyzed, especially the proposed development of a completely independent payroll system.

Public Libraries. For library users statewide, your Committee has provided funds to replace the present computer system with a much more powerful unit. In addition to improving response time, a greater number of terminals will be available for use by the general public.

Service to the public will also be improved by providing funds for additional staff positions, security services, equipment and material for circulation.

HIGHER EDUCATION

Without economic development to provide a broad mix of employment opportunities, the investment we make in education may be lost through the departure of our young people to other states. Therefore, your Committee has strongly reaffirmed its commitment to the key role which our university system plays in Hawaii's long-term economic growth. Your Committee has also provided the necessary funding to meet critical deficiencies resulting from unanticipated increases in costs for electricity, medical malpractice insurance, student employee compensation, and repair and maintenance for educational facilities. In these and other areas, over \$16 million in additional funding has been provided.

College of Ocean and Earth Science and Technology. The continued support of this new school will take advantage of Hawaii's geographical location and ocean-related culture by expanding studies, instruction, and research in ocean and earth sciences; developing new products, materials and engineering systems; and applying pure research into applied technologies. Your Committee has provided funds for the construction of a facility to house this school at the University of Hawaii.

School of Hawaiian, Asian, and Pacific Studies. Hawaii plays a unique and vital role in the development of the Pacific and Asian region. Continued support of this new school will be instrumental in positioning the university as one of the nation's leading research institutions in Pacific and Asian Affairs. In relation to the initiative and the State Constitution which mandates that the State of Hawaii promote the Hawaiian language, culture, and history, your Committee has increased funding in Hawaiian studies for instructional and counseling positions at various campuses in the university system.

Space Related Activities and Economic Development. The economic development of a space industry, which may include a launching facility, is an exciting possibility and support is being given to develop this potential as well as enhance existing space research and training facilities.

Office of Technology Transfer. A major commitment of resources has been provided for the creation of an effective infrastructure for the transfer of university-generated technology to the community. This will enable the university to make a significant contribution to Hawaii's future economic development not only in such fields as biotechnology, software and engineering, but also in tropical agriculture, natural energy, and ocean resources.

Addressing the Nursing Shortage. As already noted, an acute shortage of nurses currently exists in the State of Hawaii. To help address this problem, your Committee has provided funding to substantially increase enrollment of nursing students.

Stipends and Wages for Graduate Students and Student Employees. Graduate assistants are an indispensable part of the university's teaching and research program. Hawaii's high cost of living and the relatively low level graduate stipends make it difficult to attract such needed graduates. Your Committee has found that an increase in graduate stipends is warranted and recommends full funding of the university's request. Of equal importance to a university is the help provided by undergraduate students. Act 224 of 1987 significantly affected the cost and rate by which the University compensates all of its student employees. To restore pay equity and forestall cutbacks in student services and wages, your Committee has increased funding to cover the shortfall.

Minority Student Program. Notwithstanding the other budgetary initiatives for the university, the fundamental mission of creating a "rainbow of opportunity" of all of Hawaii's post-high school students has not been forgotten. Your Committee has provided for the expansion of minority recruitment programs to strengthen the diversity of the student population and for additional academic advisors at the University of Hawaii at Manoa to address the counseling needs of community college transfers, minority matriculants, returning students, and other non-traditional student.

Repair and Maintenance. During prior years of fiscal austerity, repair and maintenance of many educational facilities was postponed or left undone. The 1987 Legislature provided substantial sums of monies to correct these deficiencies. Your Committee has provided an additional \$3,462,440 for needed repair and maintenance of other educational facilities.

CULTURE AND RECREATION

The primary purpose of the Culture and Recreation program is to enrich the lives of people of all ages by preserving opportunities and facilities for cultural events, including ethnic celebrations, concerts, and public broadcasting; and by preserving recreational activities, including the use of State parks, the Aloha Stadium, and ocean based activities. To this end, your Committee has made funds available to support various organizations. Funds were appropriated to expand use of public television; to establish a moving image inventory to record Hawaii's cultural and historical legacy; to sponsor special events; and to improve and maintain state parks and other recreational areas.

PUBLIC SAFETY

The passage of Act 338 by the 1987 State Legislature created the Department of Corrections and merged the Intake Service Centers (SOC 394) into other components of the DOC. The transfer of program identifications from the Department of Social Services and Housing to the newly-created Department of Corrections (DOC) has been made pursuant to this act.

Priority in the DOC has been given to items relating to consent decree compliance, with the main areas of concern being health, sanitation, and safety. Due to the increased number of inmates because of transfers from OCCC, funding was provided to increase medical coverage at the Kulani, Waiawa, Hawaii, Kauai, and Oahu correctional facilities, and expand educational/vocational programs at the Halawa, Kulani, Waiawa and Women's correctional facilities. Your Committee has also provided funds for the improvement and upgrading of correctional facilities statewide.

GOVERNMENT-WIDE SUPPORT

Telecommunications. Funds have been appropriated for the development of the backbone of a statewide microwave system for multichannel data, facsimile capability, video, and voice transmission. A microwave system would improve voice communication services to the neighbor islands through a network management system of quality and dependable signals. This system would provide state agencies, especially those providing emergency and security services, with an efficient means of communication. The Department of Education and the University of Hawaii would benefit from this alternate means of communication for administrative as well as educational purposes.

Funds have been provided for the development of video conference centers as a cost-effective alternative to business travel. With the implementation of this system, continuing education programs, training, and interactive meeting can improve the effectiveness and productivity of Hawaii's state government. The video conference centers will also be used for communications between Hawaii, the Pacific, and Asia, and thus making Hawaii a leader in the use of this technology.

Taxation. Your Committee is concerned with what is apparently a significant number of individuals who should, but do not, pay taxes to the State. Funds have been provided for an integrated computerized system to help detect noncompliance. The system will link the General Excise and Withholding (GEW), Comprehensive Net Income Tax (CNIT), and the Transient Accommodations Tax (TAT) programs.

Agricultural Activities. Funds were appropriated for the following agricultural activities: growth and vitality of Hawaii's diversified agriculture industry, anthurium blight research, and the development of a natural tropical pest

biology center. All activities and funds will be coordinated and expended through the Governor's Agriculture Coordinating Committee.

Aid to counties. An additional \$8 million is being appropriated as grants-in-aid to the counties. This funding is in addition to various grants which have been provided in support of specific public works projects in the counties.

CONCLUSION

In conclusion, your Committee has thoroughly reviewed the many funding requests and concerns of the citizens of our State and it is believed that this Supplemental Budget meets and addresses these major issues.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2081, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2081, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Arakaki, Fukunaga, Horita, D. Ige, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Kotani, Leong, Tajiri, Cavasso, Marumoto and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Aki, Blair, Fernandes Salling, Hagino, B. Kobayashi, Matsuura, Mizuguchi, Nakasato, Young, Herkes, Ikeda and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 107-88 on H.B. No. 3496

The purpose of this bill is to appropriate funds to the Criminal Injuries Compensation Fund to be used in fiscal year 1988-1989 to compensate the victims of certain crimes or the dependents of deceased victims. The funds would also be used to indemnify private citizens for personal injuries or personal damages suffered in the prevention of criminal activity or the apprehension of a criminal.

The funds appropriated and deposited into the Criminal Injuries Compensation Fund shall be used for compensation and indemnification as authorized by the Criminal Injuries compensation Commission. The Commission authorizes compensation to victims of certain crimes or to their service providers for such expenses such as out-of-pocket medical costs, loss of earning power, pain and suffering. The Criminal Injuries Compensation Fund and Commission are governed by Chapter 351, Hawaii Revised Statutes.

Your Committee upon further consideration has amended the bill by changing the effective date to the date of the bill's approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3496, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3496, S.D. 1, C.D. 1.

Representatives Metcalf, Souki, Bellinger, Hiraki and Hemmings,
Managers on the part of the House.

Senators Yamasaki, McMurdo, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 108-88 on S.B. No. 3093

The purpose of this bill is to prevent valuable public lands from being classified as "remnants" and being disposed of without restriction.

The bill would provide a safeguard for the effective and efficient disposal of remnant public lands by (1) defining the term remnant more precisely to exclude potentially valuable public lands; (2) specifying procedures for a determination of remnant status by providing for a standard public hearing with opportunity for public testimony to assist the Board of Land and Natural Resources in making a determination; and (3) bringing this statute in conformance with other similar public land disposition statutes by providing for legislative disapproval of any disposition of public land on the basis of remnant status.

Upon consideration of the discussion during conference, your Committee has amended this bill by:

(1) Deleting reference to a "regular meeting" on page 2, lines 7-8 since Section 171-5, Hawaii Revised Statutes, already provides that no final action involving disposition of public lands may be had at a special meeting;

(2) Inserting "by an affirmative vote of a majority of the members present," on page 4, line 3, to clarify that the board needs an affirmative majority vote to find that a "substantial public concern" has been demonstrated; and

(3) Making clarifying language changes which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3093, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3093, S.D. 1, H.D. 1, C.D. 1.

Representatives Levin, D. Ige, Isbell, Lee and O'Kieffe,
Managers on the part of the House.

Senators Aki, Solomon and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 109-88 on S.B. No. 2418

The purpose of this bill was to require mortgage lenders to release mortgages on a timely basis.

Under this bill, Hawaii law provides for releases covering consumer goods, yet no law currently exists to address the far more significant issue of home mortgages and mortgages on other real property. This bill requires mortgages to provide mortgagors with a release of mortgage upon full satisfaction of the mortgage and discharge of the debt secured thereby, to be acknowledged and recorded in the bureau of conveyance or the office of the assistant registrar of the land court. The release must be provided within sixty days from the date of written request therefore by any interested party. In addition, the bill provides legal remedies to obtain such release if it is not duly provided.

Your Committee upon further consideration has made the following amendments to S.B. No. 2418, S.D. 2, H.D. 1:

(1) The title to the section was changed and other technical non-substantive changes were made for style.

(2) The plaintiff shall be entitled to treble damages and reasonable attorneys fees incurred in having to bring the action upon a finding of good cause by the court, unless the court finds that the mortgage had a reasonable basis for believing that a dispute existed as to whether the mortgage should have been released.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2418, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2418, S.D. 2, H.D. 1, C.D. 1.

Representatives Metcalf, Hirono, Bellinger, Hagino and Hemmings,
Managers on the part of the House.

Senators Hee, Cobb, Holt and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 110-88 on H.B. No. 2032

The purpose of this bill, as received by your Committee, is to appropriate funds to determine the viability of an information industry in Hawaii, and to determine how the State may begin to better position itself to take advantage of major opportunities that are emerging in the field of information and telecommunication in the Pacific and Asian areas.

Your Committee has received many recommendations with regard to this bill and has found the public overwhelmingly supportive of the concept of developing and expanding the telecommunications and information technology industry in Hawaii.

With the advent of the computer age, information has become a precious commodity. The demand for accurate, up-to-date information is increasing at an exponential rate and is essential for businesses to compete successfully in the marketplace.

Your Committee finds that there is a need to create a mechanism whereby the State of Hawaii would become a leader in the field of telecommunications and information technology in the Pacific Basin and throughout the world.

To achieve this end, your Committee has amended this bill to establish a corporation, the Hawaii Information Network Corporation or Hawaii INC, to coordinate private efforts in the establishment of an information industry that could be instrumental in moving Hawaii toward becoming a hub of information technology in the Pacific. The corporation would use the network of advanced data communication techniques to serve as a conduit for information by the private sector to be accessed by users.

The Legislature intends that the activities of the corporation shall not interfere with the powers and duties of other government agencies in the establishment, operation, and management of the data bases, information networks, and statewide digital communications infrastructures that are within the scope of the processing and management of information resources by those agencies. The Legislature further intends that the information network does not result in increased charges to the public for general access to public data bases, such as libraries, and that the information network reaches all the neighbor islands.

Your Committee has further amended this bill by:

(1) Providing that the Department of Budget and Finance shall develop and operate an information network to enable users to access public and private information and shall coordinate the dissemination of public information through information technologies for the state government;

(2) Amending the state plan to include objectives and policies for the information industry;

(3) Appropriating \$4,000,000 for studies, development and operation of the information network and state information system, studies of the future of the information industry, and development of a University of Hawaii information network.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2032, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2032, H.D. 2, S.D. 2, C.D. 1.

Representatives D. Ige, Souki, Fukunaga, Ihara and O'Kieffe,
Managers on the part of the House.

Senators Chang, Yamasaki, Blair, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 111-88 on S.B. No. 2565

The purpose of this bill is to add a new section to Chapter 712, Hawaii Revised Statutes, which makes promoting a controlled substance in, on, or near public or private elementary or secondary schools a class C felony.

The distribution and use of drugs in and near our school to school children has been on the increase and is a major concern in our community. This bill will give law enforcement officers the power to conduct investigations of drugs dealers who operates in the vicinity of the schools.

Your Committee upon further consideration has made the following amendment to S.B. No. 2565, S.D. 1, H.D. 1:

(1) The distance within which promoting a controlled substance in, on, or near schools is an offense has been decreased from one thousand feet to seven hundred and fifty feet of the real property comprising a public or private, elementary or secondary school.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2565, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2565, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Hayes, Hiraki and Hemmings,
Managers on the part of the House.

Senators Hee, Holt and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 112-88 on H.B. No. 2002

The purpose of this bill is to clarify the laws relating to government records. Specifically, the bill provides a new framework for the resolution of the often competing public and privacy interests involved in terms of access to government records.

Both the earlier House and Senate drafts of this bill provided a general rule of access with a limited set of exceptions to that general rule. In doing so, both the House and Senate made clear their shared view that an open government is the cornerstone of our democracy. Under such a view, the current confusion and conflict which surround the existing records laws are plainly unacceptable.

The House and Senate in their earlier drafts, however, took markedly different paths to reaching the shared goal of access. The House chose, with some modification, to use the Uniform Information Practices Code of the National Conference of Commissioners on Uniform State Laws. The Senate, on the other hand, chose to modify existing laws in part because the House bill appeared to have been significantly misunderstood and in part because a set of amendments which directly attacked the current problems appeared to be a preferable course of action.

After substantial debate and discussion, your Committee believes that there is wisdom in both approaches and that a synthesis of the versions is appropriate. In arriving at the conference draft of this bill, your Committee believes that it has produced a measure which ensures public access to government records which is capable of being understood by those who use the records laws and which provides a useful framework for handling records questions in the future.

The major features of the conference draft are discussed below and are intended to serve as a clear legislative expression of intent should any dispute arise as to the meaning of these provisions.

1. Title and Structure. The bill provides for use of the basic framework envisioned by the uniform law and will separate out all provisions dealing with the access of individuals to their own records and place them in Part III. Provisions of the current Chapter 92E, Hawaii Revised Statutes (HRS), will be substituted for similar provisions in the uniform law.

2. Purpose. The bill will provide clear recognition of both its primary goal of ensuring access to government records and the constitutional right of privacy which must clearly be considered in every appropriate case. The recognition of both factors is not intended to diminish the vitality of either but is simply intended as full notice of the competing consideration involved in these cases.

3. Definitions. The bill includes the crucial definitions: the all-inclusive "government records" definition, the "personal records" definition taken from the current Chapter 92E, HRS, and a definition of "agency" which includes both the Legislature and the Judiciary. The definition of "agency" excludes the "non-administrative records of the Judiciary." The intent of this language is to preserve the current practice of granting broad access to the records of court proceedings. The records of the Judiciary which will be affected by this bill are the administrative records.

4. Affirmative Disclosure Responsibilities. The bill will provide a general disclosure responsibility in Section -11 which is intended to serve as the central section of the records law. Every other provision is an exception to this general rule. In addition, however, the bill will provide, in Section -12, a list of records (or categories of records) which the Legislature declares, as a matter of public policy, shall be disclosed. As to these records, the exceptions such as for personal privacy and for frustration of legitimate government purpose are inapplicable. This list should not be misconstrued to be an exhaustive list of the records which will be disclosed. Nor should any limiting language in this list be deemed to imply a legislative intent that such limitation be applied in any other circumstances. This list merely addresses some particular cases by unambiguously requiring disclosure.

5. Exceptions to Access. The bill will provide in Section -13 a clear structure for viewing the exceptions to the general rule of access. The five categories of exceptions relate to personal privacy, frustration of government practice, matters in litigation, records subject to other laws and an exemption relating to the Legislature. The category relating to personal privacy is essentially the same in both the House Draft and the Senate Draft. The second category, concerning frustration of legitimate government functions, was clarified by examples on pages 4 and 5 of Senate Standing Committee Report No. 2580. The last three are self-explanatory.

The records which will not be required to be disclosed under Section -13 are records which are currently unavailable. It is not the intent of the Legislature that this section be used to close currently available records, even though these records might fit within one of the categories in this section.

6. Clearly unwarranted invasion. Once a significant privacy interest is found, the privacy interest will be balanced against the public interest in disclosure. If the privacy interest is not "significant", a scintilla of public interest in disclosure will preclude a finding of a clearly unwarranted invasion of personal privacy.

7. Judicial Enforcement. The bill will provide for immediate access to the courts when an agency refuses to release records. Section -15 provides for a de novo hearing, in camera review, attorneys fees and expenses, liberal venue provisions, and expedited review by the courts, and places the burden of proof on the agencies.

In this regard, the intent of the Legislature is that exhaustion of administrative remedies shall not be required in any appeal of a refusal to disclose records. Any internal or administrative appeals structure which is established would be optional and an aggrieved party may proceed directly to court if the party chooses to do so.

There is also a need to provide a remedy for those whose records are inappropriately disclosed. While this bill does not address this issue, except as to personal records, it is a subject for immediate attention at future sessions.

8. Immunity. The bill will provide in Section -16 that the good faith actions of employees in handling records distribution shall not subject them to liability. In this way, public employees will be free to act according to the intent of the law without the defensive posture which was perhaps a consequence of existing penalty provisions. This bill provides that actions will proceed against agencies and not individual employees. Employees misconduct can, of course, be handled under normal personnel provisions.

9. Criminal Penalties. The bill will provide in Section -17 for criminal penalties for the willful release of confidential information. There are reservations about this provision, and particularly about its placement outside of the penal code, but there is also a sense that willful actions of this type merit strong sanction.

10. Agency Implementation. The bill will place particular emphasis on the need for strong and active agency implementation of the records laws. Under Section -18, the agencies will be required to issue necessary instructions, train their employees, and prepare guides which will set forth in detail the records in their custody and the way in which those records will be treated for access purposes.

The proper functioning of any public records law is very much dependent upon the attitude of those who implement the law. Your Committee urges all agencies to accept this new law as a challenge and a mandate to ensure public access to the public's government.

11. Limitation on Disclosure to Other Agencies. The bill will continue the current prohibitions on the sharing of records and information between agencies except in specific circumstances or where the record or information is otherwise public. Specific mention has, however, been made to the Legislative Reference Bureau, the Legislative Auditor, and the Ombudsman to ensure that they receive the information necessary to carry out their duties.

12. Disclosure of Personal Records. The bill will recodify major portions of Chapter 92E, HRS, in Sections -21 to -28 except that these provisions will be limited to handling an individual's desire to see his or her own record. All other requests for access to personal records (i.e. by others) will be handled by the preceding sections of the bill. In this way, the very important right to review and correct one's own record is not confused with general access questions.

13. Office of Information Practices. Established under Sections -41 and -42, this office is intended to serve initially as the agency which will coordinate and ensure implementation of the new records law. In the long run, however, the Office is intended to provide a place where the public can get assistance on records questions at no cost and within a reasonable amount of time.

Provisions have been made in the bill to assure that the Office does not become a roadblock to access by ensuring that a direct right of appeal to the courts will exist at all times. The Office, therefore, will become an optional avenue of recourse which will increasingly prove its value to the citizens of this State as the law is implemented.

The Office will be placed within the Office of the Attorney General and will receive a budget to have a director, a researcher, and two clerical positions as well as funds for printing and publication. As the Office determines what role it can best play, it can approach the Legislature to suggest alternate levels of funding or support.

14. **Repeals and Effective Dates.** The Office of Information Practices would begin operations on July 1, 1988. This is essential to ensure implementation of the new law one year later. The remaining portions of the new records law would then become effective July 1, 1989, and at that time the existing records laws (chapter 92, Part V and chapter 92, HRS) would be repealed. This orderly implementation is essential if the new provisions are to deliver their inherent promise to the people of this State.

Your Committee on Conference is in accord with the intent and purpose of H.B. NO. 2002, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. NO. 2002, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Souki, Hagino, Hayes and Medeiros,
Managers on the part of the House.

Senators Blair, Fernandes Salling, Young and George,
Managers on the part of the Senate.

Conf. Com. Rep. 113-88 on H.B. No. 2348

The purpose of this bill is to allow an applicant for licensure to the Board of Psychology an alternate method to satisfy the requirements for licensing. The bill provides that notwithstanding the requirements of Section 465-7(2), H.R.S., an applicant will satisfy the conditions of that section if the applicant obtained a doctoral degree from a program which the applicant began prior to 1985 and the applicant's application was filed with the Board by December 31, 1987 and the degree was conferred by a training program approved by the state of California.

Your Committee, upon further consideration, has made an amendment to this bill to broaden the state approval provision to include all states and not just California. Your Committee wishes to make it clear that the program must be approved by the state in which the program is conducted and that the program must have been approved at the time the degree was awarded.

Your Committee has also made a technical non-substantive amendment to this bill for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2348, H.D. 1, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2348, H.D. 1, S.D. 1, C.D. 2.

Representatives Hirono, Bellinger, Hiraki, Shito and Hemmings,
Managers on the part of the House.

Senators Cobb, Blair, Tungpalan and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 114-88 on H.B. No. 2006

The purpose of this bill is to provide for the temporary establishment of a statewide fair access commission and set forth its functions and powers for the purpose of reviewing the access to government activities and processes available to persons residing outside of Oahu.

Your Committee finds that the island geography of Hawaii is unique and ready accessibility to government activities is not always possible. However, the rights of Hawaii's residents must be preserved and every effort must be expended to ensure that no resident is denied access to government and to participate in its processes and other public services.

Your Committee upon further consideration has amended the bill to provide an appropriation of \$150,000 for the purpose of establishing the statewide fair access commission.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2006, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2006, S.D. 2, C.D. 1.

Representatives Metcalf, Souki, Hagino, Hayes and Medeiros,
Managers on the part of the House.

Senators Blair, Yamasaki and Herkes,
Managers on the part of the Senate.

Conf. Com. Rep. 115-88 on H.B. No. 3068

The purpose of this bill is to : (1) provide protection against civil liability for a health care professional who appears as a witness and provides information about another health care professional in a professional review proceeding.

Your Committee finds that this bill will strengthen the procedures to ensure quality medical care and protect the right to due process of all health care professionals.

Your Committee, upon further consideration, has amended the bill to provide in Chapter 663 that in any civil action where a party seeks money damages or injunctive relief, or both, against another, the court may assess reasonable attorneys fees against a party upon a finding that the party's claim or defense was frivolous.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3068, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3068, S.D. 1, C.D. 1.

Representatives Metclaf, Cachola, Hagino, Hiraki and Medeiros,
Managers on the part of the House.

Senators Hee, Chang and George,
Managers on the part of the Senate.

Conf. Com. Rep. 116-88 on H.B. No. 2278

The purpose of this bill is to:

(1) Transfer to the Department of the Attorney General the powers, functions, and duties relating to the Hawaii Criminal Justice Commission;

(2) Repeal the research functions of the Commission, while restating other functions;

(3) Extend the "sunset" date of the Commission from June 30, 1988 to June 30, 1994; and

(4) Appropriate \$442,028 in operating expenses for the Commission for fiscal year 1988-1989, to be expended by the Department of the Attorney General.

Your Committee finds that the Commission is a significant component of Hawaii's criminal justice system and believes that this bill will enable the Commission to focus its efforts more effectively on needed programs relating to crime prevention, community education, and public awareness.

Your Committee has made a technical amendment to the bill by conforming the statutory effective date to conform with the bill's effective date.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2278, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2278, H.D. 1, S.D. 2, C.D. 1.

Representatives Metcalf, Fukunaga, Hiraki, Hirono and Hemmings,
Managers on the part of the House.

Senators Yamasaki, Blair, Hee, Menor and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 117-88 on S.B. No. 3264

The purpose of this bill is to provide appropriations to meet the needs of the State through various capital improvement projects. As received, this bill appropriates the sum of \$12,602,000 to satisfy this purpose.

This bill in its amended form, appropriates an additional \$12,613,000 in general funds for capital improvement projects. Therefore, as amended, this bill appropriates the sum of \$25,215,000.

Your Committee has further amended this bill by adding, amending or lapsing capital improvement projects from Act 217, SLH 1987. These projects have been identified to amend Act 217, SLH 1987 such that the amendments, additions and reductions will not have an adverse impact on the planned capital improvement program.

Your Committee believes that the projects contained herein reflect the Legislature's continued commitment to projects which reflect the needs and desires of the people of the State of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3264, S.D. 1, H.D. 1, as amended herein, and recommends it pass Final Reading in the form attached hereto as S.B. 3264, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Fukunaga, Arakaki, Horita, D. Ige, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Kotani, Leong, Tajiri, Cavasso, Marumoto and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Mizuguchi, Aki, Blair, Fernandes Salling, Hagino, B. Kobayashi, Matsuura, Nakasato, Young, Herkes, Ikeda and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 118-88 on H.B. No. 37

The purpose of this bill is to provide Hawaiians, native Hawaiian individuals and Native Hawaiian organizations and successors to homestead leases under section 209 of the Hawaiian Homes Commission Act the right to sue in the courts of the State to facilitate the administration of certain public trusts created or adopted under the Admissions Act and the Constitution of the State of Hawaii.

The bill as received by the conference committee was designed to give the beneficiaries of two different public trusts a right to sue in State courts to resolve controversies relating to these trusts. The right was conditioned upon the intended beneficiary of the right first filing a claim with a statutorily established Hawaiian Claims Conciliation Panel. Disputes would be arbitrated and all claims, awards or judgments would be reported to the Claims Conciliation Panel which would then submit a report to the legislature. The awards and judgments would receive legislative review and analysis before any payment is made to the intended beneficiaries.

Under the foregoing prerequisites to a lawsuit against the State, the State would waive its immunity for the actions of its officers and employees in the performance of their duties and responsibilities under the two respective public trusts. The recipient of any award or judgment would be barred from suing the State for any claim which arose out of the same subject matter.

Your conference committee upholds the bill's fundamental intent of giving the beneficiaries of these public trusts, having a meritorious claim against the State, a right to enforce the objectives of the trusts through the State courts, and to do so under conditions which are designed to protect the trust property from future mismanagement, to encourage timely and appropriate disposition of trust funds and property, and, concurrent with this right to sue, to discourage frivolous lawsuits.

The bill adds a new Chapter to be called "Native Hawaiian Trusts Judicial Relief Act". Some of the noteworthy sections in the bill include a waiver of immunity, an expressed right to sue provision, exhaustion of administrative remedies as a precondition to a lawsuit, deterrence against frivolous suits, and provisions for prospective applications of the rights given in this bill, with an exception, if specific conditions are met, for lawsuits by individual beneficiaries suffering actual damages sustained prior to the effective date of this Act.

With the conference committee in agreement on the fundamental concept of the right to sue, an abbreviated discussion of noteworthy provisions appears justified in light of the complex issues raised by this bill.

1. Waiver of immunity. This section denies the State the defense of immunity in a lawsuit by a beneficiary who is given the right to sue by this bill. The waiver covers lawsuits directed against the State for any breach of trust or fiduciary duties of its employees, agents and officers in the management and disposition of trust funds and resources of the respective public trusts. A description of each trust is provided in the bill by reference to specific provisions in the State Constitution.

Punitive damages are not allowed, and the State, in lawsuits under this chapter, would be treated in the same way as a private individual under similar circumstances.

Exceptions to the waiver of immunity by the State are listed, and include acts or omissions of the State's officers and employees which may not realize maximum revenues to the trusts, so long as the trust is administered in the sole interest of the beneficiaries.

The waiver of immunity that is established in this bill is not intended to affect in any way the right of the State to interpose the defense of immunity in a claim for which a remedy is provided elsewhere in the statutes, or to alter the application of section 10-16 to the Office of Hawaiian Affairs.

2. Right to sue. Complementary to the State's waiving its immunity in breach of trust claims, the bill confers a right to sue specifically to the beneficiaries of the Hawaiian Homes Land Trust to resolve controversies involving that specific trust. Under this trust, the beneficiaries who are entitled to sue are the Native Hawaiians as defined in section 201(a)(7) of the Hawaiian Homes Commission Act, the Office of Hawaiian Affairs, Hawaiians, defined as any person who is qualified to succeed to a homestead lease under section 209 of the Hawaiian Commission Act, 1920, as amended, and Native Hawaiian organizations that have as their purpose the protection and upholding of the Hawaiian Homes Commission Act and the Admission Act section 5(f).

The right to sue in State courts is also given to those beneficiaries of the Native Hawaiian Public Trust to resolve controversies relating to that trust. These beneficiaries with the right to sue concomitant to the State's waiver of immunity, are the Native Hawaiians and the Office of Hawaiian Affairs.

3. Exhaustion of administrative remedies. To provide for an opportunity to administratively settle trust management controversies, the bill requires that the party who files a suit under this chapter, must first exhaust all administrative remedies available, and must give written notice of the lawsuit at least 60 days before the suit is filed. Giving notice of the intent to file a lawsuit may forestall a filing if the claim can be administratively satisfied. The executive departments are required to adopt rules for exhaustion of remedies.

4. **Scope of relief.** Direct, monetary, out of pocket losses, suffered by a beneficiary individually but not in common by the beneficiary class, may be recovered, but excluding non-economic losses as defined in section 663-8.5, HRS, and consequential damages. In all other cases, awards are limited to awards of land or money to restore the trust which may have been depleted as a result of a breach of trust.

5. **Attorney's fees and costs.** To prevent frivolous claims, the bill provides for an award to cover reasonable costs and expenses, including reasonable attorney's fees, if a specific finding is made that a claim or defense was frivolous. To reimburse a prevailing plaintiff, reasonable costs and attorney's fees may be awarded.

Several other provisions were included in the bill to eliminate the possibility of double recovery for claims arising out of the same act or omission of a State officer or employee, and to prevent the use of the Native Hawaiian Trusts Judicial Relief Act to interpret other laws which may have similar purposes.

No liability of the State can be implied and awards to be made against the State must be based on the same kind of legal evidence as would establish liability against an individual or corporation.

The Native Hawaiian Trusts Judicial Relief Act is not applicable to resolve controversies involving the proportionate share of ceded land or special fund revenues allocated to the Office of Hawaiian Affairs by the legislature.

A two year statute of limitations is established, but to allow time for an administrative resolution of the controversies relating to the management and disposition of the trust res, the statute is tolled until July 1, 1990, and if an administrative proceeding is commenced before the two year statute of limitations, the statute is also tolled until 90 days after the administrative proceeding is completed.

The Act is not applicable to causes of action that accrued, rights and duties that matured, penalties that were incurred, or proceedings that were begun, prior to July 1, 1988.

Section 4 of the bill makes the application of the right to sue prospective only from July 1, 1988.

Section 5 establishes several conditions which must occur before any claim can be brought for actual damages, as defined in this Act, sustained between August 21, 1959 and the effective date of this Act. This section was specially designed to give the administration an opportunity to submit a proposal to resolve controversies which arose between August 21, 1959, and the effective date of this Act. Under this specially designed provision, if the governor submits such a proposal, and the legislature takes no action, or accepts or adopts the governor's proposal, then no claims for actual damages which occurred prior to the effective date of this Act can be brought under this Act.

These claims for actual damages are allowed only if two different combinations of events occur. The first combination is when the governor fails to present a proposal to the legislature to resolve controversies relating to the trusts and no other means of resolving the controversies is otherwise provided by law by July 1, 1991. The second combination of events is when the governor presents a proposal, but a resolution calling for the rejection of the proposal is adopted by two-thirds vote of the house introducing the resolution and no other means of resolving the controversies is otherwise provided by law by July 1, 1991. If one or the other combination occurs, then and only then will an individual beneficiary be able to institute a claim for actual damages sustained prior to the effective date of this Act.

The effective date of this Act is July 1, 1988.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 37, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 37, H.D. 1, S.D. 2, C.D. 1.

Representatives Levin, Metcalf, Fukunaga, D. Ige, Isbell and Pfeil,
Managers on the part of the House.

Senators Hee, Aki, Holt, Solomon and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 119-88 on S.B. No. 3233

The purpose of this bill is to add new definitions for the terms "average number of full-time employees", "full time employees", and "establishment" to Section 209E-2, Hawaii Revised Statutes (HRS), relating to enterprise zones.

Your Committee finds that the definitions should be added to prevent businesses from circumventing the intent of Chapter 209E, HRS, by restructuring themselves only for the purpose of qualifying as a business in the enterprise zone which is exempt from the payment of general excise taxes. However, the bill as received raised some questions of the possible manipulation of definitions by businesses that want to qualify for the tax exemption. For example, your Committee discussed the possibility that a business could increase the number of employees, decrease each employee's hours of work, and still meet the qualifications.

In order to prevent the possible manipulation, your Committee has amended the bill as follows:

(l) Amended the definition of "full-time employees" to mean those working twenty hours a week or more each pay period, except that for qualifying years ending before January 1, 1990, "full-time employees" shall mean employees working no less than forty hours a week each pay period; and

(2) Amended the definition of "establishment" to mean a single physical location where business is conducted or where services are performed, and clarified that a business firm may include one or more establishments, any number of which may be in the enterprise zone.

Your Committee deleted the amendment to Section 209E-II, HRS, and instead added a new section to require that the total number of hours worked by all full-time and part-time employees in the qualifying calendar year shall be at least ten percent greater than the total number of hours worked in the base calendar year. Your Committee also deleted reference to bracketed material in Section 3 of the bill, since no statutory material will be repealed.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3233, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3233, S.D. 2, H.D. 1, C.D. 1.

Representatives Takamine, Levin, Ihara, Yoshimura and Marumoto,
Managers on the part of the House.

Senators Chang, Aki and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 120-88 on S.B. No. 3248

The purpose of this bill is to establish regulation of bottled water in Hawaii.

The bill establishes product quality provisions and requires all bottled water to be from an approved source and to not contain any constituent in quantities that may be injurious to health. The bill also provides for maximum contaminant levels; manufacturing and operating requirements including filtering, processing, and packaging; requires bottled water processors and dealers to develop procedures for product recall; establishes source water monitoring provisions; specifies chemicals to be monitored; provides requirements for water sampling; establishes finished product monitoring provisions and labeling requirements; and provides administrative penalties and injunctive relief.

Your Committee finds that bottled water should be regulated for the public health and safety and that this bill is appropriate for this purpose.

Your Committee has amended this bill by clarifying that agencies other than the Department of Health which have jurisdiction are contemplated as the regulating entities by this measure. Your Committee has also clarified on page 3, line 7 that to be considered fluoridated, water must contain not less than 0.5 and not more than 1.0 milligrams of fluoride ion per liter.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3248, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3248, S.D. 2, H.D. 1, C.D. 1.

Representatives Andrews, Metcalf, Hiraki, Tajiri and Pfeil,
Managers on the part of the House.

Senators B. Kobayashi, Matsuura and George,
Managers on the part of the Senate.

Conf. Com. Rep. 121-88 on H.B. No. 2035

The purpose of this bill is to permit a captive insurance company to sell credit life insurance and credit disability insurance only with respect to loans or other credit transactions between its parent or affiliated companies and their directors, officers, and employees.

Your Committee, upon further consideration, has amended this bill to incorporate all of the provisions of S.B. No. 2783, S.D. 1, H.D. 2, except as modified to reflect the current senate draft 2 of H.B. No. 2035 with respect to credit life and credit disability insurance.

The bill will now clarify ambiguities which have come to light since Chapter 431 J, Hawaii Revised Statutes has been in effect. The bill would set the premium tax for pure captive insurance companies at .25 percent and the premium tax for association captive insurance companies and risk retention captive insurance companies at 1 percent. The tax will be paid only on premiums received from all risks or property located within the State and upon risks and property situated elsewhere upon which no premium tax is otherwise paid, less return premiums and less reinsurance accepted. Return premiums are not intended to include dividends paid or credited to policy holders and tax on reinsurance business is payable by the direct writing insurer.

The provisions on authority as set forth in this bill will prohibit any risk retention captive insurance company from insuring any risks other than those of the insurers that comprise the risk retention group.

The bill also requires the Insurance Commissioner to establish a list of advisors to assist with the review of captive applications and set their fees. In addition the bill will require all types of captive insurance companies to file yearly financial statements pursuant to generally accepted accounting principles and group and association captives to file annual statements in accordance with statutory accounting principles.

The bill also restricts the investments of association captive insurance companies to those allowed under sections 431-281 to 431-302 and 431:6-101 to 431:6-501. Pure captives would be allowed to make investments not specified in the insurance code with the approval of the Commissioner. The bill clarifies that the Commissioner need not approve prior to each investment by a pure captive insurance company.

The bill provides that risks ceded by any other insurer may be reinsured by any captive insurance company.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2035, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2035, H.D. 1, S.D. 2, C.D. 1.

Representatives Hirono, Souki, Bellinger, Hiraki and Hemmings,
Managers on the part of the House.

Senators Yamasaki, Blair, Cobb and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 122-88 on H.B. No. 2022

The purpose of this bill is to establish a business permits service center for the purpose of providing services and information to expedite and facilitate the business permit application process.

The bill provides that the center be established within the Department of Business and Economic Development with the following functions, powers, and duties: to accept permit applications and associated fees on behalf of participating agencies in accordance with agreements reached with those agencies; to provide comprehensive information on required permits; to facilitate contacts between the applicant and state agencies; to research, compile, and maintain a file of state and federal laws and rules and county ordinances applicable to business or commercial activities, as well as of available financial assistance programs; to encourage and facilitate the cooperation of federal, state, and county agencies on permit coordination; to promote the center's services to the public; to make recommendations to state agencies for expediting permit procedures; and to provide a toll free telephone business information service and direct telephone lines to those agencies that have a direct relationship to permit functions.

Your Committee, upon further consideration, has made an amendment to this bill to provide a section describing the purpose, substantially the same as the original House version. Your Committee has also amended this bill to clarify that the department would be permitted to form a Task Force, with respect to studying the feasibility of consolidation of permit processes, including representatives of various departments of the state government and other participating governmental agencies. The department is urged to seek as much contribution to this study and process from various governmental agencies. The department is also authorized to seek the participation in this study of persons in the private sector thought by the department to be the most affected by this process and is again urged to seek this participation.

Finally, your Committee has increased the appropriation in this bill to \$200,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2022, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2022, H.D. 2, S.D. 2, C.D. 1.

Representatives Hirono, Fukunaga, Andrews, Hiraki and Hemmings,
Managers on the part of the House.

Senators Chang, Yamasaki, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 123-88 on H.B. No. 2027

The purpose of this bill is to establish an Office of Space Industry in the Department of Business and Economic Development (DBED).

Upon further consideration, your Committee has made the following amendments to H.B. No. 2027, H.D. 1, S.D. 2:

(1) Page 2, line 12, was amended by removing reference to Chapter 89.

(2) Pages 4 and 5 has been amended by deleting Sections 3 and 4, and Section 5 has been renumbered accordingly.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2027, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2027, H.D. 1, S.D. 2, C.D. 1.

Representatives Levin, Souki, D. Ige, Isbell and O'Kieffe,
Managers on the part of the House.

Senators Chang, Yamasaki, Aki and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 124-88 on H.B. No. 3408

The purpose of this bill is to provide for a review of the State's discrimination laws and the current policies, procedures, and staffing of the respective state departments and agencies with respect to the enforcement of such laws for the purpose of determining the necessity of establishing a civil rights commission.

The original purpose of this bill was to establish a civil rights commission into which all enforcement responsibilities of the State's discrimination laws were to be consolidated.

The effect of H.B. No. 3408, H.D. 2, S.D. 2, is to direct the legislative auditor, with assistance from the legislative reference bureau and other agencies and groups, to review all state discrimination laws and current policies, procedures, and staffing of state departments and agencies responsible for enforcement of such laws, and to report its recommendations to the Legislature not less than twenty days prior to the convening of the 1989 regular session. A sum of \$10,000, is appropriated for the Legislative Reference Bureau to assist the Legislative Auditor.

Your Committee has considered the original purpose of the bill and agrees that establishment of a civil rights commission and a uniform procedure for the enforcement of the State's discrimination laws will best serve the State's interest in combatting invidious discrimination.

Accordingly, your Committee has made the following amendments to H.B. No. 3408, H.D. 2, S.D. 2:

(1) Section 1, Purpose and intent are amended to reflect original purpose of intent. Section 1 is amended by adding a new Hawaii Revised Statutes chapter designated as "Civil Rights Commission".

(2) Section 2 is added regarding preservation of all existing rights and remedies relating to the enforcement of current discrimination laws.

(3) The section which provides for review and recommendations regarding all state discrimination laws, and the current policies, procedures, and staffing of state departments and agencies responsible for enforcement of such laws is amended to give responsibility for review and submission of report of findings and recommendations to the Department of Labor and Industrial Relations. The scope of the review is amended to reflect the amended purpose of the bill.

(4) The section which provides for an appropriation to carry out the purpose of the Act is amended to provide the appropriation to the Department of Labor and Industrial Relations.

(5) The effective date of the Act is amended so that the Act shall take effect July 1, 1989; provided, Section 3 and 4 shall take effect upon approval.

Your Committee has further amended this bill to make technical and non-substantive amendments for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3408, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3408, H.D. 2, S.D. 2, C.D. 1.

Representatives Takamine, Metcalf, Hirono, Kotani and Medeiros,
Managers on the part of the House.

Senators Yamasaki, Chang, Hee, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 125-88 on H.B. No. 2028

The purpose of this bill is to appropriate funds for the preparation of an environmental impact statement and related studies for the possible establishment of a launching facility in Hawaii.

Activities related to space exploration have been identified by many in Hawaii as offering unique opportunities for the State to broaden and diversify its economic base. A number of space-related activities are already underway in the State, including the major astronomy activity of the University of Hawaii's Institute for Astronomy at Mauna Kea, and a number of research programs in association with NASA flight missions. Hawaii's potential opportunities for the near-term lie as a direct participant in earth-based supporting industries.

Your Committee finds that while a primary and alternate site have been recommended, the ability of Hawaii to compete effectively in the space launch industry is dependant upon an environmental impact statement.

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

(1) Specifying \$125,001 as the sum to be appropriated replacing the \$475,000 amount previously recommended;

(2) Designating the Department of Business and Economic Development as the agency authorized to spend up to \$125,000 for the purpose of baseline studies for air quality control for the areas of Ka'u, South Kona, North Kona, Kohala and Hilo;

(3) Requesting that the consultant engaged for the EIS engage the services of the University of Hawaii at Hilo wherever feasible for any studies, surveys, testing or research, in recognition of this institution's capabilities, expertise and advantageous geographic location;

(4) Clarifying the scope of the technical studies and the EIS;

(5) Requiring the consultant to hold scoping meetings in affected communities to solicit input from state, federal and private agencies and organizations with environmental responsibilities and expertise; and

(6) Emphatically stating the Legislature's intent that no payloads which use radioactive materials as a power source, activities related to military weapons payloads, military weapons research or SDI be launched from, or take place at, any site selected.

Your Committee also made nonsubstantive revisions for purposes of style and clarity.

Before concluding, your Committee notes that while funds may have already been authorized in H.B. No. 2081, H.D. 1, S.D. 1, C.D. 1 (Supplemental Budget), this measure is a necessary vehicle for the appropriation and authorization of baseline studies for air quality control, and for the parameters of the envisioned EIS.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2028, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2028, H.D. 2, S.D. 1, C.D. 1.

Representatives Levin, Souki, D. Ige, Isbell and O'Kieffe,
Managers on the part of the House.

Senators Yamasaki, Aki, Chang, Hagino, A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 126-88 on S.B. No. 3378

The purpose of this bill is to clarify the requirement that insurers must offer coverage for underinsured motor vehicles in basic no-fault policies.

Under this bill, underinsured motorist coverage would be treated in the same manner that uninsured motorist coverage is presently treated, i.e. as a means of protection, through voluntary insurance, for persons who are injured by motorists whose liability policies are inadequate to pay for personal injuries.

This bill would include the new underinsured motorist coverage provisions in Section 431:10C-301 rather than Section 431:10-213 of Act 347, Session Laws of Hawaii 1987, which was previously Section 431-448, Hawaii Revised Statutes. Thus, the provisions relating to uninsured and underinsured motorist coverage would be together. Judicial decisions on stacking of benefits are not affected by this bill, and it is your Committee's intent to leave the issue of stacking to judicial determination.

Your Committee has amended this bill by clarifying that written rejection of coverage against underinsured motor vehicles shall be applied in the same manner as is presently utilized for uninsured motor vehicles, provided that both such offers shall be conspicuously displayed so as to be readily noticeable by the insured and clearly identified with the premium offer, easily subtracted from the total premium due, and provision is made for written rejection of the coverages adjacent to or directly below the offer.

Your Committee has also amended this bill by making technical changes which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3378, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3378, S.D. 1, H.D. 1, C.D. 1.

Representatives Hirono, Hagino, Hiraki, Takamine and Medeiros,
Managers on the part of the House.

Senators Cobb, Nakasato and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 127-88 on H.B. No. 3308

The purpose of this bill was to allow the Real Estate Commission to revoke any license for failure on the part of the licensee to ascertain and disclose all material facts concerning every property for which the licensee accepts the agency.

The bill would also repeal the portion on Section 467-31, Hawaii Revised Statutes, which requires licensees to notify prospective buyers, lessees, and tenants that property proposed to be bought or leased lies within the boundaries of an Air Installation Compatibility Use Zone.

Your Committee agrees that material facts should be ascertained and disclosed by the listing broker in a real estate transaction. Your Committee is aware that the present rules and regulations of the Real Estate Commission create a duty to ascertain and disclose "pertinent" facts on the part of the listing broker. Your Committee believes the term "material facts" is a more commonly used term which will result in less confusion as to its meaning, however, your Committee does not intend to imply anything as to the meaning of either term by this bill.

This bill provides that the fact that a person has AIDS, AIDS Related Complex, or has been tested for HIV infection shall not be considered a material fact. However, your Committee expects that if a broker or salesman is in possession of such information and is asked the direct question, the broker's or salesman's response will be truthful and honest.

This bill would also allow pets in residential premises unless at least 75 percent of the owners in a horizontal property regime, cooperative housing project, limited-equity housing cooperative, or community housing association voted no, with the added stipulation that any owner who kept a pet in the premises prior to the effective date of the bill would be allowed to keep the animal, regardless of restrictions stated in the bill.

This bill also provides for the privacy of condominium owners and tenants but allows entry for emergency situations or with the consent of the occupant. The definition of "emergency situations" has been strengthened by specifying that they are situations which must be addressed and corrected immediately because the safety of the building or its inhabitants is in jeopardy, and includes situations such as fire, electrical malfunctions, hurricane damage, flooding from higher apartments, balcony structural design defects.

The bill further provides that at least one member of the Real Estate Commission shall be an apartment owner as defined in Section 514A-3 who maintains a principal residence in a residential condominium apartment and allows any member of an association of apartment owners to offer opinions to the board of directors if authorized or requested by any board member.

The bill amends the law regarding proxies by (A) requiring proxies to be delivered to the board of directors of the association rather than the secretary; (B) providing that proxies may be given to the board as an entity and voted according to the desires of the board members after consultation with all board members; (C) requiring directors to post election notices listing members whose term are expiring and requesting any owner-candidate for the position to mail a statement declaring such candidacy and qualifications therefor; (D) requiring the board to include with the proxies the names of all candidates accompanied by their statements; and (E) prohibiting board members (who use managing agent funds to solicit proxies) from casting any proxy for the election or reelection of board members at any meeting unless the proxy form specifically authorizes the member to vote for the election or reelection of directors, and the board first posts notice of its intent to solicit proxies. Your Committee has further added that whenever proxies are solicited only for the president or other board member using association funds, the proxy statement shall contain a disclosure of such fact, and if the proxies are solicited for the president or other officer, the statement shall contain the following statement in capital letters: "THIS PROXY, WHICH IS SOLICITED ONLY FOR THE PRESIDENT OR OTHER OFFICER OF THE BOARD OF DIRECTORS, ENTITLES THAT PERSON TO VOTE YOUR PROXY WITHOUT CONSULTING THE OTHER MEMBERS OF THE BOARD".

The bill finally provides that minutes of board meetings and the association's financial statements shall be mailed at no cost to any owner upon the owner's request.

Your Committee, upon further consideration has amended this bill as follows:

(1) Your Committee has decided to preserve the present provisions of the law with respect to disclosure of the AICUZ status of the property.

(2) Your Committee has clarified the AIDS provision by using the term "occupant" rather than "person".

(3) Your Committee has deleted the pet provisions of this bill.

(4) Your Committee has changed the "privacy" or "entry" provisions of this bill to provide that the bylaws shall reflect the current statutory provisions on this subject. Your Committee is aware that some by laws and house rules on this subject are presently at significant variance from the law and believes this situation should be corrected to preserve the rights of individual apartment owners and clarify the rights of the association. Your Committee expects these provisions to be applied on a reasonable basis and in good faith.

(5) Your Committee has deleted the requirement for a condominium resident on the Commission. Your Committee would instead encourage the Governor to appoint a condominium resident to the Commission.

(6) Your Committee has provided that association members would be presumed to be allowed to speak at meetings of the board unless the majority of the board present decides otherwise.

(7) Your Committee has provided that, instead of the current provisions on the bill with respect to proxies, officers of the board shall not use association funds to solicit proxies.

(8) Your Committee has decided that association members should bear the cost of minutes and records provided to them at their request.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3308, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3308, S.D. 1, C.D. 1.

Representatives Hirono, Andrews, Bellinger, Hiraki and Medeiros,

Managers on the part of the House.

Senators Cobb, Aki, Nakasato, George and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 128-88 on S.B. No. 3080

The purpose of this bill is to establish a state tax credit for developers of low-income housing. The bill also provides that the Housing Finance and Development Corporation will expedite and facilitate the provisions required of this bill.

Under the 1986 Federal Tax Reform Act, a new business tax credit for developers of low-income housing was established. Currently, there is no comparable state tax credit. This bill will establish such a state tax credit at a percentage of the federal tax credit.

Your Committee, upon further consideration, has amended S.B. No. 3080, S.D. 1, H.D. 2, by increasing the low-income housing tax credit from fifteen to thirty per cent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3080, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3080, S.D. 1, H.D. 2, C.D. 1.

Representatives Shito, Souki, M. Ige, Tom and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Aki, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 129-88 on S.B. No. 2298

The purpose of this bill is to appropriate \$10,000,000 to implement the Hawaii Workers' Compensation State Fund pursuant to Chapter 386A.

The Hawaii Workers' Compensation State Fund was created in 1985 as part of a package of major amendments to improve and strengthen Hawaii's workers' compensation laws. The primary purpose of the fund is to sell workers' compensation insurance at the lowest actuarially responsible price. The fund is also designed to serve as a model for the workers' compensation insurance industry to determine minimum insurance premium rates, and to be competitive with other private workers' compensation insurance carriers.

The fund will become operational upon receipt of a special appropriation, which this bill is intended to provide.

Section 386A-1 has been amended to rename the fund from the "Hawaii Workers' Compensation State Fund" to State Compensation Insurance Fund. This modification is intended to establish the fund as an entity, separate and apart from direct State control.

Several other amendments are designed to avoid an interpretation that the State could somehow become a responsible party in the operation of the fund; these include amendments to Section 386A-2 to state that the fund shall not be an agency of the State; to redesignate the fund as a "nonprofit independent public corporation"; to delete the phrase "legislative appropriations"; to further redefine the fund's assets to include only those properties and monies acquired and earned from premium income and investments; and to state unequivocally that neither the fund's money nor property is money or property of the State.

An amendment to Section 386A-4 provides that the fund policy holders be entitled to elect two of the five directors after the fund has fully repaid the loan made to it. Your Committee notes that under Section 386A-2(e), a person who has a conflict of interest may not serve as a member of the board of directors. The selection and composition of the board is deemed adequate to satisfy Chapter 431 requirements to have the fund qualify as an insurer.

Section 386A-4(g) was further amended to add the word "independent" before "certified public accountant".

Section 386A-12 was amended to provide that the fund is to receive a special appropriation to start up the fund, but no other appropriation from the State.

A new section to Chapter 386A also provides that private independent insurance agents may sell workers' compensation insurance coverage for the fund in accordance with the rules established by the fund and in accordance with Chapter 431, Hawaii Revised Statutes.

Your Committee notes that under Chapter 431 any insurer must comply with minimum financial requirements to obtain a certificate of authority. A comprehensive examination of the financial status of an insurer is also conducted by the insurance commissioner under Chapter 431. The fund is subject to these requirements to insure that an adequate financial plan will be developed prior to full implementation of its program.

Upon implementation of the fund, it is your Committee's expressed wish that the fund shall submit annual status reports to the Legislature, not later than twenty days before the convening of the Legislature in regular session; the first such report to be submitted to the Regular Session of the Legislature next following the implementation of the fund.

Your Committee also notes that the fund is to be organized as a nonprofit independent corporation and operate under the same conditions as all other nonprofit corporations, except with regard to the selection and composition of the board. In this connection, the board's explicit responsibility is to set broad policy directions of the fund which are to be implemented by an administrator with executive authority to carry on the organization's day-to-day operations.

To implement the objectives of the fund in accordance with the insurance code, the appropriation shall be deemed a surplus for statutory accounting purposes.

The interest rate to be charged on the 10 year loan repayment was clarified to permit the computation of the interest rate which should be a reduced rate in view of the public service character of the fund.

It is your Committee's belief that the original intent of the creation of the Hawaii workers' compensation state fund (now to be called State Compensation Insurance Fund), which was to maintain a viable source of low cost workers' compensation insurance, to serve as a means of determining the minimum cost of providing workers' compensation insurance in Hawaii, and to provide a competitive market for workers' compensation insurance, is still significant and worthy of continued pursuit. Your Committee believes that these expressed purposes of Chapter 386A and the protection and regulation implicit in the Hawaii Insurance Code do not intend the establishment of an unregulated monopolistic operation that would be selling workers' compensation insurance policies without competition.

With the substantive and technical amendments made to this bill, your Committee believes that the fund will be able to operate under ideal competitive conditions and serve to satisfy the legislature's original intent, without endangering the insurance industry and entangling the State in a private enterprise.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2298, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2298, S.D. 1, H.D. 2, C.D. 1.

Representatives Takamine, Souki, Horita, D. Ige and Isbell,
Managers on the part of the House.

Senators Yamasaki, Hagino, Mizuguchi, Nakasato and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 130-88 on H.B. No. 2231

The purpose of this bill is to: 1) give the Counties the authority to permit the parking of motor vehicles on sidewalks in certain geographical areas or on certain highways; and 2) allow the Counties to set conditions and time periods under which motor vehicles would be allowed to park on the sidewalks.

There are many older neighborhoods in the State which were established before present zoning laws went into effect. The streets in these neighborhoods are often narrow, without clearly defined sidewalk areas. The Hawaii Revised Statutes presently defines sidewalks as that portion of a street between the curb lines or the lateral lines of a roadway and the adjacent property lines, intended for the use of pedestrians. Thus, the unimproved shoulder of a roadway would fall under the definition of a sidewalk. Residents of many neighborhoods presently park their vehicles along the unimproved sides of the streets and are often cited by the police for parking on the sidewalks.

Your Committee finds that present statutes which prohibit parking on sidewalk areas do not take into account those areas with unimproved shoulder areas that are not clearly defined.

Your Committee, upon further consideration, has made the following amendments to H.B. No. 2231, H.D. 1, S.D. 1:

1) To allow the Department of Transportation to retain jurisdiction over parking on sidewalks of state highways while giving the counties the authority to regulate by ordinance the parking on sidewalks of county highways.

2) To delete language which specified that if any ordinance regarding parking on sidewalks is contrary to any state law, prohibition, or regulation, the state law, prohibition, or regulation shall prevail.

3) To amend Section 291C-148, Hawaii Revised Statutes, to specify that this section shall not prohibit the director of transportation or a county from authorizing parking on sidewalks.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2231, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2231, H.D. 1, S.D. 1, C.D. 1.

Representatives Oshiro, Crozier, Metcalf, Ihara and Medeiros,
Managers on the part of the House.

Senators Fernandes Salling, Holt and George,
Managers on the part of the Senate.

Conf. Com. Rep. 131-88 on H.B. No. 2220

The purpose of this bill is to clarify the law regarding motor vehicle registration of out-of-state and out-of-country vehicles.

Under existing law, only nonresidents are allowed to apply for registration of vehicles registered in other states and countries. This bill proposes to clarify registration procedures concerning these vehicles by repealing Section 286-54, Hawaii Revised Statutes.

Upon further consideration, your Committee has amended this bill by retaining Section 286-54, Hawaii Revised Statutes. Your Committee has further amended this bill by amending the title of Section 286-54, Hawaii Revised Statutes, to "Out-of-state vehicle permit". This bill has been further amended by your Committee to allow an owner of a motor vehicle registered in another state or country the opportunity to apply to register the vehicle in this state.

Your Committee has further amended this bill by making a technical, nonsubstantive amendment for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2220, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2220, H.D. 1, S.D. 1, C.D. 1.

Representatives Bellinger, Metcalf, Crozier, Yoshimura and Medeiros,
Managers on the part of the House.

Senators Fernandes Salling, Chang and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 132-88 on H.B. No. 2352

The purpose of this bill is to ensure that motor vehicle repair dealers who rebuild salvage vehicles are bonded in accordance with Section 437B-26, Hawaii Revised Statutes.

Current law designates that repair dealers involved in the rebuilding or restoration of salvaged vehicles, although required to be registered or certified, need not be bonded.

Your Committee has made a technical, nonsubstantive amendment for the purpose of form.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2352, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2352, S.D. 1, C.D. 1.

Representatives Oshiro, Metcalf, Bellinger, Yoshimura and Medeiros,
Managers on the part of the House.

Senators Cobb, Fernandes Salling, Nakasato and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 133-88 on S.B. No. 2195

The purpose of this bill is to establish a revolving loan program to stimulate agricultural business development and growth on the island of Molokai.

The cessation of commercial pineapple cultivation and the recent cattle depopulation has severely depressed Molokai's economy. Expansion of diversified agriculture represents a realistic chance for restoration of a healthy economy on Molokai, but many residents presently would not qualify for commercial and existing government-sponsored small business loans needed to start up diversified ventures.

A government-funded revolving loan fund, with more liberal qualifying requirement terms and an attendant higher risk of default than the present Department of Agriculture loan program is necessary to facilitate growth of diversified agriculture and economic revival on Molokai.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 2195, S.D. 2, H.D. 2:

(1) Amended Section 2, page 2, line 1, of the bill by appropriating \$250,000, rather than \$1, for the revolving loan program; and

(2) Amended Section 2, page 2, line 4, of the bill to delete the word "new". Your Committee agreed that the intention of this bill is to assist both new and/or recently started enterprises. However, your Committee felt that the word "new" is too restrictive and could be used to exclude recently started operations from receiving loans, making loans available only to enterprises not yet in operation and production.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2195, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2195, S.D. 2, H.D. 2, C.D. 1.

Representatives Levin, Soutki, Honda, Kanoho and Pfeil,

Managers on the part of the House.

Senators Yamasaki, Chang, Matsuura and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 134-88 on S.B. No. 2448

The purpose of this bill is to provide property owners the authority to remove vehicles which have been left unattended after leaving a notice to the owner for a period of seventy-two hours.

This bill requires that the notice be conspicuously displayed on the unattended vehicle and provide the owner the following information:

- 1) That the vehicle will be towed when the seventy-two hour period expires; and
- 2) The location where the towed vehicle will be held.

Under current law, private property owners are not authorized to remove unauthorized vehicles parked on their property unless there is a notice posted on the property which specifically prohibits parking of vehicles on the property without Authorization. This bill provides the property owner the authority to have any unauthorized vehicles parked on the property to be towed away upon notice to the owner, to be conspicuously displayed on the vehicle, that the vehicle will be towed after expiration of the seventy-two hour period.

Your Committee, upon consideration, has amended the bill to require the notice to be for a forty-eight hour period rather than a seventy-two hour period.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2448, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2448, S.D. 1, H.D. 1, C.D. 1.

Representatives Oshiro, Metcalf, Bellinger, Yoshimura and Medeiros,
Managers on the part of the House.

Senators Fernandes Salling, Cobb and George,
Managers on the part of the Senate.

Conf. Com. Rep. 135-88 on S.B. No. 2681

The purpose of this bill is to establish an advisory committee within each county for the purpose of advising the Director of Transportation on matters relating to the statewide helicopter master plan.

This bill also directs the Department of Transportation (DOT) not to make or permit any additions or alterations to helicopter facilities at public airports other than in conformity with the statewide helicopter master plan, and specifies that the master plan is to be formally reviewed every five years.

Your Committee, upon consideration, has expanded on the House Draft by:

- 1) Specifying that the master plan shall also include a determination of the maximum number of helicopters that can be accommodated at each airport; the extent of emergency services, maintenance, and operations at each state airport; and an assessment of impact on surrounding areas;
- 2) Requiring the master plan to be submitted to the Legislature no later than twenty days prior to the convening of the Regular Session of 1989;
- 3) Requiring that the advisory committee include representatives from the helicopter industry and the communities adjacent to the airport;
- 4) Defining "helicopter operation" to mean the operation of a helicopter company from an airport under the State's control;
- 5) Amending Section 261-12, HRS, by adding a new subsection to (a) require all tour aircraft operations to obtain a permit in order to utilize any airport under the State's control; (b) direct the Director of Transportation to adopt rules to regulate tour aircraft operations by permit; (c) provide some guidelines for rulemaking; and (d) define "tour aircraft operations";
- 6) Including a severability clause;
- 7) Amending the effective date clause to provide that Section 2 of the bill (described in item 5 above) take effect January 1, 1989; and
- 8) Making technical changes which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2681, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2681, S.D. 1, H.D. 1, C.D. 1.

Representatives Oshiro, Bellinger, Crozier, Kotani and Marumoto,
Managers on the part of the House.

Senators Fernandes Salling, Holt and George,
Managers on the part of the Senate.

Conf. Com. Rep. 136-88 on S.B. No. 2852

The purpose of this bill is to allow the use of fees generated from boating to be used for the construction of boating facilities, and to provide the owner of an impounded vessel an opportunity for an administrative hearing to contest the basis for impoundment of the vessel.

Presently only general revenues can be utilized for the amortization of the costs of constructing general navigation channels, breakwaters, aids to navigation and other harbor protective structures. This bill will allow the Department of Transportation (DOT) the flexibility of amortizing the costs of these structures by using boating special fund revenues.

Under the present law, the DOT may impound any unauthorized vessel from a state harbor at the cost and risk of the owner seventy-two hours after posting a notice to remove the vessel. This bill requires the DOT, within seventy-two hours of impoundment, to notify the registered owner or operator of the impoundment of the unauthorized vessel. The owner or operator then has ten days after receipt of the notice to request an administrative hearing to contest the basis given by the DOT for the administrative impoundment of the vessel.

Your Committee, upon consideration of this bill, finds that the impoundment provisions contained in Section 2 are already being addressed in H.B. No. 3540 and therefore has deleted Section 2 and appropriately renumbered the remaining sections.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2852, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2852, H.D. 1, C.D. 1.

Representatives Oshiro, Bunda, Metcalf, Bellinger and Medeiros,
Managers on the part of the House.

Senators Fernandes Salling, Holt and George,
Managers on the part of the Senate.

Conf. Com. Rep. 137-88 on H.B. No. 3535

The purpose of this bill is to provide the Department of Transportation (DOT) the statutory authority to develop and implement helicopter master plans for all State airports.

The bill creates a new subdivision in the Hawaii Revised Statutes (HRS) directing the DOT to develop and implement helicopter master plans for each airport under the State's control; establishes advisory committees, with representation from the helicopter industry and affected communities, to aid the DOT in its development and implementation of the master plans; establishes a licensing system for helicopter operations at all State airports to provide for fair and equal treatment to licensees and to ensure the public's health, safety and welfare; codifies the DOT's commitment to a moratorium on the issuance of new permits at Port Allen Airport (Burns Field) and ensure that current violations are stopped; and ensures that present laws governing aircraft operations in the State include helicopter operations.

Helicopter services at all of Hawaii's airports have increased rapidly, and it is imperative that the State establish policies and regulations in this area to ensure air safety.

Your Committee, upon consideration, has narrowed the focus of this bill by deleting the new subdivision directing the development and implementation of helicopter master plans for all state airports, and has instead elaborated on the moratorium on the issuance of new permits at Port Allen Airport (Burns Field).

Your Committee has amended the section relating to Port Allen Airport (Burns Field) by specifying that the Director suspend or revoke the overnight parking privileges for any helicopter company which does not have a permit allowing the company to park overnight at the Port Allen Airport (Burns Field); requiring the Director to revoke all permits and reissue them in conformance with the master plan; clarifying the sunset provision to repeal the Act on the last day of the sixth month after the completion of the 1988 update/revision of the Port Allen Airport (Burns Field) master plan; and renumbering the bill sections.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3535, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3535, H.D. 1, S.D. 1, C.D. 1.

Representatives Oshiro, Metcalf, Bellinger, Yoshimura and Medeiros,
Managers on the part of the House.

Senators Fernandes Salling, Holt and George,
Managers on the part of the Senate.

Conf. Com. Rep. 138-88 on H.B. No. 2031

The purpose of this bill is to create additional duties for the Office of State Planning in connection with the State's international activities.

Specifically, this bill requires the Office of State Planning to develop a strategic plan to coordinate the State's international activities, and to establish a focal point for trade and exchange programs, protocol services, and briefings for state and foreign officials.

Your Committee has amended this bill by substantially revising its substance and requiring the Office of State Planning to conduct a two-part study focusing on improvements to Hawaii's participation in international relations and commerce, to be presented to the 1989 Legislature. The first part of the study will formulate specific recommendations to coordinate international activities of the State in an effort to establish a focal point in the state government for international activities. The second part of the study is will formulate a strategic plan for the expansion of international business activity in the State.

For purposes of the study, the Office of State Planning would be assisted by a twelve member advisory council on international relations. In addition, a conference will be held to review and discuss the draft of the strategic plan and other topics. As the study is due before the next legislative session, it is envisioned that the conference would be held around late November.

Finally, your Committee has appropriated \$75,000 to fund the study and the conferences, and to ensure the provision of protocol services to representatives of foreign nations, including the development of a program to assist the representatives of our state government in dignitaries. \$25,000 is intended to secure the full-time assistance of the administration person for international activities, whose time is currently divided between this and other work.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2031, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2031, H.D. 2, S.D. 2, C.D. 1.

Representatives Levin, Souki, D. Ige, Lee and O'Kieffe,
Managers on the part of the House.

Senators Chang, Yamasaki, Blair, Hagino and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 139-88 on S.B. No. 2462

The purpose of this bill is to establish a Hawaii wild and scenic river system, and to add to the list of those agencies with whom the Commission on Water Resource Management is required to consult after giving notice of its intention to set an instream flow standard.

The bill requires the Commission to identify rivers or streams which may appropriately be placed within a wild and scenic rivers system, to be preserved and protected and part of the public trust, and to report its findings to the Legislature, including a list of qualified rivers or streams.

The bill also adds the aquatic biologist of the Department of Land and Natural Resources, the Natural Area Reserves System Commission, and the University of Hawaii Cooperative Fishery Unit to the listing of persons and agencies with whom the Commission is required to consult when investigating a stream prior to setting instream flow standards.

Your Committee believes that this bill will help to restore aesthetic, recreational, and ecological values of the State's rivers and streams. However, your Committee realizes that it is not the intent of the Legislature that the identification of the rivers and streams should jeopardize existing county plans for consumptive uses of water.

Your Committee has amended the bill as follows:

(1) Added the words "or a portion of a river or stream" on page 1, line 15, and on page 2, line 2. This would allow part of a river or stream to be identified and placed within a wild and scenic rivers system.

(2) Required the Commission to report to the Legislature twenty days prior to the convening of each regular legislative session.

(3) Deleted the requirement for a list of streams in specified areas to be included in the report to the Legislature.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2462, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2462, S.D. 1, H.D. 1, C.D. 1.

Representatives Levin, Andrews, Isbell, Tajiri and O'Kieffe,
Managers on the part of the House.

Senators Aki, Fernandes Salling, Solomon and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 140-88 on H.C.R. No. 386

The purpose of this concurrent resolution, as received, is to authorize the Department of Transportation to lease and provide for the reclamation and development by a private developer certain fast, tidal, and submerged lands for commercial, recreational, educational, research and light industrial purposes.

This concurrent resolution has been proposed by the State Administration because the reclamation and development of approximately 300 plus acres of submerged and tidal lands in the central triangular section of Ke'ehi Lagoon (bordered by and including the former seaplane runways, lying between Honolulu International Airport and Sand Island), is necessary for the development of Ke'ehi Lagoon.

Your Committee has amended the concurrent resolution by:

(1) Authorizing the Board of Land and Natural Resources, in addition to the previously specified Department of Transportation, to lease and to provide for the reclamation and development;

(2) Amending the title of the concurrent resolution to reflect the inclusion of the Board of Land and Natural Resources in the authorization;

(3) Specifying that of the acreage to be used for recreation, ocean-related recreation, parks, open space, ocean research and related activities, and educational activities including training for marine-related employment opportunities, at least five per cent shall be used for parks and open space; and

(4) Providing that the legislative authorization and approval expressed in the measure shall be deemed withdrawn and shall not be valid, if by July 1, 1993 the State has not leased the submerged and tidal lands described.

Your Committee finds that the use of private sector resources in the development of recreational, commercial, educational, research and light industrial facilities at Ke'ehi Lagoon is a positive step in fostering public/private partnerships to house and provide necessary services and activities for public enrichment, enjoyment and use.

Your Committee on Conference is in accord with the intent and purpose of H.C.R. No. 386, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.C.R. No. 386, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Oshiro, Hashimoto, Yoshimura and O'Kieffe,
Managers on the part of the House.

Senators Holt, Aki, Fernandes Salling and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 141-88 on S.B. No. 3178

The purpose of this bill is to clarify the role of the high technology and development corporation and to authorize the expenditure of moneys, with the governor's approval, for emergency repairs or maintenance within any industrial park or facility which the development corporation operates and manages.

Your Committee has amended this bill by:

(1) Amending the definitions of "high technology" and "project";

(2) Amending the powers of the development corporation to include the ability to prepare or cause to be prepared plans for an incubator facility or project, and to arrange or initiate planning and implementation of infrastructure, improvements, or the furnishing of property and services in connection with an incubator facility or project;

(3) Adding a proviso that it is not the intent of the bill to jeopardize the receipt of federal aid or impair state bond obligations, and to the extent that it is necessary to avoid these results, the governor is empowered to modify the bill and report such actions to the legislature; and

(4) Changing the effective date to be the date of approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3178, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3178, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Levin, D. Ige, Isbell and O'Kieffe,
Managers on the part of the House.

Senators Yamasaki, Chang and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 142-88 on S.B. No. 3401

The purpose of this bill is to establish a task force to develop a land exchange plan between the military and the State of Hawaii.

Your Committee finds that the two largest land holders in the State of Hawaii are the military and the State government. Your Committee further finds that there may be several parcels of land which, through good faith negotiation, would be appropriate subjects for exchange to the State of Hawaii by the federal government.

This bill establishes a task force to 1) study and identify state and military lands which are suitable or potentially suitable for exchange; 2) develop a plan or plans by which such exchanges may be effected to the mutual benefit of both the State and the military in Hawaii; and 3) make recommendations to the Legislature, the U.S. Department of Defense, and Congress regarding which Hawaiian lands, if any, are suitable for exchange.

The task force is to consist of four members; a member of the House of Representatives and a member of the Senate, who shall serve as co-chairs and appointed by the Speaker of the House of Representatives and the President of the Senate respectively; the Governor or the Governor's representative; and the Commander-In-Chief of the Pacific (CINPAC) or his representative.

The task force shall solicit information, study and review previous land dispositions and submit reports on the findings and recommendations to the Legislature, Congress and the U.S. Department of Defense.

Your Committee upon consideration, has amended the bill by:

- 1) Clarifying that the task force is a legislative task force;
- 2) Deleting reference to any co-chairs;
- 3) Increasing the membership of the legislative task force to include a member of the Hawaii State Association of Counties and a member of Hawaii's congressional delegation or a designated representative;
- 4) Replacing the word "exchange" with the word "return" on lines 4, 5, 10 and 20 on page 2;
- 5) Clarifying that the properties to be identified and considered for exchange or return are those for which the title could be acquired by:
 - A) The operation of P.L. 88-233;
 - B) The cancellation or modifications of executive orders, proclamations, leases or licenses;
 - C) The operation of public benefit discount transfers; and
 - D) Land exchange; and
- 6) Adding the General Services Administration, the Department of Interior, the Governor of the State of Hawaii, and the Office of Hawaiian Affairs as agencies to receive a copy of the findings and recommendations of the legislative task force.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3401, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3401, S.D. 1, H.D. 1, C.D. 1.

Representatives Crozier, Ihara, Kotani, Yoshimura and Marumoto,
Managers on the part of the House.

Senators Aki, Mizuguchi, J. Wong and Herkes,
Managers on the part of the Senate.

Conf. Com. Rep. 143-88 on S.B. No. 118

The purpose of this bill is to appropriate funds to the judiciary for the development of a juvenile justice information system to improve the processing of information within the juvenile justice system to ensure that accurate and timely information is available to all personnel in the criminal justice system who work with juveniles. Currently, data are either transmitted on a manual basis between agencies or not shared as an agency may not be aware that another agency has the information it needs. The proposed information system will allow all agencies quicker access and more comprehensive information on a timely basis.

Your Committee, upon further consideration, has amended the bill by changing the appropriation amount from \$750,000 to \$650,000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 118, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 118, S.D. 2, H.D. 1, C.D. 1.

Representatives Metcalf, Souki, Hagino, Hayes and Hemmings,
Managers on the part of the House.

Senators Hee, J. Wong, Yamasaki and George,
Managers on the part of the Senate.

Conf. Com. Rep. 144-88 on S.B. No. 112

The purposes of this bill are to disallow a state tax deduction for political campaign contributions and to provide that the limitation on the campaign contribution amount that can be given applies to candidates' committees.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 112, S.D. 1, H.D. 1:

- (1) Deleted the repeal of the tax deduction for political campaign contributions; and
- (2) Changed the effective date of the bill to "upon approval".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 112, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 112, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Peters, Takamine and Medeiros,
Managers on the part of the House.

Senators Hee, Holt, Yamasaki and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 145-88 on S.B. No. 2441

The purpose of this bill is to recodify the provisions of the Firearms, Ammunition and Dangerous Weapons Act, Chapter 134, Hawaii Revised Statutes.

The Committee has amended the bill to provide that the time limitation for registering firearms after the holder's arrival in the State is three days.

Your Committee has also amended the bill by making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2441, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2441, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Hiraki, Peters, Takamine and Medeiros,
Managers on the part of the House.

Senators Hee, Chang and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 146-88 on S.B. No. 2522

The purpose of this bill is to remove the statutory requirement for an owner's duplicate copy of the original Transfer Certificate of Title in the Land Court registration system.

Under this bill, Chapter 501, Land Court Registration, will be amended by deleting all references to the owner's duplicate Transfer Certificate of Title (TCT). Thus, no owner's duplicate TCT will be issued by Land Court, the duplicate will not have to be presented when liens are filed against the property, and the duplicate will not have to be surrendered upon conveyance.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 2522, H.D. 1, C.D. 1:

(1) The Committee adopted the reasons cited in Senate Standing Committee Report No. 2258 and House Standing Committee Report No. 1176-88 in support of the purpose of this bill.

(2) The Committee has amended the bill by deleting language pertaining to the duplicate TCT in §501-84 that was not deleted due to an oversight. Punctuation, stylistic, typographical corrections were made to §501-118, §501-137, §501-218(21), and §501- (in Section 25 of the bill).

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2522, H.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2522, H.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Hayes, Hiraki and Hemmings,
Managers on the part of the House.

Senators Hee, McMurdo, Reed, J. Wong and Solomon,
Managers on the part of the Senate.

Conf. Com. Rep. 147-88 on S.B. No. 2451

The purpose of this bill is to give statutory authority to the State and counties to recover from a liable third party all payments made pursuant to Section 79-15, Hawaii Revised Statutes, as a consequence resulting from injuries arising in the performance of duty.

The effect of this bill is to enable the State, counties, and public employees to proceed against third parties for benefits paid or lost in the same and like manner as the recoupment of workers' compensation benefits are recovered under §386-8 of the Hawaii Revised Statutes.

Your Committee, upon further consideration, has made the following amendment to S.B. No. 2451, S.D. 2, H.D. 1:

(1) The State, any county, employee or any public officer and remedies contained in or provided for under section 386-8, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2451, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2451, S.D. 2, H.D. 1, C.D. 1.

Representatives Takamine, Metcalf, Cachola, Kotani and Marumoto,
Managers on the part of the House.

Senators Hee, Chang, Reed, Holt and Nakasato,
Managers on the part of the Senate.

Conf. Com. Rep. 148-88 on S.B. No. 1725

The purpose of this bill is to allow individuals with incomes in excess of the Department of Human Services applicable standard of assistance, to apply the portion of income in excess, to the purchase of chore services, thereby qualifying the individual for chore service assistance. Currently, income in excess of the eligibility standard prevents any individual from receiving chore services from the State, even if the excess may not meet the costs of the chore services needed.

Your Committee has substantially amended and rewritten the bill as follows:

(1) By changing the eligibility requirements and definition for chore services proposed in S.B. No. 1725, S.D. 2, H.D. 2, so that eligibility standards are to be established by the department of human services which standards shall include individuals who have been found eligible for medical assistance under the department's Medicaid program; and redefining "chore services" to mean essential housecleaning and related activities such as marketing, cooking, and cleaning;

(2) By changing the amount appropriated for chore services to \$272,340; and

(3) By adding to the bill the general substance of S.B. No. 2011, S.D. 2, H.D. 1 (relating to home and community-based care for the elderly), as amended as follows:

(a) By adding a definition for "non-Medicaid recipient";

(b) By replacing new language requiring an assets test with a provision requiring that non-Medicaid recipients be eligible to receive the same array of comprehensive home services as nursing home without walls clients who are eligible for Medicaid;

(c) By changing the amount appropriated to provide program services to non-Medicaid program recipients to \$599,360; and

(d) By making technical, nonsubstantive changes.

The purpose of the amendments described in paragraph (3) above is to extend the services of the community long-term care/nursing home without walls program to those persons who do not qualify for Medicaid, yet cannot afford those same services from private sectors providers, by amending Act 192 of the 1983 Sessions Laws of Hawaii, as later amended.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1725, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1725, S.D. 2, H.D. 2, C.D. 1.

Representatives Hagino, Fukunaga, Arakaki, Kawakami and Ribellia,
Managers on the part of the House.

Senators Yamasaki, McMurdo, Mizuguchi, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 149-88 on S.B. No. 2744

The purpose of this bill is to appropriate funds for low-interest housing loans to holders of Kahana Valley State Park residential leases, which funds are to be deposited into the housing finance revolving fund for this purpose and expended by the housing finance and development corporation.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 2744, S.D. 2, H.D. 2:

(1) Deleted the existing Section 1;

(2) Added, as the new Section 1, an amendment to Act 5, Session Laws of Hawaii 1987, that deletes the proviso that prohibits the expenditure of state funds for relocating or constructing Kahana Valley leaseholders' residences;

(3) Changed the amount appropriated from \$1,700,000 to \$1,360,000 and provided for the lapsing of all unencumbered moneys into the state general fund upon the fulfillment of the purposes of the Act;

(4) Amended Section 2 as follows:

(a) To allow up to \$160,000 of the amount appropriated to be used for administrative and other necessary expenses for administering the loan program;

(b) To direct the Housing Finance and Development Corporation to establish guidelines for loan terms and to assist the Department of Land and Natural Resources in establishing the housing construction program;

(c) To require that lessees who qualify for mortgage loans receive lease terms of not less than the mortgage loan period.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2744, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2744, S.D. 2, H.D. 2, C.D. 1.

Representatives Levin, Fukunaga, D. Ige, Isbell and Pfeil,
Managers on the part of the House.

Senators Holt, Yamasaki and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 150-88 on H.B. No. 2068

The purpose of this bill is to express the State's commitment to biofuels research and development by appropriating matching funds to support a methanol-from-biomass pilot plant feasibility study and cost-sharing funds to begin plans and construction of a methanol-from-biomass pilot research plant.

Your Committee recognizes the desirability to continue the study of potential energy sources in Hawaii, particularly transportation fuels. It is becoming increasingly apparent from research here and elsewhere that methanol has the potential to become a major transportation fuel.

Your Committee finds that the attainment of energy independence through the development of indigenous sources of transportation fuel must be addressed immediately. Your Committee has therefore amended this bill to provide an appropriation of \$2,000,000 for the plans and construction of a methanol-from-biomass research pilot plant.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2068, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2068, H.D. 1, S.D. 2, C.D. 1.

Representatives Andrews, Fukunaga, Isbell, Kanoho and O'Kieffe,
Managers on the part of the House.

Senators Matsuura, Yamasaki, Hagino and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 151-88 on H.B. No. 2974

The purpose of this bill is to authorize the designation of a contiguous area of public lands as an industrial park. Designation may be made by resolution of the board of land and natural resources or by law. The bill also designates certain public lands on Sand Island, Oahu, for consideration as the first industrial park.

Your Committee finds that this bill is necessary for the public purpose of economic development. The bill is intended to promote industrial, including manufacturing, activities, with the consequent benefits of diversifying the State's economy and contributing to a more positive trade balance through increased export and import substitution opportunities.

Your Committee has amended the last section 171- in the new part to chapter 171, Hawaii Revised Statutes. Basically, the section has been amended by deleting the designation of the public lands on Sand Island as an industrial park. The deletion should not be construed as legislative rejection or disfavor of the concept. Rather, your Committee feels that the board of land and natural resources should have flexibility with respect to the industrial uses on Sand Island.

In that same section, your Committee has retained the provisions which, after designation of public lands as an industrial park, gives an existing permittee the first opportunity to obtain a lease, without necessity of public auction or public notice. Relevant language changes, however, have been made to compensate for the deletion of references to the Sand Island lands. Certain public lands have been occupied for industrial purposes by persons on month-to-month or revocable permits. Many of the permittees have used and occupied the lands for fairly long periods. If the lands used and occupied are designated as part of an industrial park, which in effect will require leasing of parcels, your Committee finds that fairness necessitates the provisions allowing an existing permittee to negotiate for a lease within a set period following the designation. The opportunity, however, is contingent upon a fair return to the State. Furthermore, the board is required to include lease covenants for the placement and construction of improvements in accordance with minimum standards set forth in local building codes. Your Committee does not intend to subsidize any person's business operation through this bill.

Other substantive changes to that section are the following:

(1) The period during which a permittee and the board must negotiate a lease has been reduced from one year to one hundred eighty days. Your Committee feels that the reduced period is ample for its intended purpose.

(2) The provisions prohibiting the board from revoking, terminating, or not renewing a permit during the negotiation period have been deleted. The purpose of the provisions were to prevent the board from circumventing the negotiation requirement by evicting the permittee before the requirement becomes applicable. Your Committee is confident that the board will implement the spirit, as well as the letter, of this bill and will not engage in subterfuge. Thus, the provisions are deemed unnecessary.

(3) The designation of an industrial park by resolution of the board of land and natural resources has been made contingent upon approval by the legislature by concurrent resolution.

(4) Relevant language changes have been made to expand actions which the board may take with respect to industrial parks to include the authority to make improvements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2974, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2974, H.D. 1, S.D. 1, C.D. 1.

Representatives Levin, Hashimoto, D. Ige and O'Kieffe,
Managers on the part of the House.

Senators Aki, Fernandes Salling, Holt and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 152-88 on S.B. No. 2332

The purpose of this bill is to provide for a method of preserving medical information relating to genetic, inheritable and other related medical conditions about the natural parents and adopted child so that the adopted child or the child's legal guardian may have access to such information when needed.

Under this bill, a medical information form is required to be filed upon the filing of any document requesting the termination of parental rights and the petition for adoption. A sealed copy of this information is forwarded to the Department of Health, who shall retain this information. The adult adopted child or the legal guardian of the minor adopted child may apply for access to this information and the Department of Health may release such information without court order.

Technical and nonsubstantive amendments have been made to the bill for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2332, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2332, S.D. 1, H.D. 1, C.D.1.

Representatives Metcalf, Bellinger, Hayes, Yoshimura and Hemmings,
Managers on the part of the House.

Senators Hee, Holt, Reed, B. Kobayashi and Solomon,
Managers on the part of the Senate.

Conf. Com. Rep. 153-88 on H.B. No. 2080

The purpose of this bill, as received by your Committee, is to establish provisions for criminal forfeiture following conviction of certain serious drug offenses.

Your Committee has amended the bill to use the substance of the House version. The bill's provisions clarify the various offenses giving rise to forfeiture, the property subject to forfeiture, the procedures for forfeiture, and the disposition of forfeiture proceeds.

Your Committee has provided a limit of three million dollars per year which may be distributed pursuant to the bill's provisions. Any amount over the limit shall go to the State's general fund. Your Committee strongly cautions that this limit must be adhered to and that in forfeiture activities, the law enforcement community should respect the Supreme Court ruling relating to pornography.

Your Committee notes that the exceptions to forfeiture are consistent to the exceptions to forfeiture under federal law and that filing of lis pendens is required when property forfeited is real property. Your Committee is concerned about protecting innocent third parties and believe these provisions would better fulfill this objective.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2080, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2080, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Bellinger, Hayes, Hiraki and Hemmings,
Managers on the part of the House.

Senators Hee, Chang, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 154-88 on S.B. No. 3264

The purpose of this bill is to provide appropriations to meet the needs of the State through various capital improvement projects. As originally received, this bill appropriates the sum of \$12,602,000 to satisfy this purpose.

This bill in its amended form, appropriates an additional \$12,613,000 in general funds for capital improvement projects. Therefore, as amended, this bill appropriates the sum of \$25,215,000.

Your Committee, in Conference Draft 1, amended this bill by adding, amending or lapsing capital improvement projects from Act 217, SLH 1987. These projects have been identified to amend Act 217, SLH 1987 such that the amendments, additions and reductions will not have an adverse impact on the planned capital improvement program.

Upon reconsideration, your Committee has further amended this bill by correcting typographical errors and by changing the effective date from "July 1, 1988" to "upon its approval".

Your Committee believes that the projects contained herein reflect the Legislature's continued commitment to projects which reflect the needs and desires of the people of the State of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3264, S.D. 1, H.D. 1, C.D. 1, as amended herein, and recommends it pass Final Reading in the form attached hereto as S.B. 3264, S.D. 1, H.D. 1, C.D. 2.

Representatives Souki, Fukunaga, Arakaki, Horita, D. Ige, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Kotani, Leong, Tajiri, Cavasso, Marumoto and Ribellia,
Managers on the part of the House.

Senators Yamasaki, Mizuguchi, Aki, Blair, Fernandes Salling, Hagino, B. Kobayashi, Matsuura, Nakasato, Young, Herkes, Ikeda and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 155-88 on S.B. No. 2124

The purpose of this bill is to provide statutory guidelines for the issuance of special permits for the possession, transportation, and use of firearms with blank cartridges in the State as film props.

The Committee has amended the bill as follows:

(1) Section 3 of the bill is changed to Section 2 and non-substantive changes have been made to the wording of the statutory section.

(2) The new section which provides for the special permit is amended by replacing the section with the S.B. No. 2124, S.D. 1 draft, of the new section, except for the following changes:

- a) County police instead of the attorney general shall have the authority to issue permits; and
- b) The permit fee is changed to \$50.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2124, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2124, S.D. 1, H.D. 1, C.D. 1.

Representatives Metcalf, Hiraki, Hirono, Peters and Medeiros,
Managers on the part of the House.

Senators Hee, Chang and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 156-88 on H.B. No. 3396

The purpose of H.B. No. 3396, H.D. 1, S.D. 1 is to set forth two potential sites for a convention center.

The bill provided for the designation by the legislature of either the Aloha Motors site or the Magoon Estate site as the Waikiki convention center district by June 30, 1989; and also provided for the designation of the Ala Wai golf course as the convention center district effective July 1, 1989 if the legislature did not designate either of the Aloha Motors site or the Magoon Estate and did not repeal the provisions designating the Ala Wai golf course site as the convention center district. Other provisions relating to the development of the designated site were also contained in the bill.

The bill, as amended herein, designates the site popularly known as the International Market Place (the International Market Place site includes the property under the International Market Place shopping arcade, the Kuhio Mall, and Coral Reef Hotel) as the convention center district for a convention center, to provide for the development of improvements within the district, and to establish an authority to oversee the development of the convention center and other improvements within the district. The existing facilities in Hawaii are inadequate to accommodate the needs of many convention groups and, therefore, Hawaii has not been able to attract this segment of the market. Based upon the studies made regarding the location of a convention center, the primary criteria is a centrally located facility which is easily accessible to major hotels and within walking distance.

Hawaii's visitor industry concerns every citizen in the State. It is, thus, in the public interest to ensure the proper growth and desired quality for this industry. The establishment of a world class convention center in Waikiki, the heart of Hawaii's tourist industry, would improve and stabilize the industry and Hawaii's general economy. As one of the most valuable areas in this State because of its importance to the tourism industry, Waikiki is deserving of the State's concern and effort to maintain and enhance Waikiki as the paradise venue for the tourist throughout the world.

This bill establishes the Waikiki convention center authority, as an instrumentality of the State, which shall consist of seven members. The governor shall nominate and appoint three members, one of which shall be representative of the visitor industry in Hawaii. The governor shall also appoint each of the remaining four members from nominations submitted by the president of the senate, speaker of the house of representatives, mayor of the city and county of Honolulu, and the chairperson of the city council of the city and county of Honolulu, respectively. All of the members appointed by the governor shall be by and with the advice and consent of the senate.

The primary purpose of the authority shall be to review and approve plans, specifications, and designs to be submitted by the convention center development plan by a private developer for the development of a convention center facility, and ancillary hotel or condominium units, commercial, retail and office space, and other improvements which would increase the utilization of the convention center facility within the convention center district. In order to accommodate a commercially feasible project by a private developer incorporating a convention center facility to be dedicated to the State at no cost to the State, variance from existing state and/or county ordinances and rules relating to, among other things, the use, zoning, planning, and development of land and construction thereon will need to be provided to some extent. The authority is given the power under this bill to establish rules that would supersede such inconsistent plans, ordinances and rules in order to implement the construction of the convention center facility for the benefit of the State.

In addition to the powers granted herein for purposes of facilitating the construction of the convention center facility, the authority is given the power under this bill to acquire property by condemnation pursuant to chapter 101. If, for example, the authority exercises its right of condemnation with respect to the fee interest in the land, this shall in no way affect the property interests of the lessees holding an interest in the land upon which the convention center facility is built. Notwithstanding any provision contained in any contract or lease affecting an interest in the land upon which the convention center facility is built, your Committee intends that the authority's exercise of its right to condemnation shall not in any way, be a breach of any term and/or condition contained in any contract or lease, and shall not affect or terminate such lessees' interest in the land.

In order to facilitate the successful completion of the convention center facility, the authority shall review and approve a convention center plan which shall have been prepared by a private developer. The private developer shall work in concert with the present holders of any interest in the property underlying the site. It is also the desire of your Committee that the holders of any interest in the property shall work in concert with the private developer in a good faith attempt to resolve any problems which may arise. It is in the State's best interest to have the convention center facility built and completed within a reasonable amount of time. In order to achieve this goal, a convention center development plan should be approved within three years after the authority is empaneled, although it is your Committee's expectation that such plan be approved as soon as possible. The construction period has been estimated to be approximately three years after ground breaking.

The bill requires the private developer to prepare and submit for approval by the authority a relocation plan for the relocation of the licensees/lessees now validly operating businesses within the convention center district. In furtherance of the relocation plan, the bill provides that the private developer shall deliver to the authority for deposit into the Waikiki convention center development revolving fund the sum of \$5,000,000 for use, in the discretion of the authority, to defray some of the losses and/or expenses incurred by such licensees/lessees. The sum shall be deposited upon the approval by the authority of the relocation plan. The sum shall be refunded to the private developer if the Act expires under Section 3

of the Act. Additionally, the bill provides that the relocation plan shall include agreement by the private developer to give every displaced licensee or lessee an unassignable right of first refusal of any license or lease of space within the convention center district developed and offered for such activities similar in size and nature of the business conducted by the licensee or lessee at the time of displacement unless such right is waived by any licensee or lessee. Finally, to ensure that the current operations of the licensees and lessees within the Waikiki convention center district will continue for at least another year, your Committee has provided that groundbreaking for the commencement of the development shall not occur prior to July 1, 1989.

It is the intention of your Committee that the convention center facility remain a public facility for the benefit of all of the people of the State of Hawaii. The bill provides for the private developer to dedicate to the State, the marketable real property interest(s) representing the convention center facility, subject to any declaration of horizontal property regime, in order that the authority may operate the facility. Upon such dedication, the private developer shall not require the State to pay for its ownership interest in the convention center facility.

For a period of two years from the date of the dedication the private developer shall manage, operate and maintain the convention center facility. All profit and loss for the two-year period from the management, operation and maintenance of the convention center facility shall accrue to, or be suffered by, the private developer. The authority shall thereafter manage, operate and maintain the convention center facility.

Your Committee has provided for an appropriation of \$250,000 for fiscal years 1988-1989 for the establishment and expenses of the authority, including the expenses of the hiring of staff.

Your Committee has also provided for the appropriation of \$13,000,000 for the renovation of Neal Blaisdell Center to accommodate local demand for increased exhibition, trade show, public show, and convention space. The renovated accommodation at the Neal Blaisdell Center will better serve the local demand and thereby increase the operational efficiency and effectiveness of the Waikiki convention center by allowing the Waikiki convention center authority to concentrate its efforts on the establishment, operation, and management of a convention center.

Additionally, as a disincentive to unseemly delays by the private developer in the prosecution of the development pursuant to the convention center development plan, your Committee has provided in the bill that unless the convention center development plan of the private developer is approved by the authority within three years from the initial empanelling of all the members of the authority, the Act shall automatically expire.

The selection of the site from among the several sites considered by your Committee was difficult because the other sites possessed many similar desirable site evaluation factors. Your Committee, however, finds the selection assuring because the site selected possesses the similar desirable site evaluation factors such as proximity to lodgings, accessibility to visitor amenities and the proximity to the lure that is Waikiki beach which factors would favorably determine the convention center's marketability to the prospective convention sponsor. Your Committee was also persuaded by the presence of a ready developer and the opportunity to acquire a convention center at no cost to the State in the circumstances of the site selected. For the reasons aforesaid, your Committee believes the site selected is a fair and promising choice.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3396, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3396, H.D. 1, S.D. 1, C.D. 1.

Representatives Cachola, Souki, Kanoho, Kotani and Jones,
Managers on the part of the House.

Senators Holt, Yamasaki and Ikeda,
Managers on the part of the Senate.

Conf. Com. Rep. 157-88 on H.B. No. 2032

The purpose of this bill is to create the mechanism whereby the State of Hawaii would become a leader in the field of telecommunications and information technology in the Pacific Basin and throughout the world.

Your Committee has amended this bill by deleting the figure of \$70,000 and inserting the figure of \$700,000 in section 11.

Your Committee has further amended this bill by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2032, H.D. 2, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2032, H.D. 2, S.D. 2, C.D. 2.

Representatives D. Ige, Souki, Fukunaga, Ihara and O'Kieffe,
Managers on the part of the House.

Senators Chang, Yamasaki, Blair, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 158-88 on H.B. No. 2096

The purpose of this bill is to expand and clarify the authority of the Aloha Tower Development Corporation, including the expansion of the Aloha Tower Complex boundaries. Inasmuch as significant steps have been taken towards implementing a master plan of the Honolulu waterfront, improving the development viability of the Aloha Tower project is timely and consistent with that planning effort.

Upon further consideration, your Committee has amended this bill by deleting the section pertaining to lease projects.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2096, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2096, S.D. 2, C.D. 2.

Representatives Shito, Kawakami, Shon, Tom and Hemmings,
Managers on the part of the House.

Senators Chang, Yamasaki, Aki, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 159-88 on S.B. No. 3197 (Majority)

The purpose of this bill is to increase the conveyance tax and to provide that the conveyance tax revenues collected be deposited into the rental assistance revolving fund to assist qualified families in making rent payments, or into any other fund established under chapter 201E to meet the housing needs of the homeless, the elderly, and the disadvantaged.

Your Committee has amended this bill by changing the effective date from July 1, 1988 to July 1, 1989 to allow adequate time to fully implement the proposed changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3197, S.D. 2, H.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3197, S.D. 2, H.D. 2, C.D. 2.

Representatives Shito, Souki, Fukunaga, Hagino and Cavasso,
Managers on the part of the House.
(Representatives Hagino and Cavasso did not concur.)

Senators Yamasaki, Aki, Blair, Young and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 160-88 on H.B. No. 2080

The purpose of this bill is to clarify the various offenses giving rise to forfeiture, the property subject to forfeiture, the procedures for forfeiture, and the disposition of forfeiture proceeds.

The bill provides a limit of three million dollars per year which may be distributed pursuant to the bill's provisions. Any amount over the limit shall go to the State's general fund. Your Committee strongly cautions that this limit must be adhered to and that in forfeiture activities, the law enforcement community must respect the Supreme Court ruling relating to pornography.

The bill sets forth exceptions to forfeiture which are consistent with the exceptions to forfeiture under federal law and requires filing of lis pendens when property forfeited is real property.

Your Committee is concerned about protecting innocent third parties, especially owners and interest holders of real property. Your Committee believes that the exceptions, including those based on the absence of knowledge and consent of the owner, fulfill the objective of protecting innocent parties. For example, forfeiture of property would not occur under this bill's provisions if a household member or a tenant had committed or was committing any of the covered offenses upon the property when the property owner does not consent to the offenses committed. Furthermore, a purchaser would not be subject to forfeiture of real property upon which the previous tenant or owner had committed or was committing any of the covered offenses when the purchaser does not consent to the offenses committed.

Your Committee has added a drop dead clause so that the bill's provisions would be replaced on June 30, 1990.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2080, H.D. 1, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2080, H.D. 1, S.D. 1, C.D. 2.

Representatives Metcalf, Bellinger, Hayes, Hiraki and Hemmings,
Managers on the part of the House.

Senators Hee, Chang, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 161-88 on S.B. No. 2124

The purpose of this bill is to provide statutory guidelines for the issuance of special permits for the possession, transportation, and use of firearms with blank cartridges in the State as film props.

The Committee has amended the bill by making a technical, non-substantive change in the identification of the bill at the top of the bill page.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2124, S.D. 1, H.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2124, S.D. 1, H.D. 1, C.D. 2.

Representatives Metcalf, Hiraki, Hirono, Peters and Medeiros,
Managers on the part of the House.

Senators Hee, Chang and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 162-88 on S.B. No. 2441

The purpose of this bill is to recodify the provisions of the Firearms, Ammunition and Dangerous Weapons Act, Chapter 134, Hawaii Revised Statutes.

The Committee has amended the bill to provide that the time limitation for registering firearms after the holder's arrival in the State is three days. Your Committee also amended the bill to provide for physical inspection of firearms in the possession and control of persons licensed to sell firearms by the chief of police of each county during normal business hours at the licensee's place of business.

Your Committee has also amended the bill by making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2441, S.D. 1, H.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2441, S.D. 1, H.D. 1, C.D. 2.

Representatives Metcalf, Hiraki, Peters, Takamine and Medeiros,
Managers on the part of the House.

Senators Hee, Chang and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 163-88 on H.B. No. 3068

The purpose of this bill is to: (1) provide protection against civil liability for a health care professional who appears as a witness and provides information about another health care professional in a professional review proceeding.

Your Committee finds that this bill will strengthen the procedures to ensure quality medical care and protect the right to due process of all health care professionals.

Your Committee, upon further consideration, has amended the bill to provide in Chapter 663 that in any civil action where a party seeks money damages or injunctive relief, or both, against another, the court may assess reasonable attorneys fees against a party upon a finding that the party's claim or defense was frivolous.

Your Committee has made a technical amendment.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3068, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3068, S.D. 1, C.D. 2.

Representatives Metcalf, Cachola, Hagino, Hiraki and Medeiros,
Managers on the part of the House.

Senators Hee, Chang and George,
Managers on the part of the Senate.

Conf. Com. Rep. 164-88 on S.B. No. 2522 (Majority)

The purpose of this bill is to remove the statutory requirement for an owner's duplicate copy of the original Transfer Certificate of Title in the Land Court registration system.

Under this bill, Chapter 501, Land Court Registration, will be amended by deleting all references to the owner's duplicate Transfer Certificate of Title (TCT). Thus, no owner's duplicate TCT will be issued by Land Court, the duplicate will not have to be presented when liens are filed against the property, and the duplicate will not have to be surrendered upon conveyance.

Your Committee, upon further consideration, has amended the bill by correcting an inadvertent deletion on pages 30 and 31 of the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2522, H.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2522, H.D. 1, C.D. 2.

Representatives Metcalf, Bellinger, Hayes, Hiraki and Hemmings,
Managers on the part of the House.

Senators Hee, McMurdo, Reed, J. Wong and Solomon,
Managers on the part of the Senate.
(Senator McMurdo did not concur.)

Conf. Com. Rep. 165-88 on H.B. No. 3408

The purpose of this bill is to provide an effective mechanism for the enforcement of the State's discrimination laws by establishing a civil rights commission into which all enforcement responsibilities are to be consolidated.

Presently, statutorily mandated enforcement responsibilities for the State's discrimination laws are divided primarily among several agencies within the Department of Commerce and Consumer Affairs. Enforcement of discrimination laws is only one of many other important functions of these departments and the enforcement programs must compete with other departmental programs for priority status. Typically, the enforcement agencies are hampered in their delivery of services because of limited fiscal and personnel resources.

Your Committee amended this bill to have the Legislative Auditor instead of the Department of Labor and Industrial Relations conduct the review.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3408, H.D. 2, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3408, H.D. 2, S.D. 2, C.D. 2.

Representatives Takamine, Metcalf, Hirono, Kotani and Medeiros,
Managers on the part of the House.

Senators Yamasaki, Chang, Hee, Mizuguchi and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 166-88 on H.B. No. 2483

The purpose of this bill is to provide for a supplemental appropriation to the judiciary for the 1988-1989 fiscal year.

In reviewing the supplemental budget of the Judiciary, your Committee carefully examined each item, keeping in mind the overall objectives and outcomes desired based on the planning, programming and budgeting system of the State.

Your Committee has found that there is a clear lack of program evaluation and the budget process. In many cases there was no justification for the Judiciary's budget requests.

The Judiciary must exercise more responsibility with respect to administrative management, planning, and budgeting. Recommendations made by the Legislative Auditor and the Citizens panel were managerial in nature, and there is no indication that implementation of these requests will allow the Judiciary to address the problems identified in the Auditor's Report.

Your Committee provided positions to enable the Judiciary to begin to address the increasing workload inherent to a growing organization. Due to problems in recruiting and retaining temporary clerical personnel, positions and funds were provided for permanent positions in those courts where additional manpower needs are indicated. Your Committee also realizes the importance of adequate administrative support personnel, and therefore funded positions to enable the Judiciary to be accountable and consistent in their purchasing and fiscal operations.

As the Family Courts in the second and third circuit have been faced with increased cases, your Committee has provided one District Family Court Judge and related staff for the second and third circuit. Additionally, a Chief Clerk position has been provided for the third circuit.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2483, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2483, H.D. 1, S.D. 1, C.D. 1.

Representatives Metcalf, Souki, Arakaki, Fukunaga, Horita, D. Ige, M. Ige, Ihara, Isbell, Kanoho, Kawakami, Kotani, Leong, Tajiri, Cavasso, Marumoto and Ribellia,
Managers on the part of the House.

Senators Hee, Yamasaki, Aki, Blair, Fernandes Salling, Hagino, B. Kobayashi, Matsuura, Mizuguchi, Nakasato, Young, Herkes, Ikeda and A. Kobayashi,
Managers on the part of the Senate.

SPECIAL COMMITTEE REPORT

Spec. Com. Rep. 1

Your Committee on Credentials begs leave to report that it has thoroughly considered the matter of the seating of the members of the House of Representatives of the Fourteenth Legislature of the State of Hawaii, Regular Session of 1988, and finds that the following members are duly qualified to sit as members of the House of Representatives, to wit:

FIRST DISTRICT:	Andrew Levin
SECOND DISTRICT:	Harvey S. Tajiri
THIRD DISTRICT:	Wayne Metcalf
FOURTH DISTRICT:	Dwight Y. Takamine
FIFTH DISTRICT:	Virginia Isbell
SIXTH DISTRICT:	Mike O'Kieffe
SEVENTH DISTRICT:	Mark J. Andrews
EIGHTH DISTRICT:	Herbert J. Honda
NINTH DISTRICT:	Joseph M. Souki
TENTH DISTRICT:	Bill Pfeil
ELEVENTH DISTRICT:	Daniel J. Kihano
TWELFTH DISTRICT:	Samuel S.H. Lee
THIRTEENTH DISTRICT:	Robert Bunda
FOURTEENTH DISTRICT:	Joseph P. Leong
FIFTEENTH DISTRICT:	Reb Bellinger
SIXTEENTH DISTRICT:	Terrance W.H. Tom
SEVENTEENTH DISTRICT:	Marshall K. Ige
EIGHTEENTH DISTRICT:	Whitney T. Anderson
NINETEENTH DISTRICT:	John Justin Medeiros
TWENTIETH DISTRICT:	Cam Cavasso
TWENTY-FIRST DISTRICT:	Patrick A. Ribellia
TWENTY-SECOND DISTRICT:	Hal Jones
TWENTY-THIRD DISTRICT:	Barbara Marumoto
TWENTY-FOURTH DISTRICT:	Fred Hemmings, Jr.
TWENTY-FIFTH DISTRICT:	Calvin K.Y. Say
TWENTY-SIXTH DISTRICT:	Les Ihara, Jr.
TWENTY-SEVENTH DISTRICT:	Brian T. Taniguchi
TWENTY-EIGHTH DISTRICT:	James T. Shon
TWENTY-NINTH DISTRICT:	David M. Hagino
THIRTIETH DISTRICT:	Joan Hayes
THIRTY-FIRST DISTRICT:	Carol Fukunaga
THIRTY-SECOND DISTRICT:	Mazie K. Hirono
THIRTY-THIRD DISTRICT:	Rod Tam

THIRTY-FOURTH DISTRICT:	Michael Liu
THIRTY-FIFTH DISTRICT:	Kenneth T. Hiraki
THIRTY-SIXTH DISTRICT:	Dwight L. Yoshimura
THIRTY-SEVENTH DISTRICT:	Dennis A. Arakaki
THIRTY-EIGHTH DISTRICT:	Emilio S. Alcon
THIRTY-NINTH DISTRICT:	Romy M. Cachola
FORTIETH DISTRICT:	Karen K. Horita
FORTY-FIRST DISTRICT:	Tom Okamura
FORTY-SECOND DISTRICT:	Clarice Y. Hashimoto
FORTY-THIRD DISTRICT:	David Y. Ige
FORTY-FOURTH DISTRICT:	Roland M. Kotani
FORTY-FIFTH DISTRICT:	Mitsuo "Mits" Shito
FORTY-SIXTH DISTRICT:	Paul T. Oshiro
FORTY-SEVENTH DISTRICT:	Michael Crozier
FORTY-EIGHTH DISTRICT:	Henry Haalilio Peters
FORTY-NINTH DISTRICT:	Peter K. Apo
FIFTIETH DISTRICT:	Ezra R. Kanofo
FIFTY-FIRST DISTRICT:	Bertha Kawakami