

STANDING COMMITTEE REPORTS**SCRep. 1-88 Finance on S.B. No. 1**

The purpose of this bill is to authorize funds for the expenses of the Legislature up to June 30, 1989, and also for the expenses of the legislative support agencies during the 1988-1989 fiscal year.

Your Committee has provided the following specific appropriations:

SENATE AND HOUSE OF REPRESENTATIVES

The amount appropriated for the Senate is \$2,989,196 and the amount appropriated to the House of Representatives is \$3,899,380. Your Committee finds that the amounts are necessary to meet operating costs of the Legislature covering such items as equipment, supplies, staff services, and other fundamental expenses.

LEGISLATIVE AUDITOR

Your Committee approves the appropriation of \$1,735,000 to meet the basic operating budget of the Office of the Legislative Auditor. The amount includes funds for special studies and other purposes to be jointly determined by the President of the Senate and the Speaker of the House of Representatives.

STATE ETHICS COMMISSION

Your Committee approves the appropriation of \$290,366 to the State Ethics Commission.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,531,469 for the Legislative Reference Bureau.

OMBUDSMAN

Your Committee approves the appropriation of \$441,500 for the Office of the Ombudsman.

LEGISLATIVE INFORMATION SYSTEM

Your Committee has found that the Executive and Judiciary branches of government have steadily improved their computerized information systems, especially those which had become obsolete in the face of rapidly changing technology. On the other hand, the Legislative branch has not kept abreast of technological advances in the field of information processing. Therefore, your Committee approves the appropriation of \$939,506 to the Senate, \$1,533,229 to the House of Representatives and \$56,919 to the Legislative Reference Bureau for the purpose of implementing a new legislative information system, nicknamed "SHADOW". Your Committee finds that these amounts are necessary to meet equipment, consultant, supplies and other related expenses, and is confident that this system will improve the operations of the Legislature.

LAPSE OF FUNDS

Appropriations under this bill are subject to lapse as of June 30, 1989.

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

Signed by all members of the Committee except Representative Marumoto.

SCRep. 2-88 Judiciary on H.B. No. 2080

The purpose of this bill is to authorize the forfeiture of property used in the furtherance of specified offenses and to thereby deprive criminals of the profits of criminal activities.

Representatives from the Honolulu Police Department and the Department of the Prosecuting Attorney submitted testimony in support of this bill. Their testimony indicated that the provisions proposed in the bill would clarify the offenses giving rise to forfeiture, the property subject to forfeiture, the procedures for forfeiture, and the disposition of forfeiture proceeds.

Your Committee has amended this bill by adding a provision protecting owners or holders of interests, residing outside of a county, from forfeiture of their real property in the county arising from offenses committed by trespassers.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 2080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2080, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 3-88 Judiciary on S.B. No. 151

The purpose of this bill, as received by your Committee, is to provide a definition of drug paraphernalia and to prohibit the sale and manufacture of drug paraphernalia.

In conjunction with your Committee on Health, your Committee heard testimony on House Bill 2079 which proposes to adopt the provisions of the Model Drug Paraphernalia Act ("model act"). The model act was drafted by the Drug Enforcement Administration of the United States Department of Justice, and it provides a definition of drug paraphernalia and prohibits the use, delivery, manufacture, and advertisement of drug paraphernalia. Testimony was presented that thirty-eight states and the District of Columbia have enacted the model act, and where the model act has been tested in the courts, it has been found constitutional. Support for adoption of the model act provisions was based on the assertion that prohibiting drug paraphernalia would help to eliminate illegal drug use.

The bill, as received from the Senate, modifies several provisions of the model act. Your Committee has amended this bill to conform its provisions with the provisions of the model act. Your Committee, however, does not intend that the provisions of this bill, as amended, be construed as allowing felony prosecution of offenses which would otherwise be misdemeanors under existing law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 151, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 4-88 Ocean and Marine Resources on H.B. No. 2067

The purpose of this bill is to amend the Hawaii Revised Statutes (HRS) by adding a new section to Chapter 188 that would prohibit the taking of live stony coral of the *Fungiidae* or *Pocilloporidae* families except with a permit authorized under section 187A-6 for scientific, educational or propagation purposes or Section 183-41, for conservation district use purpose.

The Department of Land and Natural Resources testified that the higher taxonomic order of *Madreporaria* should be included in the prohibited stony coral families and proposed that the prohibition be extended to all live stony corals.

Ms. Jacqueline Miller from the University Of Hawaii's Environmental Center stated the difficulty on enforcement of restrictions on the taking of local coral due to the import of similar coral species from out-of-state. She also mentioned that there is insufficient information on the population biology of stony coral for application to rational management practices. In addition to the permit procedure, the Environmental Center suggests that a reporting mechanism be established whereby commercial buyers of stony coral would be required to submit copies of purchase orders to a designated office of the DLNR. They also wanted the DLNR to designate certain areas as protected areas from coral harvest.

Further testimony in support of this bill was received from Terry O'Halloran from the Ocean and Recreational Council of Hawaii (TORCH). Their intent is to have all coral protected in the snorkeling and diving depths from indiscriminate taking.

The Committee learned that the greatest offenders are tourists and not registered harvesters. It was recommended by the members that an educational poster and/or in-flight media concerning the prohibition of the taking of live stony coral with the penalties involved being made known to the public. The Committee also wanted stricter penalties enforced by the DLNR on the offenders.

Your Committee, therefore, has made the following amendments to the bill:

- (a) Addition of the words, "the taxonomic order, *Madreporaria*, including" after the word "of" on line 4.
- (b) Addition of the words "and any other live stony corals" after the word "families," on line 5.

Your Committee has further amended the penalties section of H.R.S. Chapter 188-70 Subsection C to increase the fine for each specimen of aquatic life taken illegally under this chapter from \$25.00 to \$100.00.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2067 H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 5-88 Ocean and Marine Resources on H.B. No. 2040

The purpose of this bill is to have a publication which integrates current knowledge about the ocean, noting present and future developments in human activity in the ocean. It would be a valuable educational tool, not only in schools but for all residents and visitors to Hawaii. The publication would enrich our understanding and appreciation of the complexity of the ocean which surrounds Hawaii. It will enable the people of Hawaii to make well-informed decisions about the future uses of the ocean resources of our State.

Your Committee heard testimony from Dr. Rose Pfund, Associate Director of the University of Hawaii Sea Grant College Program. The University of Hawaii is in concurrence with the intent of H.B. No. 2040 and supports the desire of the State Legislature. A copy of the feasibility study for a Hawaii Ocean-Book, prepared in response to H. R. 401 and H.C.R. 238 was submitted to the State Legislature in December 1987. The University of Hawaii recommended, however, that the general revenue out of the State be the sum of \$120,000 for fiscal year 1988-1989. The funding is in addition to the University's budget that has been approved by the Board of Regents.

Your Committee has therefore amended section 2, line 5 of the bill to raise the present appropriation of \$100,000 to the sum of \$120,000.

Your Committee on Ocean and Marine Resources is in agreement with the intent and purpose of H.B. No. 2040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2040, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 6-88 Housing and Community Development on H.B. No. 2072

The purpose of this bill is to appropriate \$10,000,000 to the Rental Assistance Revolving Fund to help subsidize lower income households.

The Rental Assistance Revolving Fund was created in 1981 under Section 356-303, Hawaii Revised Statutes, and moved to the Housing Finance and Development Corporation under Section 201E-132, Hawaii Revised Statutes, in 1987, to provide rental assistance to lower income households. The Executive Director of the Housing Finance and Development Corporation, stated that the Legislature has thus far appropriated \$6,500,000 into the revolving fund. These funds are deposited into interest bearing accounts from which rent subsidies are allotted.

Testifiers brought forth their opinions on the Rental Assistance Revolving Fund, all of which were supportive of the bill. The Executive Office on Aging expressed support for H.B. No. 2072, testifying that the bill would help an increasing number of elderly locate and live in affordable housing. Other testimony supported the position of the Executive Office on Aging, stating that the elderly as well as other parts of our society would benefit greatly from the Rental Assistance Revolving Fund. One, a retired nurse, stated in her testimony that this measure will aid many families in keeping a roof over their heads, and help maintain their health and safety.

The additional funding will provide a broader base of capital which in return provide more assistance to lower-income households.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2072 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 7-88 Housing and Community Development on H.B. No. 2132

The purpose of this bill is to provide affordable rental housing for the elderly by appropriating \$13,600,000 to construct rental housing.

There is an urgent need for affordable housing in the State. As the price of rentals in the State continue to increase, the demand for affordable housing becomes acute especially for the elderly who are on limited incomes.

The Executive Office on Aging strongly believes H.B. No. 2132 is a positive step in relieving some of the needs of the elderly. Elderly, as pointed out by the Executive Office on Aging, need special and long term care as well as safe, decent, and sanitary living conditions. Although these are a few basic concerns of the elderly, the Executive Office on Aging feels that the appropriation of this bill is a positive start at satisfying the immediate needs of the elderly community.

In 1985, there were 145,200 individuals who were 60 years or older. It is believed that the number will increase to 168,900 individuals by the year 1990. It is further believed that by the year 2000 the elderly population, 60 years or older, will constitute 17 percent of our population. It is even further believed that the number will continue to rise as our population continues to grow older.

According to the director of the Department of Health, there are currently 1900 individuals on the waiting list in the City and County of Honolulu; 134 elderly individuals on the waiting list in the County of Hawaii; 104 elderly individuals on the waiting list in the County of Kauai; and 35 elderly individuals on the waiting list in the County of Maui, or a total of 2,111 elderly individuals on waiting lists throughout the State.

These elderly individuals experience a difficult time budgeting their finances because the percentage of their limited income going towards housing continue to grow as well as other expenses. As the percentage grows, many elderly are finding it more difficult to find affordable housing.

The Executive Director of the Housing Finance and Development Corporation strongly supports H.B. No. 2132. He states in his testimony that a shortage of housing affordable to lower income residents currently exists, as indicated by

overcrowding and low vacancy rates. Additionally, many households are paying in excess of 30 percent of their incomes for rent, and a substantive financial commitment by the State is a needed beginning to address the housing crisis.

All of these factors represents the dire need for the State to take action and care for its growing elderly population. As the population continues to grow older, there is a future as well as a current need to assist these people in attaining an acceptable and affordable life.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2132 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 8-88 Housing and Community Development on H.B. No. 2075

The purpose of this bill is to alleviate the shortage of affordable housing by appropriating \$20,000,000 to construct and sell affordable units.

The shortage of affordable housing throughout the State is reaching catastrophic proportions. The State of Hawaii is exposed to one of the highest cost of living in these United States.

The Executive Office on Aging supports the intent and purpose of H.B. No. 2075. The Executive Office on Aging states in its testimony that Hawaii has one of the most rapidly growing elderly population in the nation. Presently, it is estimated that 2400 elderly families do not own their own homes. They believe that like other age groups of our society, the elderly should be able to afford to purchase their own homes.

In the testimony of the Executive Director of the Housing Finance and Development Corporation, it is stated that they strongly support this appropriation. The shortage of housing affordable to lower income residents currently exists as indicated by overcrowding and low vacancy rates. Additionally, many households are paying in excess of 30 percent of their income for rent.

With the goal of helping to alleviate the housing shortage by appropriating these funds to build housing which can be sold at a reasonable price to those who might otherwise not be able to buy a home is a sound investment in the future of the State and its people.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2075 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 9-88 Housing and Community Development on H.B. No. 2078

The purpose of this bill is to permit the counties to adopt reasonable standards to administer the ohana zoning mandate in accordance with planning and zoning policies, and to provide specific requirements for ohana zoning permits which must be met by the counties and the person applying for the permit.

Your Committee finds that Act 229, Session Laws of Hawaii, 1981, more commonly referred to as "ohana zoning" was enacted to assist families to obtain individual living quarters. This innovative regulatory scheme was designed to make optimal use of scarce land resources, provide an immediate and relatively inexpensive means of increasing the supply of affordable housing, and encourage the maintenance of the extended family lifestyle.

While the ohana provisions have generally proven successful, some permits have been granted and units built in areas where private covenants against such increased density exist. This bill will not only prohibit this occurrence, but will also establish a publication requirement which will provide notification to all those who might be affected by the granting of a ohana zoning permit.

Your Committee is aware that many people choose the neighborhood in which they want to live as carefully as they choose the house they want to live in. If ohana zoning were permitted in a neighborhood where restrictive covenants limiting density exist, these covenants would essentially become meaningless.

Your Committee amended the bill by: (1) providing that the entire section on county zoning, including the ohana zoning provisions, does not supersede any "recorded" covenant or deed restriction rather than "private" covenant or deed restriction; and (2) by changing the notice requirement from three times to two times.

Your Committee has also made technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2078, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 10-88 Human Services on H.B. No. 2060

The purpose of the appropriation (\$131,240) to the Catholic Immigration Center(C.I.C.), expended by the Department of Labor and Industrial Relations, is to continue to assist immigrants who have been residing in Hawaii for five years or less. Designated areas of service are the North Shore of Oahu, and the islands of Hawaii, Kauai and Maui.

Due to their lack of fluency in the English Language, there is a need for outreach programs that provide bilingual information and services to these newest residents of our state. Not only will the demand for information on legal services, affordable housing, employment, health care and education be met by H.B. 2060, but also counseling and feelings of support will be rendered, which will help the immigrants adjust to new surroundings. In addition, H.B. 2060 will enable C.I.C. to prepare foreign-trained professionals to take and pass state licensing exams.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2060 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 11-88 Human Services on H.B. No. 3108

The purpose of this bill is to improve transitional services of handicapped students from high school through adult life.

H.B. 3108 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Human Services concurs with the intent and purpose of H.B. No. 3108, as amended herein, and recommends that it be recommitted to the Committee on Human Services for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3108, H.D. 1.

Signed by all members of the Committee.

SCRep. 12-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2146

The purpose of this bill is to make permanent the state's employee stock ownership program. The Hawaii State Plan, Section 226-103(9), establishes as an economic priority guideline, a policy which directs offices of the state to support and encourage, through educational and technical assistance programs and other means, expanded opportunities for employee ownership and participation in Hawaii businesses. In Act 315 of 1986, the Legislature enacted an interim program to implement this policy. Act 315 expires on June 30, 1988.

Your Committee has received testimony from the Department of Business and Economic Development (DBED) and the Employee Stock Ownership Advisory Committee.

Your Committee supports the purpose of this bill, but is in agreement with DBED that an additional full-time employee and an appropriation to DBED to help carry out the program is not necessary; it can be accomplished with their existing funds. Therefore, your Committee has amended this bill by deleting the provision to appoint one full-time staff member, and has not authorized any appropriation. Further, your Committee has provided that the program will sunset on June 30, 1993, to assure further review of its progress.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2146, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 13-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2027

The purpose of this bill is to appropriate \$250,000 for the establishment of an Office of Space Industry in the Department of Business and Economic Development, to include a director and staff to develop, coordinate, and monitor the progress of a strategic plan for Hawaii's space industry.

Testimony was received from DBED, UH Advisory Committee on Space Research, Citizen Action Group, OHA and the Sierra Club.

Your Committee has amended this bill by placing the new Space Industry Office in the Office of the Governor. This is in conformance with the testimony of DBED.

Your Committee also adopted the recommendation of the Office of Hawaiian Affairs by elaborating and clarifying the protection to be accorded Hawaiian cultural values and resources.

In addition, your Committee has specifically provided that the Director invite citizen input on proposed space facilities development at the earliest possible time in the development process.

Your Committee has authorized the new office to be a liaison with all federal agencies, but has deleted specific reference to the Department of Defense. The purpose is to make clear that it is the intention of the State to focus exclusively on peaceful uses of space, ideally including international involvement in commercial activities. Eliminating weapons-related activities and the Strategic Defense Initiative will hopefully make international involvement more likely. However, even if the facility remains an operation exclusively funded by United States companies, it is still the desire and intent of the legislature to exclude weapons-related activities. Your Committee has not excluded the military entirely only because of recognition that the Defense Department (through the Air Force) may very well have responsibilities in relevant areas such as navigational satellites, and the Department of Defense has much expertise which could be valuable in assisting commercial activities.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2027, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2027, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 14-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2018

The purpose of this bill is to open up more lands for use by Hawaiian Home Lands' beneficiaries now on the waiting list. The list of Native Hawaiians entitled to the use and occupancy of tracts of Hawaiian Home Lands is long and still growing, with some applicants having waited over two decades for residential lots. The lots cannot be fully used by lessees unless the lands are developed to provide for basic infrastructure.

The Department of Hawaiian Home Lands testified that it could wisely spend an additional \$9,800,000 over its current budget, for infrastructure improvements that would enhance its acceleration program.

The Committee therefore has amended this bill to insert the sum of \$9,800,000. For purposes of style, one nonsubstantive change was also made.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2018, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 15-88 Human Services on H.B. No. 2058

The purpose of this appropriation (\$50,000) is to establish a public information program to facilitate the development of a pool of elderly or retired persons. This pool is to provide needed manpower in areas of labor shortage in the public and private sectors of our community.

Your Committee recognizes that self-development and education are life-long processes that should not end at retirement and that our elders wish to live independent and contributing lives. The development of such a program would promote the concept of wellness and good health in our elders and benefit our entire community.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2058 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 16-88 Housing and Community Development on H.B. No. 2073

The purpose of this bill is to appropriate \$3,200,000 to construct rental housing for lower-income households.

Currently, the residents of the State of Hawaii are exposed to one of the highest cost of living in these United States. Medical, food, and other basic needs, as well as the high cost of rentals, are making it difficult for the residents to live. The housing shortage has become an acute and urgent problem of the State. These high costs make it extremely difficult for lower-income households to find decent affordable living accommodations.

In testimony by the Executive Director of the Housing Finance and Development Corporation, this bill will help address the shortage of housing affordable to lower-income residents which currently exists, indicated by overcrowding and low vacancy rates. Additionally, many households are paying in excess of 30 percent of their incomes for rent. The Housing Finance and Development Corporation believes that the financial commitment by this State is necessary to begin addressing the housing crisis.

Further testimony by a representative of the Hawaii Mutual Development Corporation, stated that rental housing for lower-income families have always been provided for by the U.S. Department of Housing and Urban Development. However, in recent years, the Federal government has provided for only 28 new housing units in urban Honolulu.

There is a general consensus that the State must address the housing problem in Hawaii. As the population and the cost of living continues to grow, it is becoming more difficult for the residents to find affordable housing. It is also a

consensus that the State government must pick up where the Federal government stopped and continue to provide basic services for the general welfare of its residents.

Your Committee on Housing and Community Development has amended H.B. No. 2073 by changing the term "low- and middle-income persons" to "lower-income households." The change presents a more accurate description of the targeted population.

Your Committee on Housing and Community Development concurs with the intent and purpose of H.B. No. 2073, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2073, H.D. 1.

Signed by all members of the Committee.

SCRep. 17-88 Health on H.B. No. 2048

The purpose of this bill is to extend the protections from unwanted smoke afforded public employees to those working in organizations receiving purchase of service or grant in aid funds from the state of Hawaii. These organizations are truly a vital extension of our government service system, and their workers deserve the same considerations as do those working within more established government offices.

Your Committee finds that there have been numerous reports of a lack of sensitivity among employers of organizations receiving funds under Chapter 42. In one instance, an employee of a well known health organization, who is particularly sensitive to smoke, was forced out of a job so that a workplace smoking policy could be avoided. It is the view of your committee that such circumstances justify the extension of the "workplace" law into these situations.

Testimony in favor of the bill was received from the Department of Health, the Hawaii Heart Association, the American Cancer Society, the Hawaiian Islands Nonsmokers Organization and the Hawaii Public Health Association. Testimony in opposition to the bill was received from the Tobacco Institute and others opposed to the extension of government into the private sector.

The Department of Health testified that Section 3 (a)(2) of Section 328K-13 wherein nonsmoking employees can appeal an employer's decision on smoking regulations to the Director of Health has raised problems in implementation. There have been situations where an even number of smokers and nonsmokers worked in an office and thus a "simple majority" often did not exist. Since the intent of the bill is to protect the health of nonsmokers, your Committee has replaced the existing language with the phrase "if a satisfactory accommodation to all affected nonsmoking employees cannot be reached, the employer should prohibit smoking in the office workplace."

Your Committee has corrected a typographical error in Section 3 which referred to Section 238K-13 rather than Section 328K-13.

Your Committee on Health is in accord with the intent and purpose of H.B. 2048, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 18-88 Health on H.B. No. 2047

The purpose of this bill is to promote the public health by banning the distribution of free tobacco products.

Your Committee heard testimony in support of this bill from the Department of Health, the Hawaii Heart Association, the American Lung Association of Hawaii, the American Cancer Society and the Hawaiian Islands Nonsmokers Organization, and the Hawaii Public Health Association. Testimony in opposition to the bill was heard from the Tobacco Institute and from the Hawaii Food Industry Association and a private individual.

Your Committee finds that there is no legal impediment to this bill. There are three Federal laws which relate to the preemption of state activities on tobacco products: the Federal Cigarette Labeling and Advertising Act of 1965; the Public Health Cigarette Smoking Act of 1969; and the Little Cigar Act of 1973. Preemption clauses in these acts are limited entirely to the state requirements or provisions governing the advertising of cigarettes and are not applied to purely interstate commerce nor the proper exercise of police and other powers in the interest of public health and safety. States still retain the authority to restrict cigarette sampling when the legislative intent is to facilitate enforcement of existing laws, to prohibit the sale or furnishing of tobacco products to minors, and to control commercial activity on the public right-of-way. In addition, under the Smokeless Tobacco Education Act of 1986, states were also given the authority to regulate how smokeless tobacco is advertised. In conformance with these Federal Acts, eleven cities and three states have enacted anti-sampling ordinances. To date none has been contested in court.

Your Committee finds that according to the Department of Education's recent Student Substance Abuse Survey in December 1987, 48 percent of Hawaii's seniors have smoked cigarettes and 22 percent smoke them regularly. The Federal Office on Smoking and Health indicates that the vast majority of adult smokers began their habits before the age of 21. Tobacco products distributed to the public, however, invariably fall into the hands of minors. In addition, distribution of these products causes traffic tie ups, congestion of pedestrian traffic and litter. Your Committee also finds that any revenue losses incurred by the state would be minimal compared to the amount of money Hawaii spends each year on health related illnesses caused by smoking and tobacco products.

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

Your Committee on Health is in accord with the intent and purpose of H.B. 2047, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2047, H.D.1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 19-88 Human Services and Judiciary on H.B. No. 2056

The purpose of this bill is to require the family court to separate those juveniles who are in temporary detention or shelter by age, reason for detention, security risk, and behavioral problems.

Under current law, the family court detains youths who are status offenders as well as juveniles who are law violators. Oftentimes status offenders are sheltered at Hale Ho'omalua, the detention facility administered by family court, when parents cannot be contacted or when parents refuse custody. Your Committees find that in most cases status offenders should not be housed together with "hard core" law violators.

Your Committees received overwhelming testimony in support of this bill from a variety of public and private agencies. While in support of the bill, the Judiciary suggested several amendments to the bill. Your Committees are in agreement with these suggestions, and have amended the bill as follows:

(1) Expanded the title of the section 571-33, Hawaii Revised Statutes, to include shelter; and

(2) Required the family court to provide nonsecure shelter facilities separate from secure detention facilities and to segregate minors in shelter from those in detention by functional criteria rather than demographic criteria or type of offense.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 2056, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2056, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Peters, Shito and Jones.

SCRep. 20-88 Human Services and Judiciary on H.B. No. 2057

The purpose of this bill is to establish demonstration rehabilitation programs for juvenile offenders as alternatives to placement in Hawaii Youth Correctional Facility or Hale Ho'omalua, the detention facility.

Your Committees find that the Family Court currently has few structured programs for juvenile offenders, resulting in the inappropriate grouping of first-time offenders with repeat offenders and the crowding and potential overcrowding of present facilities. This bill will create alternatives to juvenile incarceration consisting of educational, vocational, and transitional components.

Considerable testimony in support of the bill was received from a number of public and private agencies. While in support of the bill, the American Civil Liberties Union recommended that the alternatives developed must meet the needs of a broad spectrum of youth, and not merely those who are the least troublesome. Service providers contracted by Family Court should be required to work with all of those who are directed by the Court to the alternative programs.

Your Committees are in agreement with the suggestions made by the American Civil Liberties Union, and have amended the bill by requiring the demonstration programs to be designed to address the needs of a broad spectrum of offenders. It is the intent of your Committees that agencies contracted by the family court shall be required to serve all youths directed to those agencies by the court.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 2057, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2057, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Peters, Shito and Jones.

SCRep. 21-88 Human Services on H.B. No. 2055

The purpose of this bill is to appropriate \$1,900,000, for the establishment of a demonstration project providing transitional child care, health care, and housing benefits to families on public assistance whose financial benefits are terminated because of employment.

This measure makes it easier for families on public assistance to become self-sufficient. Your Committee finds that many of the parents who are making transition from public assistance to the workforce will end up working for low wages, at least for a period of time until they gain needed experience and expertise. During this critical transition, parents often find that they simply cannot support their families on their wages alone. Too often, their motivation is drastically affected by the realization that they are not better off financially than when they were on public assistance. Many cannot afford medical coverage for their families, and are at severe risk if they do not have needed coverage.

Your Committee has amended the bill to extend the scope of eligible participants in this program to include General Assistance (GA) families; to provide equity in benefits to families with dependant children. Additionally, a maximum income limit of 150 per cent of Poverty Index is to be established in determining eligibility of benefits. Your committee has therefore found that an appropriation in the amount of \$3,628,121 is necessary to initiate the bill as amended.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2055, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2055, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 22-88 Health on H.B. No. 2046

The purpose of this bill is to fund programs not now in place but which are of a high priority in the fight against AIDS; to relieve the pressure on private non-profit organizations, and enlist a broad range of agencies in the fight against AIDS; and to deal with AIDS in a context of other pressing health issues, such as drug abuse, health education, case management, housing, and confidentiality of medical records.

The bill addresses the three broad areas of AIDS education and information, health care and treatment, and AIDS administration and coordination. In addition, this bill assures that community-based care programs for AIDS/ARC will be monitored and integrated with safeguards for both the residents and the community.

Your Committee heard testimony from the Departments of Health, Human Services, Corrections and Education as well as the University of Hawaii and the Office of Children and Youth in support of the bill. Support was also expressed from numerous private organizations such as the AIDS Community Care Team, The Hawaii PTSA, Healthy Mothers, Healthy Babies, Child and Family Service, the Hawaii Public Health Association, Drug Abuse Services of Hawaii, Catholic Charities, the Honolulu Medical Group, the Healthcare Association of Hawaii, The AIDS Task Group, and many others.

Taking into consideration the thoughtful and informed testimony of the fore-mentioned groups and others, your Committee has made the following amendments to H.B. 2046:

(1) Your Committee received testimony urging additional attention to high risk groups. Accordingly, your committee has amended the bill to broaden the IV-drug abuse section (Section 2-6) to include other high risk groups, and to include an additional \$80,000 for this purpose.

(2) Because AIDS affects the whole state of Hawaii we have added the phrase "statewide" to Section 3-1 in regard to housing concerns and again in Section 4-2 in reference to the AIDS Task Group.

(3) In Section 3-2 dealing with case management and personal care training and services, we have specified that the Department of Health shall include "persons with AIDS" in the development of such services.

(4) In this same section we have expanded the list of cooperating organizations to include: "Hospice Programs in Hawaii", "acute care medical facilities such as St. Francis Medical Center and Queens Medical Center", "alcohol and drug abuse treatment programs such as DASH", "the Hemophilia Foundation of Hawaii", and "people with AIDS".

(5) "Health professionals" was added to the list of participants for the AIDS and the Law conference.

(6) Your Committee has made technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2046 H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 23-88 Health on H.B. No. 2196

The purpose of this bill is to extend the protection from unwanted smoke afforded employees in the public sector to two new areas: employees in organizations receiving funds under Chapter 42, and employees of larger businesses. In both instances these workers deserve the same considerations as do those working in government offices.

Your Committee finds that there have been numerous reports of a lack of sensitivity among employers of organizations receiving funds under Chapter 42. In one instance, an employee of a well known health organization who is particularly sensitive to smoke was forced out of a job so that institution of a workplace smoking policy could be avoided. It is the view of your Committee that such circumstances justify the extension of the "workplace" law into these situations.

Your Committee further finds that the system of developing even handed smoking policies in the workplace to protect nonsmokers is working as a valuable tool to protect workers in the public sector. There is no reason to delay in extending this system into the private sector, for prevention of disease is a goal that will benefit of all society.

Your Committee acknowledges that human relations make it difficult to assert nonsmoking preferences in the smallest working employee groups. For this reason, the bill does not apply to firms with ten or fewer employees. It is the hope that other legislative initiatives offered this year will provide positive incentives for that group.

Your Committee received testimony in favor of this bill from the Department of Health, the American Cancer Society, the Hawaiian Islands Nonsmokers Association, the Hawaii Heart Association, the Healthcare Association of Hawaii, the Hawaii Society for Respiratory Care, the American Lung Association, and others.

Testimony in opposition was received from the Tobacco Institute, the Hawaii Business League and others opposed to any governmental intrusion in the private sector.

The Department of Health testified that Section 3 (a)(2) of Section 328K-13 wherein nonsmoking employees can appeal an employer's decision on smoking regulations to the Director of Health has raised problems in implementation. There have been situations where an even number of smokers and nonsmokers worked in an office and thus a "simple majority" often did not exist. Since the intent of the bill is to protect the health of nonsmokers, your Committee has replaced the existing language with the phrase "if a satisfactory accommodation to all affected nonsmoking employees cannot be reached, the employer should prohibit smoking in the office workplace."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2196, H.D.1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 24-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2017

The purpose of this bill is to establish a state agency to administer a land bank program.

H.B. No. 2017 would provide a new mechanism to the State in terms of resource management, by allowing for the purchase of land or interests in land. The bill is broad and has considerable potential for protection of sensitive habitats and natural resources, for protection of scenic resources and view plains, and for the acquisition of property needed for recreational use in the future. The primary intent of this bill is to protect environmentally special lands.

Your Committee has made substantive changes as follows:

1. Provided that the Legislature must approve any lease, commercial use, or exchange, of land acquired under this program.
2. Deleted Section 3 of the bill, which would have repealed Chapter 173A, HRS. Your Committee heard testimony to the effect that Chapter 173A, though never used to date, might be useful at times when land banking is inappropriate, and retention of the Chapter would not seem to have any negative implications.
3. Provided additional safeguards when lands are proposed for exchange or disposition.
4. Provided for property tax assessments when the property is leased to non-government entities.
5. Added the sum of \$60,000 in Section 4 to cover the cost of two staff personnel and necessary materials, supplies and equipment to run the program for one year. The sum was recommended by the Department of Land and Natural Resources, and your Committee has received a budget supporting this amount.

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

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2017, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 25-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2020 (Majority)

The purpose of this bill is to appropriate funds for the purchase of lands that have long-term value to the State.

Your Committee has amended H.B. No. 2020 by appropriating up to \$98,000,000 for the purchase and protection of parcels of land which are listed by your Committee. The parcels were identified by DLNR, witnesses, and Committee members as being of unique value to our people, worthy of being part of our legacy to those who come after us in the 21st century and beyond. The appropriation is more than will be required to buy the parcels listed, but your Committee fully expects that other committees will want to add additional lands of unique importance. Your Committee is hoping that by making a commitment of a large sum (roughly equal to the one-time enhancement of our State General Fund resulting from the settlement of the liquor tax dispute), we will set the stage for the purchase of a gift of incalculable value--a heritage that would otherwise be lost to shortsided overdevelopment which threatens to overrun our land and our spirit.

Your Committee is especially grateful to you, the Speaker of the House, for your foresight and encouragement of a bold implementation of the Hawaii constitutional provision which was endorsed by the electorate almost a decade ago.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2020, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2020, H.D. No. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative O'Kieffe did not concur.)

SCRep. 26-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2021

The purpose of this bill is to establish an advisory task force on business financing, to study innovative financing assistance programs to help broaden Hawaii's economic base.

There exists a great and growing need for assistance to and encouragement of businesses and enterprises in finding solutions to their financing problems. The availability of financial assistance is an important inducement to business to start up in Hawaii and to develop or expand their existing capacities.

Supportive testimony was received from the Economic Development Council. The Department of Business and Economic Development felt it was not necessary to appoint a task force because it already can obtain advice from a number of people in Hawaii and on the mainland including government officials and venture capitalists.

Your Committee believes there are benefits to be derived from an advisory task force which can investigate and assess innovative financing assistance programs which may be suitable for implementation in the State of Hawaii to assist new business start-up and existing business expansion.

Upon further consideration, your Committee has amended the bill by providing:

A. That there shall be nine task force members instead of seven, including:

(1) Six representatives from the banking and financial communities, and business owners with an extensive knowledge of business finance, each of whom shall be appointed by the Governor. There shall be at least one representative from each County;

(2) The Director of the Department of Business and Economic Development or the Director's designee;

(3) The Director of the Department of Taxation or the Director's designee; and

(4) The Chairperson of the Board of Agriculture or the Chairperson's designee.

B. That the task force also enlist the cooperation of the Economic Development Council, for the purpose of securing assistance as may be appropriate in performing its duties and responsibilities. The Economic Development Council will include the expertise of each of the four County Economic Development Boards.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2021, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 27-88 Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts on H.B. No. 2029

The purpose of this bill is to appropriate \$1,250,000 for fiscal year 1988-1989 out of the general revenues of the State of Hawaii for supporting space-related work in the University of Hawaii system.

Both the Institute for Astronomy (IFA) and the Hawaii Institute of Geophysics (HIG) of the University of Hawaii (UH) were identified by the Arthur D. Little, Inc.'s final report, Evaluation of the Potential for Space-Related Activities in the State of Hawaii, as being significant participants in space-related activities; so, too, are UH-Hilo and the community colleges. The IFA, with an annual budget of about \$10 million, receives \$3 in federal funds for each \$1 of state funds. HIG receives about \$7 in federal funds for each \$1 of state funds. The State clearly achieves a high return on investment in these areas, and there is substantial potential for continued growth.

Your Committees have received testimony in support of the bill from DBED and the University of Hawaii.

Your Committees have amended the bill by adding a provision that if the funds appropriated are not used for supporting space-related activities, they shall lapse into the general fund.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2029, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2029, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 28-88 Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts on H.B. No. 2030

The purpose of this bill is to appropriate \$320,000 for the University of Hawaii at Hilo to conduct baseline studies to determine the impact a space port would have on the community. These studies will become part of the Environmental Impact Statement of the selected site.

Testimony was received from DBED, High Technology Development Corp., Hawaii County Council and Mayor Dante Carpenter.

Your Committees have amended the bill to appropriate funds for the conduct of such proposed baseline studies, and "other studies some or all of which may become part of the environmental impact statement of the selected site."

Your Committees also adopted the recommendation of the Sierra Club, Hawaii Chapter, to include recognition that the effects of a proposed space facility would be felt on the surrounding ocean as well as the land.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2030, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2030, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 29-88 Human Services on H.B. No. 2054

The purpose of this bill is to appropriate \$150,000 for the establishment of a parent information telephone line, \$100,000 to establish a parenting education demonstration project and \$30,000 to conduct a conference on child care issues.

Testimony supporting this measure was received from People Attentive to Children (PATCH), Hawaii State Commission on the Status of Women, Department of Health, Department of Human Services, Office of Children and Youth, Department of Education, Hawaii Public Health Association, the Family Violence Program, the Executive Office on Aging, Hawaii Association for the Education of Young Children, Hawaii State Federation of Business and Professional Women's Clubs, Inc., and the Office of Human Resources.

This measure is presented in response to recommendations arising from the October 1987 conference on child abuse and neglect conducted by the Office of Children and Youth.

Your Committee finds that when parents have accurate information, they are better able to apply appropriate parenting techniques at home. The establishment of a parenting education demonstration project and a parent information telephone line will give Hawaii's parents ready access to proper child care information.

The parent information telephone line, named the "Childcare Switchboard", is to be a statewide referral service which will provide general information about child care and child care services. This will include information about available child care service providers, consulting with parents on choosing quality child care, and serving as a source of information about family/child related services and events in the State. The Childcare Switchboard will also provide to the appropriate State agencies and to the community information on the child care needs of the State.

To provide for such a comprehensive telephone information program, your Committee has amended the bill to make an appropriation in the sum of \$230,000 for the parent information telephone line.

Your Committee also finds that the planning, organization and conducting of a conference on child care issues will increase the awareness, knowledge, involvement, commitment, and understanding in quality child care and parenting of persons who significantly influence and impact on the development of children.

Your Committee further finds that the bill will benefit Hawaii's children by providing information to those who feel inadequate about their parenting knowledge and performance and don't know how or where to get help, or what constitutes quality child care. When parents have accurate information, they are better able to apply appropriate parenting techniques at home. The result is that children have higher self-esteem and are better able to maximize their potential as productive citizens.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2054, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2054, H.D. 1.

Signed by all members of the Committee except Representatives Peters and Shito.

SCRep. 30-88 Consumer Protection and Commerce on H.B. No. 3134

The purpose of this bill is to attract securities exchanges to Hawaii by exempting security exchanges and dealers from the general excise tax.

H.B. No. 3134 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3134, as amended herein, and recommends that it be committed to the Committee on Consumer Protection and Commerce, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3134, H.D. 1.

Signed by all members of the Committee except Representatives Peters, Jones and Medeiros.

SCRep. 31-88 Ocean and Marine Resources on H.B. No. 2041

The purpose of this bill is to study the feasibility of using fish ponds and open-water cages to promote fish reproduction for the purpose of breeding a greater variety of fish for commercial aquaculture and for release of fish into the sea to replenish depleted natural stocks.

Testimony from the Department of Land and Natural Resources (DLNR) supports H.B. 2041 and states that open-ocean cage culture research, while permitted by Ocean Leasing Law, Chapter 190D HRS, has not been demonstrated to date in the Islands. They recommended that the DLNR work in close coordination with the University of Hawaii to develop a detailed, scientific proposal, should the Legislature provide the funding.

The University of Hawaii is in complete agreement with the bill and mentioned that the funding for this project will be in addition to the University's prioritized budget request. They offered substantive changes to clarify the intent of H.B. 2041.

Your Committee, therefore, recommends the following amendments:

- 1) On page 1, line 13, delete the words "fish reproduction" and replace with "fisheries enhancement".
- 2) On page 1, line 16, add the words "fish breeding and restocking," after the word "reefs,".
- 3) On page 2, line 2, delete "reproduction" and replace with "production".
- 4) On page 2, line 3, add the words ", by enhancing stock recruitment of desirable species," after the word "breeding".
- 5) On page 2, line 6, insert the words "the enhancement of natural fish populations through stocking is in its infancy in this country" after the word "fishermen,".
- 6) On page 2, line 18, insert the following two sentences after the word "Hawaii.": "If species of moderate economic value intended for restocking are to be raised, then less expensive culture methods need to be found. Cage culture in bays or within Hawaiian fish ponds offers one possible method to achieve this goal."
- 7) On page 3, line 3, add the following sentence to the end of the paragraph, "If cage culture techniques used in bays and Hawaiian fish ponds prove to be successful, then further efforts can be made to develop cages and culture techniques for use in the open waters surrounding our islands."
- 8) On page 3, line 8, delete the word "reproduction" and replace with "production".
- 9) On page 3, line 9, delete the word "breeding" and replace with "growing".
- 10) On page 3, line 11, delete the period after the word "stocks" and add the following clause, ", provided that the University of Hawaii coordinate and work together with the Department of Land and Natural Resources, the Department of Business and Economic Development, and other aquatic related private institutions for their expertise in this pilot project."

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 2041, H.D. No. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 32-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1430

The purpose of this bill is to appropriate funds to the Office of Hawaiian Affairs.

H.B. No. 1430 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1430, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development and Hawaiian Affairs for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1430, H.D. 1.

Signed by all members of the Committee.

SCRep. 33-88 Human Services on H.B. No. 2668

The purpose of this Act is to encourage and support gainful employment while caring for elders.

H.B. No. 2668 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2668, as amended herein, and recommends that it be recommitted to the Committee on Human Services, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2668, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 34-88 Human Services on H.B. No. 3300

The purpose of this bill is to encourage child support.

H.B. No. 3300 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3300, as amended herein, and recommends that it be recommitted to the Committee on Human Services, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3300, H.D. 1.

Signed by all members of the Committee except Representatives Peters.

SCRep. 35-88 Higher Education and the Arts on H.B. No. 2015

The purpose of this bill, as received by your committee, is to provide funds for the upgrading of the Waikiki Aquarium.

Your Committee heard testimony that the Waikiki Aquarium is in need of major renovations and repair maintenance to maintain its reputation as a first class aquarium that attracts visitors from Hawaii and tourists from all over the world.

Your Committee has amended Section 2 of the bill to more clearly define the scope and extent of the work to be done. Section 2 has been amended by adding the words "and the removal of the concrete steps fronting the exhibit areas".

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2015, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2015, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 36-88 Higher Education and the Arts on H.B. No. 2014

The purpose of this bill, as received by your Committee, is to expand the staff of Hawaii Public Television to enable it to improve its production capabilities.

Your Committee finds, from testimony presented, that the full capabilities of Hawaii Public Television are being inhibited by the lack of adequate staffing and the reliance on non-professional volunteers. Your Committee further finds that the position of state manager is an executive level position and therefore should be exempt from civil service and excluded from the collective bargaining unit.

Your Committee has amended this bill as follows:

Deletion of station manager (page 2, line 7) and insertion of deputy director, who is exempt from civil service and excluded from collective bargaining.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2014, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2014, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 37-88 Higher Education and the Arts on H.B. No. 2013

The purpose of this bill is to fund University of Hawaii minority programs to improve access and success of students from underrepresented ethnic groups at the University and in professions in Hawaii. This bill would appropriate \$175,000 for these minority programs.

Your Committee received testimony from the Vice President of Student Affairs of the University of Hawaii, and students of the Community College system in support of the bill. Your Committee was supportive of the University's initiative to help minority students through its outreach programs, however, the Committee discovered that there exists a lack of guidance counseling available to students at both the high school and Community College level. Students involved in the program at the Community College level expressed their sentiments at the influence these programs have had on their lives and their transition from the Community Colleges to the University. The program is a small beginning in assisting minority students achieve their goals but nevertheless, the program is still a positive beginning, and one which your Committee supports.

Your Committee made minor nonsubstantive changes for the purpose of style and clarity.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2013, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 38-88 Higher Education and the Arts on H.B. No. 2012

The purpose of this bill is to appropriate funds for the planning and designing for the establishment of the school of Hawaiian, Asian and Pacific studies building on the University of Hawaii's Manoa campus through the issuance of general obligation bonds.

This bill supports the concept that Hawaii can serve as a major center for a link between the Asia and the rest of the world. Hawaii can serve as a link through which the West can come to understand the customs and culture of the East, and a commitment on the part of the state to achieve this standard at the University.

The Committee received testimony from the Vice President for Academic Affairs at the University of Hawaii in support of the bill. The Vice President pointed out to the Committee that the space for the school is greatly needed. The Vice President also pointed out to the Committee the many benefits that the building would have on the University as a whole. These included increased class space, a meeting facility for the University, a major gallery for University exhibits, and an expanded library facility for the University. Essentially the building has the potential to serve as the hub of teaching, programs, community outreach, research, and faculty-student exchange in international studies; and that can be the showcase of the University's international excellence in Asian and Pacific studies.

Your Committee has amended the bill to provide for the Department of Accounting and General Services as the expending agency, rather than the University of Hawaii. In addition, your Committee has made some technical, non substantive changes to the bill.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2012, as amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2012, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 39-88 Higher Education and the Arts on H.B. No. 2010

The purpose of this bill is to provide funds for innovation and commercialization of research in the University of Hawaii system. This bill represents a major commitment on the part of the State to support local economic development through the utilization of the University's resources.

Your Committee received testimony from the University of Hawaii and others all in support of the bill. The committee realizes that such a program will benefit the University, the State and the private sector through increased research and discoveries.

Your Committee is in agreement with the University of Hawaii's recommendation that funding for the program be specified. The bill has been amended by your committee to reflect those specifications.

Furthermore, your Committee has amended the bill to make non-substantive changes for the purpose of style and clarity.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2010, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 40-88 Higher Education and the Arts on H.B. No. 2007

The purpose of this bill is to increase the parking capacity on the campus of Manoa through the allocation of funds for the design of a parking facility at the school of architecture.

Your Committee received testimony from the Vice President for Finance and Operations at the University of Hawaii in support of the bill. However, a change in the expending agency was recommended, and your Committee agreed that the expending agency should be the Department of Accounting and General Services rather than the University of Hawaii.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2007, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 41-88 Higher Education and the Arts on H.B. No. 2301

The purpose of this bill, as received by the committee, is to provide funds to the Maui Historical Society for repairs and maintenance for Bailey House Museum.

Your Committee heard testimony indicating that the Bailey House Museum was in need of extensive repairs and maintenance and, further, that operating expenses are inadequate to provide for their implementation.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2301 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 42-88 Higher Education and the Arts on H.B. No. 2176

The purpose of this bill, as received by your committee, is to provide funds for the planning, design, and construction of a new academy of performing arts facility for the Maui Youth Theatre.

Your Committee heard testimony from the state foundation on culture and the arts in support of the measure. Your Committee also heard testimony in support of the measure from the Maui Youth Theatre executive director, Linda Takita, and a student actor with the theatre, ten-year-old Corey Chung, both of whom travelled from Maui to give their testimony. Testimony was also received by your Committee from other residents of Maui in support of the measure.

Your Committee finds from testimony presented that the Maui Youth Theatre is a source of cultural and personal enrichment for the youth of Maui and Molokai unavailable through any other source and that the programs and productions offered have expanded over the years. Furthermore, your Committee finds the temporary site of the Maui Youth Theatre is unsuitable to meet the present or future needs of the organization.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2176 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 43-88 Tourism and Higher Education and the Arts on H.B. No. 2061

The purpose of this bill is to establish a center for tourism research and policy study within the University of Hawaii's School of Travel Industry Management to assist Hawaii's visitor industry and to respond to state, regional, and international tourism-related research needs. The center will assist in the development of knowledge-based industries for Hawaii by combining the available experience and expertise of Hawaii's travel industry with the University's resources to provide international programs, technical assistance, and research services to countries of the Asia-Pacific region.

Your Committees received testimony from the University of Hawaii School of Travel Industry Management supporting H.B. No. 2061. In particular, the Dean Gee assured your Committees that a center for tourism research and policy study would be a valuable resource for state agencies and departments and would provide a means for such agencies and departments to undertake studies and projects at a cost significantly less expensive than is now possible due to the present necessity of relying on outside consultants.

Your Committees have amended this bill by reducing the funds appropriated from \$400,000 to \$200,000. This appropriation will adequately provide for the staffing and operations costs of the center. Your Committees have also made several non-substantive, grammatical amendments.

Your Committees on Tourism and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2061, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2061, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Horita and Levin.

SCRep. 44-88 Human Services on H.B. No. 2422

The purpose of this act is to allocate funding to enable the Department of Human Services to provide family-based services.

In fiscal year 1987 the Child Protective Services removed 602 children from their families. The disruption of many of these families could have been prevented if family-based services had been available. H.B. No. 2422 deters or shortens the duration of many of these out-of-home placements. Agressive outreach to these families offering a comprehensive, concentrated in-home form of intervention, problem solving and behavioral change and providing resource information, results in positive change. Your Committee finds H.B. No. 2422 to be both a cost effective and humanitarian approach to treating, changing, and preserving family units.

Your Committee has amended the bill as follows:

1. Added "pursuant to Chapter 587, Hawaii Revised Statutes" to describe families whose child has been adjudicated a dependent of the court in Section 1 of the bill on page 3.
2. Deleted in Section 1 of the bill an enumeration of specific family-based services.
3. Added in Section 1 of the bill that the Department of Human Services may adopt rules as may be necessary in carrying out this section.
4. Deleted in Section 2 of the bill an enumeration of the specific family-based services, and replaced the listing with the general term "family-based services".

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2422 H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 45-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2595

The purpose of the bill is to appropriate \$300,000 for the development of water resources on Oahu.

Demand for water exceeds available supplies in several areas on Oahu. State sponsored projects are affected by the lack of water supplies and in some instances by deficient water transmission, distribution and storage infrastructures.

Your Committee received testimony in support of the bill from the Board of Land and Natural Resources and the City and County of Honolulu Board of Water Supply. The Board of Water Supply has made a tentative commitment that any monetary savings to the Board will be passed on to its consumers. If this commitment is confirmed, then your Committee is supportive of this legislation as a way of relieving agricultural water users on Oahu from potentially devastating water rate increases.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2595 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2409

The purpose of this bill is to authorize the Department of Land and Natural Resources to give priority to exchanging public lands which are better suited for homesteading for existing Hawaiian Homes Commission lands.

H.B. No. 2409 was introduced as a short-form bill, which sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2409, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development and Hawaiian Affairs for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2409, H.D. 1.

Signed by all members of the Committee.

SCRep. 47-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2772

The purpose of this bill is to establish a Hawaiian Living Treasures Committee.

H.B. No. 2772 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2772, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development and Hawaiian Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2772, H.D. 1.

Signed by all members of the Committee.

SCRep. 48-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2410

The purpose of this bill is to appropriate funds for a study to determine adequate compensation for the use of Hawaiian Home trust lands by public agencies.

H.B. No. 2410 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2410, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development and Hawaii Affairs for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2410, H.D. 1.

Signed by all members of the Committee.

SCRep. 49-88 Ocean and Marine Resources on H.R. No. 14

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to publish an annual update to the Compendium of State Ocean and Marine Policies.

The Department of Business and Economic Development (DBED) testified in favor of this resolution but suggested that the update be done by the Ocean Resources Branch of DBED instead of LRB, if appropriate staff and resources can be provided. They further stated that the Ocean Resources Branch is the agency most suited to the task since it is in line with the recommendation contained in the "Findings and Recommendations" section of the 1987 compendium.

The LRB testified that the request of this resolution is at odds with their statutorily defined functions. In addition, to carry out the function on a continuous basis, budget and staff would need to be assigned to the project. The added responsibility would detract from the bureau's regular work. They also mentioned that the most appropriate and efficient agency to assume the responsibility of maintaining the compendium is the Ocean Resources Branch of DBED.

Your Committee has, therefore, adopted the recommendations of the testifiers and has made the following amendments:

- 1) Deletion of the words "LEGISLATIVE REFERENCE BUREAU" from the title of the concurrent resolution and the addition of the words "OCEAN RESOURCES BRANCH OF THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT" after the word "THE".
- 2) In the "BE IT RESOLVED" clause, delete the words "Legislative Reference Bureau" and add the words "Ocean Resources Branch of the Department of Business and Economic Development" after the words "that the".
- 3) In the last clause, "BE IT FURTHER RESOLVED", delete the words "the Legislative Reference Bureau" and replace with "Business and Economic Development" after the words "Director of".

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 14, as amended herein, and recommends that be referred to the Committee on Finance, in the form attached hereto as H.R. No. 14, H.D. 1.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 50-88 Ocean and Marine Resources on H.C.R. No. 11

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to publish an annual update to the Compendium of State Ocean and Marine Policies.

The Department of Business and Economic Development (DBED) testified in favor of this concurrent resolution but suggested that the update be done by the Ocean Resources Branch of DBED instead of LRB, if appropriate staff and resources can be provided. They further stated that the Ocean Resources Branch is the agency most suited to the task since it is in line with the recommendation contained in the "Findings and Recommendations" section of the 1987 compendium.

The LRB testified that the request of this concurrent resolution is at odds with their statutorily defined functions. In addition, to carry out the function on a continuous basis, budget and staff would need to be assigned to the project. The added responsibility would detract from the bureau's regular work. They also mentioned that the most appropriate and efficient agency to assume the responsibility of maintaining the compendium is the Ocean Resources Branch of DBED.

Your Committee has, therefore, adopted the recommendations of the testifiers and has made the following amendments:

1) Deletion of the words "LEGISLATIVE REFERENCE BUREAU" from the title of the concurrent resolution and the addition of the words "OCEAN RESOURCES BRANCH OF THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT" after the word "THE".

2) In the "BE IT RESOLVED" clause, delete the words "Legislative Reference Bureau" and add the words "Ocean Resources Branch of the Department of Business and Economic Development" after the words "that the".

3) In the last clause, "BE IT FURTHER RESOLVED", delete the words "the Legislative Reference Bureau" and replace with "Business and Economic Development" after the words "Director of".

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 11, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 11, H.D. 1.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 51-88 Health and Human Services on H.B. No. 3191

The purpose of this bill is to add a new chapter to the Hawaii Revised Statutes entitled "Adult Protective Services" which mandates protective services for vulnerably disabled adults and provides a judicial mechanism for intervention in incidents of imminent harm.

Your Committees heard testimony on this bill from the Department of the Prosecuting Attorney, the State Planning Council on Developmental Disabilities, the State of Hawaii Family Court, the Association for Retarded Citizens of Hawaii, the Department of Health, the Protection and Advocacy Agency of Hawaii, the Christian Science Committee on Publication for the State of Hawaii, the Department of Human Services, the Executive Office on Aging, and some concerned citizens who were parents of vulnerably disabled adults.

There was widespread support among these groups and individuals for the intent of the bill, but two main concerns were repeatedly raised. The first was that the Department of Human Services, as well as the Family Court, lacked sufficient resources to implement the bill. The second was that the model used for this bill was based on the Children's Protective Services legislation and was thus inappropriate for a bill which targets an adult population.

Several of these organizations expressed the concern that this bill was premature since several studies are reportedly underway which are studying these issues. These organizations, however, failed to offer any solutions to the problems that this large gap group is currently enduring. Your Committees heard, moreover, that there are at least 240 incidents reported each year occurring to the vulnerably disabled population targeted in this bill. The adults referred to in this measure are those between the ages of 18 and 60 and thus constitute a gap group which is not covered by existing statutes on the protection of children and of the elderly. Your Committees felt that, rather than postpone enacting such a vital protective bill, it was better to support this legislation now and seek an appropriation since it was the clear consensus of those testifying that an appropriation must accompany the measure in order for it to be meaningfully enacted.

Testimony from the Family Court indicated that Section 571-14 of the Hawaii Revised Statutes might need to be amended in order to give the Court specific authority for dealing with the population affected by this bill.

Your Committees have made the following amendments as suggested by the State Planning Council on Developmental Disabilities:

(1) In the first sentence we are replacing the word "child" with "adult" to correct a typographical error.

(2) In Section 2, (4) under the definition of "vulnerably disabled adult" we are changing "are" to "may be" since there are vulnerable adults who do not require lifelong services.

(3) In Part II, Section -11, in the first section we are inserting the following additions after "social worker": "persons providing direct day program services" and "residential caregiver".

(4) In Part III, Section -33, (2) we are adding "adult residential care home" and "adult foster home".

(5) In the sentence noted above we are changing the term "patient" to read "patient/resident".

(6) A new section was added under Part VII, as Section -63, entitled "Non-reporting penalty" : "Any person subject to this Act who knowingly fails to report an incident which the person has reason to believe involves abuse of a vulnerable adult as required by this Chapter or willfully prevents another person from reporting such an incident pursuant to this Chapter shall be guilty of a petty misdemeanor." Subsequent sections were re-numbered to reflect this addition.

In addition, in Part III, Section -21, your Committees have changed the requirement that an investigation of possible harm or imminent harm be commenced "within twenty-four hours" to "as soon as possible" since it was felt that the initial mandate was unrealistic given resource constraints.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.B. 3191, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 3191, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives M. Ige, Metcalf, Peters and Cavasso.

SCRep. 52-88 Human Services on H.B. No. 2379

The purpose of this bill is to have the Public Utilities Commission implement a program to operate a Statewide telecommunications device (TDD) relay system for the deaf or hearing-impaired. The Commission shall require every telephone public utility providing local telephone service to file a schedule of rates and charges providing for relay services for the deaf and hearing-impaired.

Your Committee heard testimony from the State Coordinating Council on Deafness, the Department of Human Services, the Hawaiian Telephone Company, the Commission on the Handicapped, Communication for the Hearing-Impaired, Incorporated, and the Aloha State Association for the Deaf.

Currently, an inadequate TDD relay service is being operated on a purchase of service arrangement with an appropriation from the Legislature. This system does not have adequate equipment or staff to operate a TDD relay system that meets the needs of today.

Your Committee believes that communication is a basic need and that a TDD relay system is critical to the deaf or hearing-impaired persons' ability to access the telephone systems -- local, state, national and international. A TDD relay service would provide the link between TDD users and those without a TDD device and foster independence and create freedom for deaf persons in the process.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2379 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 53-88 Human Services on H.B. No. 2117

The purpose of this bill is to consolidate and integrate into the proposed new Department of Public Safety the Office of the Sheriff along with judicial security personnel.

Testimony in support of this bill was received by the Department of Corrections and The Judiciary.

The effect of this bill is to place the Office of the Sheriff and judicial security personnel, which are presently divisions of the State Judiciary, under the presently named Department of Corrections and to rename the newly structured department as the "Department of Public Safety". This measure will permit economy, efficiency, and effectiveness in operations.

Moreover, your Committee has amended the bill by deleting provisions for a deputy director to oversee corrections programs and a deputy director to oversee enforcement programs. This amendment was made based on your Committee's findings that there is insufficient evidence to justify such positions.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2117, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Peters, Shito, Tom and Hemmings.

SCRep. 54-88 Human Services on H.B. No. 2344

The purpose of this bill is to amend Section 347-13, Hawaii Revised Statutes, in order to clarify that businesses or agencies who violate that section by discriminating against handicapped persons shall also be guilty of a misdemeanor and fined or, if a natural person, imprisoned, or both.

At the present time there is no rulemaking section necessary for implementing Section 347-13 in its entirety. The adoption of rules pursuant to Chapter 91 is limited only to subsection (c) of Section 347-13. Administrative rules under Section 91 outline the administrative procedures for the adoption and implementation of laws. Without the rules to implement subsections (a) and (b) of Section 347-13, that section is ineffective as to access of handicapped people in public places and conveyances. This bill provides for the enforcement of all of Section 347-13.

Additionally, this bill amends section 347-14 by including businesses and agencies as being subject to penalties and classifying violations of 347-13 misdemeanors.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2344 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 55-88 Human Services on H.B. No. 2137

The purpose of this bill is to reduce the number of situations in which the medicaid program, as it applies to nursing home costs, causes either the unnecessary destitution of families, or the dissolution of marriages.

All too often the spouse of an elderly institutionalized individual in the Medicaid program becomes impoverished as that spouses's assets are considered resources available to the institutionalized spouse to pay for medical expenses. This imposes severe financial hardships on many elderly couples on fixed incomes. It is not uncommon for elderly couples to divorce to enable the impaired spouse to qualify for Medicaid benefits without impoverishing the spouse at home.

Your Committee finds that this bill addresses the fair protection of the income and assets of the spouse of an institutionalized person. A new section has been added to Chapter 346, and a subsection placed in Section 346-29, Hawaii Revised Statutes, which directs that the community property interest and income of the noninstitutionalized spouse are not be taken into account in determining the eligibility of a Medicaid applicant. Further, the transfer of resources of the institutionalized spouse to the noninstitutionalized spouse is not to affect Medicaid eligibility of the transferring spouse.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2137 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 56-88 Human Services on H.B. No. 2380

The purpose of this bill is to amend Section 103-50, Hawaii Revised Statutes by providing for braille characters in addition to standard alphabet characters and numbers on the control panels of elevators in operation and intended for use by the public or by physically handicapped persons in public buildings and facilities of the State. An appropriation is also included for the implementation of the bill.

Your Committee finds that this bill will alleviate problems faced by independent blind individuals who encounter elevators, especially those in large public buildings, that have no braille control characters and therefore are not usable without sighted assistance.

Moreover, your Committee finds it necessary to amend the bill by adding the word "State" in section 1, lines 8,13 and 15, and by deleting the words "or any county" from section 2, line 16. The purpose of this amendment is to require braille control characters installed only in elevators operating in public buildings and facilities of the State government.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2380, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2380, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 57-88 Human Services on H.B. No. 2338

The purpose of this bill is to amend Section 353-6, Hawaii Revised Statutes, by providing for the establishment of sex abuse education and treatment programs for persons convicted of sexual offenses or for those otherwise in need of such programs. This bill also makes an appropriation to implement the program.

Your Committee has amended this bill by deleting the words "at the Oahu community correctional center" on line 5, page two, in order to implement the sex offender treatment program statewide.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2338 H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 58-88 Human Services on H.B. No. 2403

The purpose of this Act is to broaden the use of the child abuse and neglect discretionary emergency assistance fund.

Current laws and administrative rules intend for the emergency assistance fund to be used primarily for purposes of preventing removal of a child from his/her home. H.B. No. 2403 specifically allows this fund's use when removal of a child from his/her home has already occurred, thus supporting efforts to prevent out-of-home placements and the expedient reunification of child with their families.

Your Committee has amended this bill by incorporating its intent into Hawaii Revised Statutes, section 346-65, instead of section 587-24, to avoid placing limits on the use of the emergency assistance fund to families. Section 346-65, subsection (a) and (b)(1) have been amended to include children under the temporary foster custody of the department pursuant to Chapter 587.

Your Committee on Human Services concurs with the intent and purpose of H.B. No. 2403, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2403 H.D. 1.

Signed by all members of the Committee.

SCRep. 59-88 Human Services on H.B. No. 2484

The purpose of this Act is to amend Section 26-6, Hawaii Revised Statutes in order to establish a state funding system for transportation services for handicapped adults.

At present, transportation services are fragmented and insufficient. Many of our handicapped population do not have access to vocational, social or rehabilitation programs. A stable method of supplementing existing services is required to alleviate inequities. H.B. No. 2484 will enable the Department of Accounting and General Services to provide or contract for transportation services for adult handicapped persons participating in state funded or administrated programs.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2484 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 60-88 Human Services on H.B. No. 2538

The purpose of this Act is to amend Section 346, Hawaii Revised Statutes, by appropriating funds to establish within the Department of Human Services a therapeutic respite care program to allow our elderly to care for foster children.

Your Committee finds that there is a shortage of qualified foster parents who can provide emergency shelter for troubled youths. It is also recognized that our senior citizens are an excellent source of personalized care for these youths. H.B. No. 2538 would enable the Department of Human Services to train and license our elderly to care for foster children on a temporary basis.

This bill will benefit our entire community. Not only will our elderly be able to augment limited incomes with stipends for meaningful work, but foster parents will also receive a deserved respite and our children will be favored with personalized care.

Your Committee has amended Section 2, to allow all persons, not only couples, 55 years of age to participate in this program.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2538, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 61-88 House and Community Development on H.B. No. 2069

The purpose of this bill is to ensure that the counties require resort developers to provide affordable employee housing as one of the benefits obtained by the county as a condition of permission to develop resorts.

Your Committee finds that counties are already obtaining some public benefits as a condition of development, and several counties are moving toward comprehensive impact fee or community benefit assessment programs. This bill will provide authorization for these county initiated efforts, especially with regard to housing requirements. Your Committee also finds that other large employment-generating projects, as well as hotels and resorts, may generate a need for employee housing, and that these projects should also be subject to the housing requirement. However, because housing needs may vary by location and project characteristics, a fixed unit requirement and other detailed requirements should not be included in the statutes.

Your Committee has amended H.B. No. 2069 to broaden its applicability to all major employment projects and to delete specific requirements relating to the number of units, pricing, and bonding. These details can best be included in each county's ordinance.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. 2069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2069, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 62-88 Housing and Community Development on H.B. No. 2209

The purpose of this bill is to allow the City and County of Honolulu to establish maintenance assessment districts to ensure the maintenance of public facilities improvements.

The Director of the Department of Transportation Services, City and County of Honolulu, stated that the City and County of Honolulu supports this bill. The creation of maintenance assessment districts would ensure the proper maintenance of improvement projects in the County.

A representative of the Waikiki Improvement Association testified that the Association supports this bill. It was noted that the State and County of Honolulu has spent large amounts of money to improve the City and County of Honolulu, and that the establishment of maintenance assessment districts would be needed. Such projects as the Kalakaua Avenue safety and beautification project and the Fort Street Mall project are two improvement projects this bill will address in terms of maintenance planning and assessments in the near future.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2209 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 63-88 Housing and Community Development on H.B. No. 2083

The purpose of this bill is to increase the amount of compensation paid to persons displaced by State action.

Under present law any displaced person, who moves from a dwelling by State action, may receive a moving expense allowance determined according to a schedule established by the State agency involved not to exceed \$200 and a dislocation allowance in the amount of \$100.

Your Committee is in agreement that the moving expense allowance and the dislocation allowance be increased to \$300 and \$200, respectively. According to testimony provided by the State Department of Business and Economic Development and the City and County Department of Housing and Community Development, these increases will bring payment in line with amounts provided under federally-assisted projects and will provide a more current and equitable amount of compensation to those who are displaced.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2083 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 64-88 Housing and Community Development on H.B. No. 2964

The purpose of this bill is to appropriate \$105,600 to fund a Neighborhood Housing Service Agency in Nanakuli.

The Neighborhood Housing Service Agency is part of the Neighborhood Reinvestment Corporation, a National organization established by Congress in 1978.

The Development Specialist for the Neighborhood Housing Service Agency stated that the Nanakuli Neighborhood Housing Service Agency has three objectives. First, to increase housing assistance to the residents of the area. Second, to develop a commercial revitalization plan that will seek to increase businesses to better serve the Nanakuli community. Third, to launch a community beautification program to reduce Nanakuli's harsh appearance.

The Housing Finance and Development Corporation supports this bill to fund the operating and administrative services and program activities of the Nanakuli Neighborhood Housing Service Agency/Neighborhood Reinvestment Corporation.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2964 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 65-88 Housing and Community Development on H.B. No. 2070

The purpose of this bill is to appropriate \$451,750 to assist in the funding of social support services of emergency shelters.

Homelessness in Hawaii, as in the rest of the nation, is a steadily growing problem which requires assistance from the State. There are approximately 2,500 homeless in the City and County of Honolulu, 600 in the County of Hawaii, 800 in the County of Maui, and 300 in the County of Kauai, or about 4,200 homeless statewide.

Showing support for this bill were many private citizens and the Executive Director of the Housing Finance and Development Corporation who stated that homelessness is a growing problem in the State.

A member of the County Council of Hawaii stated that homelessness is fast becoming a major social issue in our State. The homeless population here is comprised of individuals and families who can find no shelter each night, families living in isolated and inadequate structures, and multiple families living together in cramped quarters because of the lack of any other place to live.

The following organizations submitted Grant-In-Aid forms which were reviewed by the Department of Human Services. The Department of Human Services issued recommendations as follows:

favorable:

- 1) Institute for Human Services/request under the Hawaii Ecumenical Housing Corporation.
Requesting \$25,000
- 2) Kokea Family Transitional Shelter/Hawaii Ecumenical Housing Corporation.
Requesting \$92,000
- 3) Quinn Lane Shelter/Hanai Hale Corporation.
Requesting \$98,000
- 4) Holy Family Ecumenical Shelter/Maui Catholic Charities.
Requesting \$79,000
- 5) East Hawaii Coalition for the Homeless, Inc./Catholic Charities.
Requesting \$64,000
- 6) Aina Kupaa O Maili (Maililand)/Catholic Charities.
Requesting \$90,000

The Director of the Department of Human Services applauds the efforts being made by these six programs to meet the needs of homeless individuals on the Islands of Oahu, Hawaii, and Maui with supportive services in addition to shelter.

Your Committee on Housing and Community Development has amended H.B. No. 2070 by changing the amounts being requested by the organizations to coincide with the recommendation of \$448,000 by the Department of Human Services.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2070, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 66-88 Housing and Community Development on H.B. No. 2963

The purpose of this bill is to facilitate the operations of temporary and transitional housing projects by exempting these housing projects from the operation of the landlord-tenant code and including unlawful presence on temporary and transitional housing projects within the definition of criminal trespassing in the first degree.

Your Committee has defined temporary housing projects as shelters that provide housing up to 6 months and transitional housing projects as shelters which provide social support programs and housing for up to 18 months.

The Executive Director of Maililand stated that exempting temporary and transitional housing projects from the landlord tenant code will allow these housing projects to facilitate and expedite the process of evictions. In transitional housing projects residents enter an agreement with the management to participate in the social programs which are provided. When one of these agreements are not met, and the resident shows no intention of fulfilling their agreement, it becomes necessary to have them removed. The landlord-tenant code makes the process of eviction a lengthy and costly ordeal for these temporary and transitional housing projects. Funds and time could be spent on residents who are willing and wanting to become self-sufficient members of society.

The Executive Director of Maililand further stated that the residents of temporary and transitional housing projects deserve a safe and decent place to live. Under present trespassing laws, if a person is invited to the housing project by a resident, there is little or nothing the police or management can do if the person becomes unruly or disruptive. By

including temporary and transitional housing projects within the definition of criminal trespassing, the police and the management of these housing projects will be able to remove unruly and disruptive people from the property.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2963 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 67-88 Housing and Community Development on H.B. No. 2071

The purpose of this bill is to appropriate \$4,488,750 to help in the renovation and construction of emergency shelters.

A member of the County Council of Hawaii stated that homelessness is fast becoming a major social issue in our State. The homeless population here is comprised of individuals and families. It was mentioned in the testimony that there are presently no shelters in the County of Hawaii and the member is supportive of this bill which would provide financial support in renovation and building of an emergency shelter.

Showing support of this bill were private citizens, public organizations, and the Housing Finance and Development Corporation. The Executive Director of the Housing Finance and Development Corporation stated that homelessness is a growing problem in Hawaii.

Homelessness in Hawaii, as in the rest of the nation, is a steadily growing problem which requires assistance from the State. There are approximately 2,500 homeless in the City and County of Honolulu, 600 in the County of Hawaii, 800 in the County of Maui, and 300 in the County of Kauai, or an estimated 4,200 homeless statewide.

The following organization submitted Capital Improvement forms which were reviewed by the Housing Finance and Development Corporation.

- 1) Hilo/East Hawaii Coalition for the Homeless, Inc.
Requesting \$765,000

- 2) Kona/East Hawaii Coalition for the Homeless, Inc.
Requesting \$1,000,000

- 3) Puunene/Holy Family Ecumenical Shelter; Maui Catholic Charities
Requesting \$39,050

- 4) Lahaina/Salvation Army Family Service and Emergency
Requesting \$1,505,000

- 5) Maililand Transitional Shelter; Aina Kupaa O Maili/Catholic Charities
Requesting \$204,700

- 6) Quinn Lane Shelter; Hanai Hale Corporation
Requesting \$175,000

- 7) Hale Kokua Emergency Shelter for Homeless Women, Children, and Elderly; Hawaii Ecumenical Housing Corporation.
Requesting \$800,000

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2071 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 68-88 Planning, Energy, and Environmental Protection on H.B. No. 2068

The purpose of this bill is to express the State's commitment toward biofuels research and development programs 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 received favorable testimony from representatives from the Department of Business and Economic Development and the Hawaii Natural Energy Institute of the University of Hawaii, indicating that methanol is a highly desirable fuel which is cleaner-burning in comparison to gasoline, and as a result does not produce as much air pollution. Other comments indicated that methanol is not exorbitantly expensive to produce and it would be produced from biomass sources in the State, such as bagasse, wood, and agricultural wastes.

Your Committee finds that the attainment of energy independence through the development of indigenous sources of transportation fuel must be addressed immediately.

Your Committee further finds that utilizing these renewable energy resources would demonstrate the State's foresight in preventing the outbreak of petroleum shortages similar to those faced in the 1970s. The creation of a methanol-from-biomass plant would also generate more jobs and improve the State's trade balance. Moreover, if the pilot plant is successful, Hawaii could easily become respected as a world leader in this field.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2068 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 69-88 Tourism on H.B. No. 2973

The purpose of this bill is to establish a convention center in order to enhance Hawaii's visitor industry and to thereby further the general welfare of the people of the State.

H.B. No. 2973 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2973, as amended herein, and recommends that it be recommitted to the Committee on Tourism for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2973, H.D. 1.

Signed by all members of the Committee except Representatives Horita, Ihara, Souki, Takamine and Yoshimura.

SCRep. 70-88 Planning, Energy, and Environmental Protection on H.B. No. 2066

The purpose of this bill is to initiate the monitoring of pesticide residues in soils near pesticide storage and mixing sites, and to identify potential sources groundwater contamination.

In recent years, the Department of Health has found harmful pesticides in several wells providing drinking water to residents of the State. Your Committee finds that there is an urgent need to increase the frequency of monitoring pesticide residues throughout the State for the protection of the environment and the public health of the people of Hawaii.

Currently, the Department of Agriculture lacks adequate resources for monitoring all point-source pollution, such as soil contamination resulting from improper mixing, or storage of pesticides. This bill will enable the Department of Agriculture to collect soil samples from areas where large quantities of pesticides are stored or prepared for application. Basic data on such sites is needed so that any potential problems can be identified and the groundwater monitoring program can be designed to give early warning of a potential for groundwater contamination approaching a reality.

Since the responsibility for monitoring pesticide storage and application lies with the department of agriculture, your Committee has amended this bill by changing Lines 13 and 14 in Section 2 from "the College of Tropical Agriculture and Human Resources" to "the Department of Agriculture."

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2066, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 71-88 Planning, Energy and Environmental Protection on H.B. No. 2065

The purpose of this bill is to provide the funding necessary to enable the College of Tropical Agriculture and Human Resources to develop a computerized system whereby pesticides may be better detected in Hawaii's groundwater.

The Department of Agriculture has been very much interested in utilizing a computerized system to aid in the review process of pesticide registration and licensing. In Hawaii, there are approximately 4,000 licensed pesticide products which can be grouped into about 300 chemicals on the basis of their active ingredients.

Your Committee finds that the Department of Agriculture lacks scientific methods for determining mobility or leachability of pesticides; therefore, it relies, at best, on the information received from other states and on their records of pesticides detected in ground water. This review process is inadequate to effectively screen out highly leachable pesticides due to its reliance on the after-the-fact information. Your Committee feels that the capability to predict the movement of specific pesticides through soil into groundwater at specific sites is much needed by this state.

The system being addressed by this bill will be based on technology developed by the College of Tropical Agriculture and Human Resources (CTAHR). It will include use of the Hawaii Natural Resource Information System (HNRIS) plus special software developed specifically for estimating the groundwater contamination potential of pesticides and other chemicals when used under conditions found in Hawaii. The system will also utilize a database on chemical properties of pesticides and soil properties which are not presently contained in the HNRIS soil file. Thus, two major aspects involved in the development of this system have been the development of the computer-based system based on HNRIS and the definition of the soil/water/pesticide relations which are the data input that is fed into the computer and assures that a quality product is delivered by the computer.

Testimony presented indicated that one year of work using the additional funds requested can provide the improved data base and confidence levels needed. This is possible because the Soil Conservation Service, the Water Resources Research Center, and the Hawaiian Sugar Planters' Association will contribute their expertise.

Your Committee finds that both aspects of this system, the computer software as well as the definition of the soil/water/pesticide relations, should be fully developed in order to ensure that an accurate system is created. Your Committee has thus amended this bill by increasing the appropriation to \$250,000 so that the data base used for this system can be further developed and validated.

Your Committee has further amended Sections 1 and 2 of this bill to more accurately describe the system being addressed by this bill.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2065, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 72-88 Planning, Energy and Environmental Protection on H.B. No. 2064

The purpose of this bill is to appropriate the sum of \$40,000 to the Governor's Agriculture Coordination Committee (GACC) for the expansion of the pesticide applicator training program.

Your Committee finds that proper education and training of pesticide applicators decreases the threat of pesticide contamination of water and food products substantially. As such, it is of paramount importance to insure that adequate resources exist to train the applicators.

At present individuals who use or supervise the use of restricted use pesticides must be certified by the Department of Agriculture. The Pesticide Advisory Committee has recommended that the number of hours of refresher training be increased substantially, that is, from three hours per five years, to four to six hours per year, almost a 700 percent increase. Most of the responsibility for the training falls upon the Pesticide Applicator Training (PAT) training program established in 1975.

Your Committee further finds that an alternative to adding more staff and resources to the PAT program is to train more qualified instructors and to offer the training through continuing education programs of the community colleges. The funds in this bill will be used to develop training modules that can be used by certified instructors hired by the continuing education programs; to recruit and train highly qualified instructors; and to coordinate and monitor statewide pesticide safety training.

It is expected that this program will eventually become self sufficient through the imposition of user fees.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2064 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 73-88 Planning, Energy, and Environmental Protection on H.B. No. 2063

The purpose of this bill is to provide the Department of Health with the resources to upgrade its capacity to monitor food and drinking water for pesticides and other contaminants.

Your Committee finds that pursuant to Act 127, SLH 1985, the Office of Environmental Quality Control, along with the Governor's technical advisory committee on pesticides submitted its recommendations to the Legislature to improve the

regulation of pesticides and other contaminants in Hawaii. Included in the broad set of recommendations presented in its final report are the specific recommendations included in this bill.

Your Committee feels that there is a clear and urgent need to protect Hawaii's drinking water and food supply from contamination by pesticides or other toxic chemicals and that increased monitoring is a valid means to provide this protection.

Your Committee finds that there is a viable economic alternative which should be included in this bill. There are competent laboratories in the State that are capable of providing this type of testing and already do so for the private sector and industry. Your Committee has thus amended Section 2 of this bill by stipulating that the monies which were to be used to hire laboratory personnel will instead be used to contract out to private laboratories for food testing.

Your Committee has further amended this bill by changing the dollar amount in Section 2 of this bill from \$171,500 to \$181,750 and also by changing the total position count in Section 1 of this bill to ten.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2063, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 74-88 Housing and Community Development on H.B. No. 2085

The purpose of this bill is to increase replacement housing payments to homeowners and residential tenants displaced by State action. This would bring State law on a par with federal law and will provide a more current and equitable amount of compensation to those who are displaced.

Section 111-4(a), Hawaii Revised Statutes, states that a payment, not to exceed \$5,000, shall be made to the owner of real property. This payment, when added to the acquisition payment, equals the average price required for a comparable dwelling.

Section 111-4(b), Hawaii Revised Statutes, states that a payment, not to exceed \$1,500, shall be the amount which is necessary to enable any displaced individual or family to lease or rent for a period not to exceed two years or to make a down payment on the purchase of a dwelling up to standards of this Section.

Your Committee, along with the Housing Finance and Development Corporation and the City and County of Honolulu Department of Housing and Community Development, agrees in amending the above dollar amounts to \$15,000 and \$4,000, respectively.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2085 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 75-88 Housing and Community Development on H.B. No. 2587

The purpose of this bill is to appropriate \$100,000 to support the Oahu Self-Help Housing Corporation, thereby helping provide for affordable housing.

Over the years, the Oahu Self-Help Housing Corporation has demonstrated the ability to provide affordable housing to low-moderate income families through a team self-help method. Hawaii has one of the highest costs of single-family homes in the nation. The Oahu Self-Help Housing Corporation is assisting low-moderate income families in attaining homeownership.

The President of Oahu Self-Help Housing corporation stated that the funds requested will help cover the expenses of the organization; thus allowing them to assist another 200 families. The President further stated that through the Self-Help method they were able to build quality homes below \$30,000.

The Executive Director of the Housing Finance and Development Corporation is supportive of organizations that assist lower income families in becoming homeowners. The Executive Director further stated in the review of the Grant-In-Aid application that they have previously worked with the Oahu Self-Help Housing Corporation by providing assistance in structuring their projects and helping to write down land costs to make the projects feasible.

Your Committee has amended the bill by transferring the responsibility of funding from the Department of Business and Economic Development to the Housing Finance and Development Corporation.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2587, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2587, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 76-88 Housing and Community Development on H.B. No. 2921

The purpose of this bill is to authorize the issuance of \$200,000 in general obligation bonds to fund downtown Hilo projects.

Downtown Hilo is one of the few areas in the State where much historic building stock remains intact. For this reason much of downtown Hilo, with assistance from the State Historic Preservation Office, is on its way to being designated a National Historic District.

As a representative of the Hawaii Redevelopment Agency stated in testimony, the third most listed reason why tourists travel is to visit historic sites. As this State develops, the original downtown Hilo building stock will become an important asset. Tourism has become a major industry to this State's economy, and it has become important to preserve the history of Hawaii.

Improvements such as the renovation of historic Kalakaua Park, construction of a visitor information kiosk, permanent signage for the self-guided historical walking tour, free standing canopies at selected intersections for pedestrian weather protection and additional off-street parking for downtown visitor, customers, and workers are needed to preserve its history and viability.

Under the provisions of this bill the funds would be appropriated as such:

(1) Street amenities:	\$ 75,000
(2) Off-street parking facilities	125,000

As required by Section 53-22, Hawaii Revised Statutes, the County of Hawaii will at least match the financial commitment by the State.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2921 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 77-88 Housing and Community Development on H.B. No. 3124

The purpose of this bill is to appropriate \$61,160 to fund social support programs for emergency shelters on the island of Kauai.

Homelessness in Hawaii, as in the rest of the nation, is a steadily growing problem which requires assistance from the State. There are approximately 300 homeless individuals in the County of Kauai. Presently there are no emergency shelters in the County of Kauai.

The following organization submitted a Grant-In-Aid form which was reviewed by the Department of Human Services. The Department of Human Services issued a recommendation as follows:

1) Kauai Economic Opportunity, Inc.	
Requesting	\$61,160

The Director of the Department of Human Services applauds the efforts being made by this program to meet the needs of homeless individuals on the island of Kauai.

Kauai Economic Opportunity, Inc. recognizes the need for assistance to the homeless and requests funds to provide social support and programs for the homeless in an emergency shelter on Kauai.

Housing, emergency and crisis intervention, education and training, counseling, health care, employment services, consumer education, food and clothing, and other supportive services are needed by the homeless.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3124 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 78-88 Housing and Community Development on H.B. No. 3125

The purpose of this bill is to appropriate \$650,000 to renovate or construct an emergency shelter in the County of Kauai.

The following organization submitted a Capitol Improvement request which was reviewed by the Housing Finance and Development Corporation. The Housing Finance and Development Corporation issued a recommendation as follows:

- 1) Kauai Economic Opportunity, Inc.
 Requesting \$650,000

The Housing Finance and Development Corporation reviewed the Capitol Improvement request to construct barracks type living accommodations for one night's lodging, community showers with lockers and a commercial-type kitchen for congregate dining.

Your Committee has amended H.B. No. 3125 by changing the expending agency from the "Housing Finance and Development Corporation" to the "Hawaii Housing Authority." The Hawaii Housing Authority is the appropriate expending agency for the purpose of this bill.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3125, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 79-88 Housing and Community Development on H.B. No. 3621

The purpose of this bill is to appropriate \$5,775,000 for land acquisition for public facilities in the Kakaako Community Development District.

The Hawaii Community Development Authority testified that there are no State-owned lands in the Kakaako District available for the development of such public projects as community centers, State office buildings, public parking garages, and affordable housing. With the increase in private development activity and improvements to the infrastructure systems, the Hawaii Community Development Authority is concerned that the cost of land for public purposes will become increasingly prohibitive or extremely expensive for government acquisition.

The Hawaii Community Development Authority has identified several sites which may be available for acquisition and are suited for development of public uses. The Hawaii Community Development Authority indicated that new projects, which increase the level of people activity, will increase the demand for new public facilities. Therefore, the Hawaii Community Development Authority strongly recommended that available land for future public facilities be acquired before land costs escalate.

Your Committee agrees with the testimony that funding to acquire land in Kakaako should be made available in a timely manner. This bill appropriates funds which would be used to land bank property in Kakaako for future public uses.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3621 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 80-88 Housing and Community Development on H.B. No. 2957

The purpose of this bill is to amend Section 235-2.3(b)(1), Hawaii Revised Statutes, by adopting Internal Revenue Code Section 42 (with respect to low-income housing credit) and further provides that the low-income housing credit shall be at one-third of the rate as provided by Code Section 42. This would bring Hawaii's tax laws into conformity with Federal tax law.

The 1986 Federal Tax Reform Act established a new business tax credit for developers of low-income housing units. Under present law, there exists no comparable State tax credit afforded to developers of low-income housing units in Hawaii.

The State Department of Taxation, City and County of Honolulu Department of Housing and Community Development, and the Land Use Research Foundation of Hawaii concur that economic incentives represent an effective way to increase private sector production of low-income housing.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2957 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 81-88 Education on H.B. No. 2688

The purpose of this bill is to propose an amendment to Article X, Section 2, of the Constitution of the State of Hawaii to provide for the election of one voting student member on the Board of Education.

H.B. No. 2688 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used for convenience to introduce a bill containing only a general idea as to its purpose and means without specific details in long

form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2688, as amended herein, and recommends that it be recommitted to the Committee on Education for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2688, H.D. 1.

Signed by all members of the Committee except Representatives Hashimoto, Honda, Levin, Oshiro, Say, Taniguchi and Ribellia.

SCRep. 82-88 Human Services on H.B. No. 3219

The purpose of this bill is to appropriate \$150,000 for a statewide respite program for family care givers.

The rapid growth in Hawaii's older adult population necessitates an increase in services and programs involving long-term care. Eighty per cent of the caregiving for older adults occurs informally through family and/or friends. Your Committee finds that unless caregivers' efforts are supported, the physical and emotional toll on entire families as well as the costs to society will be catastrophic. H.B. No. 3219 provides temporary relief for these caregivers in order to avoid burnout, and to permit their loved ones to remain at home as long as possible.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3219 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shito.

SCRep. 83-88 Human Services on H.B. No. 3153

The purpose of this bill is to amend section 346-53 subsection (e), Hawaii Revised Statutes, in order to implement cost of living increases in the state supplement to residents in adult residential care homes and type II homes.

For many frail elderly, residential care facilities offer the only alternative to nursing home care. Your Committee recognizes the need for cost-of-living increases for these elderly living on fixed incomes.

H.B. No. 3153 has been amended by inserting an appropriation of the sum of \$1,307,440 for fiscal year 1988-1989.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3153, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shito.

SCRep. 84-88 Human Services on H.B. No. 3143

The purpose of this bill is to appropriate \$100,000 for a demonstration project that offers financial management services to older adults vulnerable to financial exploitation and accidental financial loss.

Your Committee finds that many of our elderly, in the absence of family members or because of failing eyesight, are unable to perform tasks such as bill paying and rental payments. Not all of them can afford the services of a financial consultant. H.B. No. 3143 provides an alternative to the lengthy and costly process of court guardianship, and allows our elders to live independently and with dignity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3143 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shito.

SCRep. 85-88 Human Services on H.B. No. 2544

The purpose of this bill is to establish the Aloha Corps, patterned after the Peace Corps, to provide assistance to developing nations in the South Pacific. The Aloha Corps would recruit volunteers who temporarily relocate to foreign countries to provide needed services.

Your Committee finds that through the Aloha Corps, Hawaii can demonstrate its concern for the well-being and development of its neighbors in the Pacific. Moreover, the Aloha Corps can also benefit those individuals who volunteer to participate by providing experiences which will enrich and expand their understanding of the world.

Upon consideration of testimony, your Committee has amended the bill by creating the Office of the Aloha Corps and by expanding its scope to encompass the Pacific Basin. The bill has also been amended by creating a new chapter in Hawaii Revised Statutes to establish the Office of the Aloha Corps. The proposed new chapter specifies the following:

- (1) Qualifications, method of appointment, and salary of the director of the Aloha Corps;

- (2) Functions, duties, and powers of the director of the Aloha Corps;
- (3) Qualifications, compensation, and training of volunteers; and
- (4) Responsibilities of host nations.

In addition, the sum of \$100,000 has been inserted as the amount appropriated in section 3 of the bill.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2544, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shito.

SCRep. 86-88 Human Services on H.B. No. 2843

The purpose of this Act is to appropriate \$50,000 to assist elderly women in managing their financial and business affairs.

Over 74 per cent of the population over age 45 who live alone are women. Older women, widows in particular, comprise the largest group of persons without the know-how to manage their affairs. Your Committee finds that unless women become more knowledgeable and begin to understand and take charge of their own affairs, a multitude of problems can be expected. H.B. No. 2843 addresses this issue through the development and implementation of a delivery system of services to this target group.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2843 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shito.

SCRep. 87-88 Human Services on H.B. No. 2849

The purpose of this bill is to appropriate \$250,000 to establish a transition program for adolescents in foster care, groups homes or institutions, between the ages of 16 and 20.

Most of these youths are in care because of abuse or neglect; many having severe behavioral problems. Support from their families during this critical age is lacking. Your Committee recognizes the need for planned and coordinated efforts to help these adolescents to become self-supporting and not dependent upon public assistance.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2849 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shito.

SCRep. 88-88 Health on H.B. No. 2385 (Majority)

The purpose of this bill is to expand the current health education programs available to teenagers by adding a new teenage health program. The Department of Health, working closely with the Department of Education, as it has in the past, would assist in the establishment of teenage health programs designed to enhance self-esteem (often mentioned by counselors as the root cause of many teen problems), facilitate communication between students and parents (often unable to discuss these problems), incorporate some of the conflict resolution techniques such as ho'o'pono'pono developed by our Native Hawaiian culture, and expand the use of peer groups in dealing with serious teen concerns. This is in addition to the existing mandatory health course at the high school level and other opportunities for health education.

Your Committee finds that while existing programs should be continued, they have not been as successful as hoped in changing high risk behavior among teens. Increasingly, innovative programs are learning techniques to enlist the peer group as an ally in encouraging behavioral and attitudinal changes, and the peer group setting seems to be a key.

This bill explicitly mentions two areas which have been underemphasized to date: the facilitation of communication between students and parents, and the goal to respect and include the diverse needs and values of parents and teens served by the program. Your Committee finds that our multi-cultural and multi-religious traditions provide a rich context for the pursuit of virtue and responsibility and should be seen as a resource for our young people. Teenagers should be encouraged to speak about and share their family values which can assist them in coping with personal challenges.

Your Committee heard testimony from Mr. Ray Galas of the Hawaii State Student Council who presented two resolutions adopted by the 1987 Hawaii State Student Council, both in support of more health education and services for teens. The resolutions noted that Hawaii ranks 25th out of the 50 states in teen pregnancies, and that in 1985 one thousand pregnancies occurred in teenagers nineteen or younger. Mr. Galas emphasized that teenagers are not afforded optimal opportunities to rectify social, mental and physical problems, and that teenagers can be considered "at risk".

Additional testimony in support of the bill was received from the Department of Health, the Department of Education, and the Healthy Mothers, Healthy Babies Coalition.

Your Committee also received, however, testimony in opposition to the bill from two points of view: those who apparently oppose all health education in the schools, and those who fear that the teenage health program as suggested in this bill might be misinterpreted, lead to school-based clinics, and thus possibly involve abortion referrals.

Among the comments from the first group opposed to health education were: "Our Hawaii public schools do not need or want 'health education initiatives', 'school-based clinics', 'teen health programs', 'family planning', or any other 'counseling' or 'referral service'" and, "How many times do we have to remind you that academic education is the only legitimate role of the schools?"

Among those testifying who support health programs, but oppose any which might involve abortion referrals were: the Justice and Peace Commission of the Roman Catholic Church which wrote "Teen health programs in our schools are most desirable. Part of any good teen health program would deal with teen pregnancy which involves major health issues both to the teen and to the child. We are strongly opposed to any health program which would in any way facilitate abortion." Hawaii Right to Life submitted an extensive amendment relating to school-based clinics and a prohibition on abortion counselling and services.

Your Committee appreciates the fear and emotion surrounding the abortion issue, but asserts that this bill is unrelated to their concerns. Many appear to want our Department of Education to restrict the activities and advice of other, already existing, counselling efforts in the schools. Such a proposal is properly addressed to the Board of Education which makes such policies.

Your Committee wishes to note that the existence or control of school counselors or public health nurses in our school system is beyond the scope of this bill. This bill is designed to promote more communication, to acknowledge that many teen problems are interrelated, and to help our young people take their lives and their lifestyles seriously. It is no secret that mere pep talks by older adults have not had the desired effect of preventing problems. A more personalized and "relevant" context is required for this segment of society.

Your Committee, in wishing to clarify that this bill has no hidden agenda, has amended the bill to add the sentence: "This program shall not be a referral program."

Your Committee on Health is in accord with the intent and purpose of H.B. 2385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2385, H.D. 1, and be referred to the Committee on Education.

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

SCRep. 89-88 Health on H.B. No. 2383

The purpose of this bill is to establish a dispersal review council to ensure that living facilities for persons who are developmentally disabled, elderly, handicapped, mentally ill, or totally disabled are dispersed throughout the State.

Your Committee finds that community-based residential settings have developed with some neighborhoods attracting facilities in higher numbers than other neighborhoods. It is the intent of the State to encourage the development of facilities in all neighborhoods and to discourage the increase in neighborhoods which already have a disproportionately large number of existing facilities. Your Committee finds that the establishment of a dispersal review council is essential to the equitable distribution of facilities throughout the State.

Your Committee received favorable testimony in support of this bill from the Department of Health, the Executive Office on Aging, the State Health Planning and Development Agency, the State Planning Council on Developmental Disabilities, the Commission on the Handicapped, the Handicapped Network, the Association for Retarded Citizens of Hawaii, the Office of United Self-Help, and the Waipahu Neighborhood Board.

The Department of Land Utilization of the City and County of Honolulu expressed some reservations as to the types of facilities that would be reviewed by the Council. The Hawaii Center for Independent Living testified in opposition as they felt it was discriminatory against disabled persons who find themselves needing the various types of community living arrangements listed in this bill.

Your Committee has made the following amendments to this bill:

- 1) The definition of "living facility" on page 3 has been amended for clarification using the suggested language from the Commission on the Handicapped.
- 2) The section on Linear dispersal on page 4 has been deleted in its entirety as consensus from numerous agencies was that the responsibility for ensuring linear dispersal policies should be more appropriately set in the administrative rules of the Council.
- 3) Incentives have been added to the Powers, duties, and functions of the council to encourage facilities to locate outside saturated areas.

4) The sum to be appropriated to carry out the purposes of this Act for fiscal year 1988-1989 shall be \$42,138 as recommended by the Governor's Community Task Force on Group Living Facilities.

5) The effective date of approval on page 8, Section 4, has been changed to July 1, 1988.

Your Committee is concerned that #9, on page 6, of the Powers, duties, and functions of the council which establishes a process to notify the community and immediate neighborhood of the presence of a facility, and to resolve conflicts between facility residents and the community may not be specific enough. Your Committee has found that potential problems may arise as certain individuals with behavioral problems may reside in these facilities. Another bill specifically addressing this concern was held in committee. Thus, your Committee recommends that the Dispersal Review Council, once established, look further into the aspect of community notification.

Your Committee on Health is in accord with the intent and purpose of H.B. 2383, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2383, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 90-88 Health on H.B. No. 2195 (Majority)

The purpose of this bill is to declare any restrictive covenant which prevents or restricts the establishment of facilities licensed by the State as an adult residential care home, intermediate care facility/mental retardation-community, or special treatment facility shall be void and unenforceable as to such community residence.

Your Committee received unanimous testimonies in support of this bill from the Department of Health, the Commission on the Handicapped, the Executive Office on Aging, the Department of Housing and Community Development and the Department of Land Utilization of the City and County of Honolulu, and numerous other agencies.

Your Committee finds that the development of community-based residential settings has been restricted from many areas within the State because of restrictive covenants on leasehold land which prohibit the establishment of such facilities. This has resulted in a disproportionately large number of group living facilities in a small number of communities. This bill will ensure that group living facilities are dispersed fairly in every community.

Your Committee on Health is in accord with the intent and purpose of H.B. 2195 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives Cavasso and Ribellia did not concur.)

SCRep. 91-88 Health on H.B. No. 2803 (Majority)

The purpose of this bill is to establish a comprehensive litter reduction program with the objective of reducing the volume of waste entering our sanitary landfills, removing nonburnable items from incinerators and from public areas, and creating a litter awareness education program. A major component of the bill would put a refundable deposit on all beverage containers and put a surcharge on orders from take-out food establishments.

Your Committee finds that there are numerous unresolved issues in this bill. While this bill is not in a final, acceptable form, the basic concepts of recycling and preventing the most objectionable materials from entering the environment are worthy enough to keep the issues alive.

Your Committee received testimony from the Department of Health, Tantalus Community Association, Hawaii Democratic Movement, The League of Women Voters of Hawaii, The Outdoor Circle, Reynolds Aluminum, Honolulu Airlines Committee, Distilled Spirits Council of the United States, American Lung Association of Hawaii, The Legislative Center, Alpac Corporation, American Association of University Women, Hawaii Automotive & Retail Gasoline Dealers Assn., Hawaii Food Industry Association, and Maui Soda and Ice Works, Ltd.

There was consensus among the various beverage manufacturers and distributors against the bill on grounds that a deposit system does not effectively combat the problems of litter and solid waste, that a recycling program should be voluntary, that the bill is discriminatory, and it would increase costs to consumers beyond the benefits of the bill. It was established that some 70% of all aluminum beverage containers are being recycled.

There was consensus among the various environmental groups and community associations for a beverage container bill that would impact not only litter, but also reduce the level of emissions from incinerators and reduce the amount of solid waste put into landfills.

There was consensus by both groups that further education is needed to help prevent litter and to encourage recycling.

Your Committee has identified five issues for continued deliberation by the Judiciary and Finance Committees; they are:

1. Is 5 cents an unreasonable and ineffective incentive for recycling? If not, why is it effective on the mainland?

2. How can we provide a potent incentive for small food establishments to shift away from non-biodegradable plastics to biodegradable paper goods?

3. How can we encourage our citizens to recycle more than aluminum cans and to encourage the establishment of recycling centers?

4. How can glass be effectively removed from refuse to be incinerated at the H-POWER plant?

If we do not adopt any recycling program, how will the aquifer be protected from landfill runoff?

Your Committee has amended the bill, by shifting the starting dates for litter three years to help discourage the use of plastics.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2803, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2803, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 92-88 Health and Planning, Energy and Environmental Protection on H.B. No. 2201

The purpose of this bill is to amend Chapter 321, of the Hawaii Revised Statutes, to require applicants to any federal agency for any permit needed for genetic modification of organisms to submit one copy to the Department of Health, and to amend Section 321-11 to include genetically modified organisms as a subject for health rules.

Your Committees find that genetic modification activities, also known as biotechnology, are expanding in the State of Hawaii in both the public and private sectors. Furthermore, it is the expansion of high technology parks and incubation facilities that will likely attract further research and development activities involving genetic modification.

Your Committees further find that although regulation of this technology has been established, in part, by the federal Office of Technology and Policy's "Coordinated Framework for Regulation of Biotechnology," the State of Hawaii is not informed of current and future research or commercialization activities that would involve increases of scale of activities (in comparison to small-scale laboratory experimentation) or direct field testing or application of bioproducts in the State of Hawaii. The fact that various federal agencies, such as the USDA, EPA, NIH, and FDA, share jurisdiction for review and the issuance of permits further complicates, at the state level, adequate access to information.

Your Committees acknowledges that the "Coordinated Framework" is still undergoing revision and that important definitions, such as "intergeneric organisms", "pathogen" and "release into the environment" are still under scientific review. Because such definitions delineate the type of review, if any, required, the State of Hawaii needs to know what activities are ongoing and planned that involve the deliberate release of genetically engineered organisms. For example, gene deletions from most organisms would not need federal review under the current "Coordinated Framework."

Your Committees further acknowledge that Hawaii has a unique, but fragile environment that is currently losing many endemic species to extinction. It is possible that some "engineered" organisms may be more aggressive in their abilities to occupy specialized niches or to cause environmental or health risks. Since such genetically-modified organisms are not considered "new species" by state law, they are currently excluded from quarantine rule and regulations that apply to the introduction of new species from non-Hawaiian sources. It is important that the State of Hawaii balance promotion of biotechnology with protection of the environment.

The State of Hawaii has appropriated funds to support such organizations as the Nitrogen Fixation by Tropical Agricultural Legumes (NifTAL), the University of Hawaii and the Pacific International Center for High Technology Research (PICHTR), but has not supported, to the same degree, efforts to monitor the unintentional or deliberate release of genetically-modified organisms into the Hawaiian environment. The Department of Health's interim report to the Fourteenth Legislature as specified in House Resolution 193 H.D.1 made no mention of a strategy for appropriate monitoring of biotechnology research or development activities, nor did it assess DOH staff's capabilities or facilities to monitor the deliberate release of genetically-modified organisms. The interagency task force began meeting on November 6, 1987, and it not expected to report a full response to HR 192, H.D.1-1987 until December 1988.

Your Committees received testimony from the Department of Health, the University of Hawaii's College of Tropical Agriculture and Human Resources, the Hawaii Biotechnology Group, Hawaiian Sugar Planters' Association, the Sierra Club and from individuals.

Consensus from testimony agreed that the State of Hawaii has a need to know what genetic-modification activities are ongoing and planned for in the years to come. Other points of significance included:

1. Testimony from the College of Tropical Agriculture and Human Resources testified that the Institutional Biosafety Committee (IBC) at the University of Hawaii at Manoa (yet to be reestablished) could inform the Department of Health of relevant information, under the assumption other private and public institutions would send their proposals to the University of Hawaii's IBC.
2. Hawaii Biotechnology Group (HBG), Inc., raised issues of concern over the proprietary nature of proposals being sent for review, and the potential misinterpretation of the language related to "basic research." HBG testified that legislation should be deferred until the Interagency Task Force has submitted its final report.

Your Committees amended the bill by eliminating the following language from SECTION 2: "basic research relating to genetically modified organisms."

Your Committees on Health and Planning, Energy and Environmental Protection are in accord with the intent and purpose of H.B. No. 2201, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2201, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 93-88 Health and Human Services on H.B. No. 2384

The purpose of this bill is to provide an incentive to the State's in-patient health care institutions to encourage these providers to develop innovative programs to retain licensed practical and registered nurses in light of the growing shortage of such nurses at these facilities. The bill mandates the Department of Human Services to establish, with the approval of the Federal government, a special add-on rate to the Medicaid reimbursement rate to institutions that can demonstrate that they have retained 60 percent of their nurses for five years or more.

Your Committees are aware that the shortage of bedside nurses, particularly at acute care institutions, has been a subject of widespread concern in the state of Hawaii for the last several years. The problem is complex and there are many reasons for its existence. Your Committees believe that the nursing shortage needs to be addressed on many fronts including increasing the numbers of graduates that Hawaii's educational institutions are producing and providing review and training courses to enable graduates of foreign nursing schools to pass the written nursing examinations of the State. This bill, however, deals with the troublesome issue of retention of nurses who are already employed in the State's in-patient facilities. At present, the turnover rate for such nurses is almost 25 percent. This means that one out of four nurses leaves their position each year, a rate somewhat higher than the average at mainland institutions.

Your Committees find that most nurses face "burn out" after about five years in an institutional setting. For this reason, this bill is designed to target the burn out risk to nurses at the five year mark. Thus, any in-patient healthcare institution which can demonstrate to the Department of Human Services that 60 percent of its licensed practical and registered nurses have been employed by that institution for five years or more, will be eligible to receive the Medicaid add-on. The amount and method of computation of the add-on will be determined by the Department with the approval of the Federal government.

It is your Committees' belief that an incentive, such as the Medicaid add-on mandated by this bill, will spur the affected institutions into providing innovative programs and services for their nurses in order to significantly improve retention. The Department of Human Services, which testified in favor of this bill, mentioned free transportation services, child care services and health/recreation programs, as examples of possible programs to increase retention. The Department of Health and the Hawaii's Nurses Association also testified in favor of this bill. The latter organization noted that increasing the supply of licensed and qualified nurses, while admirable and necessary, would not end the current shortage if the retention rate were to remain at current levels.

Your Committees also received testimony from the Healthcare Association of Hawaii which supported the intent of the bill, but had reservations about the mechanics of the Medicaid add-on. Your Committees wish to emphasize that the add-on referred to in the bill would be a reimbursement in addition to the amount that a given institution is presently receiving under the prospective payment system, and therefore represents an aggregate increase to the in-patient healthcare institutions.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.B. 2384 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 94-88 Agriculture and Higher Education and the Arts on H.B. No. 2183

The purpose of this bill is to bring together the public and private agricultural sectors so that they may utilize existing information, or create new information, in the development of new crops and products.

The future of diversified agriculture is directly related to the State taking aggressive steps to develop new crops and products that are economically viable. To foster new agriculturally based industries, it is essential to first recognize strengths and seek ways to capitalize on them.

Your Committees also find that in order to achieve the objectives of this bill, the following steps need to be taken: (1) creation of an advisory group made up of individuals from the private sector; (2) development of cooperative agreements between producers, marketers, consumers and government agencies dealing with regulations and policy; (3) continuation of the design and development of decision support systems; and (4) development of demonstration plots in appropriate locations.

Your Committees received favorable testimony from the Dean of the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa and the Hawaii Farm Bureau Federation.

Your Committees have amended this bill to make the University of Hawaii College of Tropical Agriculture and Human Resources responsible for fulfilling the purposes of this Act, while making the Governor's Agriculture Coordinating Committee the expending agency for the funds.

Your Committees on Agriculture and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2183, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2183, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 95-88 Agriculture on H.B. No. 2478

The purpose of this bill is to appropriate \$290,000 to support five agricultural activities relating to coffee, saline water irrigation, solar fruit drying, and marketing training for farmers.

Your Committee received testimony in support of this bill from the Governor's Agriculture Coordinating Committee and the University of Hawaii College of Tropical Agriculture and Human Resources. All of these activities are directly aimed at increasing productivity, reducing costs, and improving marketing opportunities for Hawaii farmers.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2478 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 96-88 Agriculture on H.B. No. 2042

The purpose of this bill is to appropriate \$2.5 million dollars for fiscal year 1988-1989 for sugar research and development, provided that the Hawaiian Sugar Planters Association provides a dollar-for-dollar match of funds.

Your Committee finds that the sugar industry is a vital component of the state's economic base. The failure of this industry would have serious repercussions which would be felt throughout the state's economy.

Your Committee further finds that the future of Hawaii's sugar industry is dependent on continuing the research efforts that has brought the industry to its unprecedented level of efficiency.

Representatives from the Hawaiian Sugar Planters Association, Governor's Agriculture Coordinating Committee, the University of Hawaii College of Tropical Agriculture and Human Resources, and the Board of Agriculture testified in favor of this bill.

Your Committee has made technical non-substantive changes to the bill for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2042, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2042, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 97-88 Agriculture on H.B. No. 2476

The purpose of this bill is to appropriate \$200,000 for the purchase and installation of a hydro-cooler and ice machine at the Kula vacuum cooling plant.

Currently, Hawaii imports 85 per cent of the broccoli consumed here, 70 per cent of the cauliflower, 65 per cent of the celery, 40 per cent of the sweet corn, and 35 per cent of the cucumbers. The Kula district of Maui is a major producing area for these temperate-type vegetables. Moreover, as disease has hurt the Kula tomato crop, more farmers have been turning to these alternate crops, which have great market potential in Hawaii. However, the bulky structure of these products require that they be "hydro-cooled" or "top-iced" to maintain their freshness for market appeal. Provision of this equipment will enable farmers in the Kula district to increase their production of these crops.

Your Committee received testimony in support of this bill from the Hawaii Farm Bureau Federation, the University of Hawaii College of Tropical Agriculture and Human Resources, and the State Board of Agriculture.

The Hawaii Farm Bureau Federation representative testified that forced-air cooling is a better method of cooling cauliflower than is hydro-cooling. The representative also stated that the addition of a walk-in reefer, fuel storage and distribution tanks, and the conversion of the current loading stairway to a ramp would improve the safety and efficiency of operations at the Kula vacuum plant.

Your Committee has amended this bill by adding the words "and other equipment" to the appropriation section.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2476, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 98-88 Human Services on H.B. No. 2851

The purpose of this bill is (1) to require the Department of Human Services to offer periodic orientation and training to its employees who are responsible for making child abuse and neglect reports; and (2) to require the Department of the Attorney General to perform criminal history record checks on those employed in programs for children operated by the State or contracted for by the State.

While in support of the concept of the bill, the State Attorney General suggested that improvements are needed to the criminal history information system so that it can be made more reliable. In addition, the Department of Human Services recommended that the intent of improving the identification of child abuse and neglect would be better fulfilled by extending the orientation and training to all of those required to report suspected cases.

In consideration of the foregoing testimony, your Committee has amended the bill as follows:

- (1) Specified that the purpose of the orientation and training is to improve the identification of child abuse and neglect;
- (2) Extended opportunities for such orientation and training to all of individuals responsible for making child abuse and neglect reports;
- (3) Appropriated \$30,000 for the Department of Human Services to provide such orientation and training;
- (3) Deleted the substance of section 2 of the bill and replaced it with a requirement that the Department of the Attorney General develop a plan to perform criminal history record checks on those currently required to undergo such checks, as well as those providing direct services to children employed in State programs or programs contracted for by the State.
- (4) Appropriated \$30,000 for the Department of the Attorney General to develop the plan.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2851, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hayes, M. Ige and Cavasso.

SCRep. 99-88 Water, Land Use, Development and Hawaiian Homes and Housing and Community Development on H.B. No. 2204

The purpose of this bill is to repeal Chapter 206, Hawaii Revised Statutes, titled "Oahu Land Development."

Chapter 206, HRS, was enacted in 1961 under Act 6, to provide for the development of lands for residential uses and other related facilities and for the purchase or condemnation of private property in connection therewith on the island of Oahu. The law was enacted primarily to alleviate the then existing critical shortage of residential fee simple property on the island of Oahu.

Your Committees received testimony from the Department of Land and Natural Resources, and are in agreement that this law has never been implemented nor is it anticipated to be implemented.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Housing and Community Development are in accord with the intent and purpose of H.B. No. 2204 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 100-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3233

The purpose of this bill is to provide an appropriation for the acquisition of property and rights-of-way for mountain and shoreline trails and access sites.

Your Committee has amended this bill to provide an appropriation of \$1,500,000 and to provide language which makes it clear the funds may also be used to settle outstanding claims in cases in which title may be shared or contested.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3233, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 101-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2028

The purpose of this bill is to appropriate \$1.2 million for fiscal year 1988-1989, out of the general revenues of the State of Hawaii for the preparation of an environmental impact statement for a proposed space port in Hawaii.

The ability of Hawaii to compete effectively in the space launch industry is contingent on the speed with which a site is selected and a launch facility is authorized. It is imperative that initiation of an environmental impact statement be started to avert delays in the establishment of a space port.

Your Committee received testimony from the Sierra Club, Department of Business and Economic Development and the University of Hawaii Environmental Center.

Your Committee has amended this bill to clarify that this appropriation includes funding for environmental and technical studies related to the final site selection, all as part of the preparation of an environmental impact statement.

Your Committee has also made nonsubstantive changes for the purpose of style and clarity.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2028, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2028, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 102-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3380

The purpose of this bill is to amend Chapter 50I, Hawaii Revised Statutes, to eliminate owner's duplicate certificates of title.

Your Committee received testimony in support of the bill from the Department of Land and Natural Resources, Hawaii Land Title Association and a number of title escrow companies. The measure was strongly opposed by the Judiciary.

Your Committee believes that eliminating the owner's duplicate certificate of title will reduce delays and decrease paperwork without adversely affecting the Land Court system. However, in light of the strong opposition, your Committee recommends that the Judiciary Committee give the measure considerable scrutiny.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3380 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 103-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3441

The purpose of this bill is to make changes in the loan program which would reduce paper work and permit the program to be more effective by making interest rates more responsive to market conditions.

Your Committee heard testimony in support of this bill from the Department of Business and Economic Development, which testified that the changes reflect a practical approach to the way they would like to do business.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3441 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 104-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2314

The purpose of this bill is to appropriate funds in the amount of \$40,000 to renovate the former Alae School complex for satellite offices of the Hawaii County Economic Opportunity Council.

Your Committee heard testimony from the Department of Labor and Industrial Relations in support of the intent of the bill so far as it does not replace the Department's current priorities. The Department of Education testified that they are not opposed to the use, but recommended that the appropriation be made to DOE. They pointed out that disposition of the site to the county would require favorable Board of Education action and then the processing of the transfer by the Department of Land and Natural Resources.

Committee discussion pointed out that it would be foolish to turn the site over to the county and then have to buy another site for a school as the Kona area developed to the south. However, your committee decided to pass out this bill without amendment and permit the Finance Committee to receive testimony to resolve the question of the administrating agency.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2314 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 105-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2305

The purpose of this bill is to appropriate an unspecified sum to the Department of Business and Economic Development, to be expended in fiscal year 1988-89 for a statewide public education program explaining the benefits of the sugar industry to the State of Hawaii.

Your Committee received testimony in support of the bill from the Department of Agriculture, Hawaii Sugar Planters Association, and the University of Hawaii College of Tropical Agriculture and Human Resources.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2305 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 106-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3628

The purpose of this bill is to provide the Department of Land and Natural Resources the authorization to charge and collect an application fee for a hunting license as provided for in Section 1830-22, Hawaii Revised Statutes. It further provides that license agents may collect and account for application fees, that the Department may set the fee rate, and that the fees shall be the same for each county.

Your Committee received testimony in support of the bill from the Department of Land and Natural Resources and it was represented that the measure is supported by the hunting community.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3628 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 107-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2444

The purpose of this bill is to appropriate the sum of \$1,700,000 to establish a Hawaiian Housing Authority home construction loan fund for eligible residents of Kahana Valley State Park. Act 5, Session Laws of 1987 authorizes long-term residential leases to qualified residents, but stipulates that no state funds can be expended for residences. This bill amends Act 5 to allow grant-in-aid funds to be used to establish a home loan fund for the relocation or construction of such residences.

Your Committee received favorable testimony from the Department of Land and Natural Resources and a resident of Kahana Valley State Hawaiian Cultural Living Park.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2444 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 108-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2394

The purpose of this bill is to establish a wildlife revolving fund, using funds obtained from hunting fees and other activities to match Pittman-Robertson federal aid.

Your Committee heard strong testimony in support of the bill from the hunting community. However, the Department of Land and Natural Resources expressed concern that the bill could jeopardize Pittman-Robertson grants-in-aid. Your Committee has asked DLNR to check the wording of the bill with the State Attorney General and with the Solicitor General of the United States. Recommendations based on the responses will need to be considered before final action is taken on this measure.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2394 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 109-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2336

The purpose of this bill is to appropriate \$1,000,000 out of the general revenues of the State of Hawaii to the High Technology Development Corporation for high technology research and development. The appropriation may be used to fund basic research, applied research, prototype development, or technology commercialization.

Your Committee received testimony in support of the bill from the High Technology Development Corporation.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2336 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 110-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2421

The purpose of this bill is to allow amendments to state leases for hotel use, where such amendments are found to be in the public interest.

Your Committee heard testimony generally in favor of the bill. Some recommendations were made to eliminate the provision that the bill apply only to leases in existence twenty years or longer, but your Committee believes that a carefully planned project should not need re-evaluation in a shorter period of time. The twenty-year period is consistent with other lease renegotiations, and was supported by testimony from the Mayor of Kauai.

Your Committee has amended this bill to assure that notice is published in papers of both local and statewide circulation, and to provide that the public hearing is held on the island affected by the project. Other non-substantive amendments were made.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2421, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 111-88 Agriculture on H.B. No. 2702

The purpose of this bill is to provide \$200,000 for the promotion of diversified agricultural commodities for fiscal year 1988-1989.

Diversified agriculture is a vital component of the State's economic base and is the fastest growing sector in the agricultural industry with sales of over \$200 million dollars a year. Further, diversified agriculture represents the most viable alternative for lands previously used for sugar and pineapple, making efforts to promote and develop markets for the products of Hawaii's diversified agriculture a wise investment for the future.

Your Committee finds that this appropriation would enable the Department of Agriculture to continue existing programs, develop and create new programs, expand multi-commodity promotions, and assist the development of new and fledgling agricultural and food industries.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. 2702 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 112-88 Agriculture on H.B. No. 2703

The purpose of this bill is to provide funds for a demonstration shrimp project which would utilize some of the substantial equipment, water, land and labor resources currently devoted to sugar production.

At the present time, the sugar industry is looking into new and innovative agronomic practices, different and efficient refining practices, innovative uses of the sugar plant and attendant waste products, and the development of other crops and products. One of the most promising ventures that can be integrated into the existing sugar structure is shrimp aquaculture. Incongruous as it may sound, shrimp and sugar apparently share the same environmental and climatic needs. Further, certain water streams flowing from the mills, especially the condenser cooler water which is warm, may be very beneficial in the culture of shrimp.

Representatives from the Board of Land and Natural Resources, the Hawaiian Sugar Planters' Association, and the Oceanic Institute submitted testimony in strong support of this measure.

Your Committee finds that the demonstration shrimp project proposed, if successful, could assist sugar companies around the State in diversifying their revenue base and maintaining profitability, and that research funding should be provided. For purposes of continued discussion, the appropriations section of the bill has been amended with the insertion of \$1.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2703, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 113-88 Agriculture on H.B. No. 2825

The purpose of this bill is to appropriate \$67,900 for the fiscal year 1988-1989 to stop the epidemic spread of the gorse plant, Ulex europaeus, on the islands of Hawaii and Maui.

Gorse, a spiny yellow-flowered shrub which flourishes in Spain, Portugal, Great Britain, New Zealand, and Australia, is considered the most serious of all weed pests in pastures and conservation lands on the islands of Hawaii and Maui. The loss of the highest and best use of the infested lands and the negative impact on hiking, hunting and other recreational activities are a major concern. Although confined primarily to agricultural lands and forest lands in the higher elevations, concern has developed over the spreading of gorse into the residential areas on Maui and the watershed areas on Hawaii. If gorse is allowed to spread into these areas, it will present a serious fire hazard to residential areas and destroy the watershed capacity of those lands.

Testifying in support of this measure were representatives from the Department of Hawaiian Home Lands, the Department of Land and Natural Resources, the State Board of Agriculture, and the College of Tropical Agriculture and Human Resources at the University of Hawaii.

Your Committee finds that this measure is necessary for the management and control of this aggressive vegetation.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2825 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 114-88 Agriculture on H.B. No. 3113

The purpose of this bill is to appropriate \$36,000 for fiscal year 1988-1989, for the development and operation of a tomato spotted wilt virus management program on the island of Maui.

Tomato spotted wilt virus disease has caused losses estimated at \$1 million per year to lettuce and tomato growers on the island of Maui. Good progress has been made in eradication research efforts, and crop losses can be reduced through a disease management program currently utilized in the Kamuela vegetable growing area on the Big Island. The disease management program proposed in this measure would assist Maui farmers in their efforts to control the tomato spotted wilt virus disease.

The Governor's Agriculture Coordinating Committee and the College of Tropical Agriculture and Human Resources submitted testimony in support of this measure. However, the College of Tropical Agriculture and Human Resources suggested that the bill be amended to specify that the Governor's Agriculture Coordinating Committee have overall coordinating and expending responsibility for this endeavor, and that the College of Tropical Agriculture and Human Resources be responsible for the actual research. Your Committee has amended the bill accordingly.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3113, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 115-88 Agriculture on H.B. No. 2701

The purpose of this bill is to continue the independent monthly audits in accordance with Federal Milk Marketing Order specifications which examines and verifies milk utilization by processing plants.

In 1987, the Department of Agriculture was required to conduct independent monthly audits on the amount of milk received by the processors for calendar years 1987 and 1988. Funds were approved for release to cover audits for calendar year 1987 and the first six months of calendar year 1988. The requested \$72,000 appropriation specified in this measure will allow the Department of Agriculture to continue the independent monthly audits for the remainder of 1988.

Testimony in support of this measure was presented by representatives from the State Board of Agriculture and the Hawaii Milk Marketing Cooperative.

Your Committee finds that these independent monthly audits are necessary for the continued reliability and viability of the local dairy industry. In this regard, your Committee requests that the Department of Agriculture release the audit reports upon completion to requesting agencies or organizations.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2701 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 116-88 Agriculture on H.B. No. 2699

The purpose of this bill is to appropriate funds for advertising and promotion of milk produced in Hawaii, if the Fresh Milk Industry of Hawaii matches the amount appropriated dollar-for-dollar.

The Fresh Milk Industry of Hawaii is the advertising and promotion organization for the members of the Hawaii Milk Marketing Cooperative which consists of eleven dairy farmers, or 85% of the total number of producers, or 82% of the total production in the Honolulu milk shed. This measure represents the continued contractual relationship between the State and the Fresh Milk Industry of Hawaii, and proposes to provide necessary financial support for the local dairy industry.

Your Committee finds that the local dairy industry needs to promote its products as there is a fluctuation in the demand for milk during the summer months when school is out and the demand for milk is reduced. The reduction in demand results in the culling of herds by producers, which results in historical shortages during September through November. If the market swing were reduced in the summer months the industry would be better able to stabilize itself in the long run.

Your Committee received supporting testimony from the Department of Agriculture, and the Hawaii Milk Marketing Cooperative which suggested the sum of \$37,500 on a matching basis for the 1988 fresh milk marketing plan. As a result, your Committee has amended the bill by inserting the \$37,500 amount in the previously blank appropriations section. In addition, the Department of Agriculture was designated as the appropriating agency replacing the previous designation of the Governor's Agriculture Coordinating Committee.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. 2699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2699, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 117-88 Agriculture on H.B. No. 2387 (Majority)

The purpose of this bill is to establish a minimum fine for any person who intentionally brings into the State a prohibited animal.

The environment and native animals of Hawaii have been severely damaged by the introduction of many foreign species. The State has therefore passed laws forbidding the importation of certain species which are considered to pose further threats to our native wildlife or environment.

Your Committee finds that it is important that prohibited animals be prevented from entering the State. Therefore it was concluded that a minimum fine should be established as a deterrent against the importation of prohibited animals.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. 2387 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 118-88 Agriculture on H.B. No. 2044

The purpose of this bill is to appropriate a total of \$50,000 for the fiscal year 1988-1989 to the Department of Agriculture for programs to promote dendrobium orchids, provided that no funds shall be made available unless matched dollar-for-dollar by the dendrobium orchid industry.

The dendrobium orchid industry is one of the fastest growing industries in the State. Its continued growth relies on expansion in the mainland United States market.

Your Committee received favorable testimony from the University of Hawaii College of Tropical Agriculture and Human Resources and the Board of Agriculture.

Your Committee notes that in 1987 funds were appropriated to the College of Tropical Agriculture and Human Resources for a market research program. The program focused on market identification, coordination between local producers and mainland United States marketers, and long-term growth projections. This bill will provide the funds to carry out a promotion program based on market research findings and recommendations.

It is the finding of your Committee that the dendrobium orchid industry has great potential to increase its contribution to the state's economy, and that marketing and research efforts of the industry should be continued.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2044 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 119-88 Health on H.B. No. 2795

The purpose of this bill is to require that all public buildings and facilities constructed by the State or any political subdivision thereof, conform to the Uniform Federal Accessibility Standards (24 CFR Part 40) in place of the American

Standards Specifications for Making Buildings and Facilities Accessible to and Usable by the Physically Handicapped, and that any unauthorized deviation be rectified by full compliance within 120 days after the discovery thereof.

Your Committee received favorable testimony on this bill from the Department of Human Services, the Commission on the Handicapped, the Mayor's Commission on the Handicapped, and the Arthritis Foundation.

The Department of Accounting and General Services testified against this bill as it felt that UFAS does not provide for any variances in different facilities and also did not agree upon the time for full compliance.

Your Committee feels that present ANSI standards are vague and that stronger standards are needed to provide greater direction to architects and public agencies in the construction of public buildings so that public programs and services are accessible to physically disabled persons.

Your Committee on Health is in accord with the intent and purpose of H.B. 2795 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 120-88 Health on H.B. No. 2604

The purpose of this bill is to provide for additional funds for fiscal year 1988-1989 for the continuation of the community-based employment program for the chronically mentally ill to expand in the number of clients served, the number of prevocational and vocational rehabilitation activities, and the number of program hours.

Your Committee received testimony in support of this bill from the Department of Health, the National Association of Social Workers, the Mental Health Association, and numerous individuals from the Hawaii Families and Friends of Schizophrenics, Inc.

Your Committee finds that this "Clubhouse Program" is unique in the State in that it is situated in a community setting away from an established or traditional community mental health center. There are some severely disabled mentally ill persons, who for reasons of their own, do not wish to attend programs offered at established community mental health centers. This program allows these chronically mentally ill persons to participate more fully and productively in society.

Numerous testimonies reiterated the need for the continued funding of this Psychosocial and Vocational Rehabilitation Program, which will help the seriously and persistently mentally ill have meaningful opportunities to participate in community life.

Your Committee finds that adult mental health services are required on a continuum ranging from the state hospital, to the community mental health centers, to the so-called "clubhouse" facilities, and finally out to group homes and individual residences. This continuum, and the corresponding House Bills which fund the various components, can be expressed as follows:

Hawaii	Mental	Clubhouse	Group
State	Health	(H.B. 2604)	Homes
Hospital	Centers:	\$576,800	etc.
	(H.B. 3152)		
	\$485,450		

With this perspective, the "Clubhouse" provides an important intermediary role which is less formal and less bureaucratic than the Mental Health Centers, and more conducive for "plugging in" various vocational services for the mentally ill. Your Committee heard testimony indicating that many clients do not feel motivated or comfortable in going regularly to the mental health centers, but would respond to a facility geared specifically for their needs. Without the "Clubhouse" component of the system, there is fear that many of the other efforts to assist the mentally ill would be ineffective.

Your Committee has amended this bill to provide for additional funding on top of the initial request and is appropriating \$576,800 out of the general revenues of the State of Hawaii for the purposes of this Act. Testimony from numerous agencies concurred that this additional funding was necessary to continue the "Clubhouse" type program for the chronically mentally ill.

Your Committee on Health is in accord with the intent and purpose of H.B. 2604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2604, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 121-88 Health on H.B. No. 2800 (Majority)

The purpose of this bill is to amend Section 328K, Part I of the Hawaii Revised Statutes, "Smoking in Public Places" in order to clarify the language where it has been causing problems in interpretation and to expand the statute to cover additional venues.

Your Committee finds that certain portions of the statute, which was enacted in the 1987 legislative session, have been subject to confusion, and moreover that due to ambiguities in the language there has been uncertainty about which regulations pertain to restaurants, bars and nightclubs in particular.

Your Committee heard testimony in favor of this bill from the Department of Health, the American Cancer Society, the Interagency Council on Smoking and Health (ICOSH), the American Lung Association, and the Hawaii Public Health Association. The Department of Health reported that they had received numerous complaints about restaurants reserving insufficient numbers of seats for nonsmokers and that the lack of a definition of a "bar" in the statute had caused problems. They praised the inclusion of bowling alleys and amusement centers as nonsmoking areas because these are places where young people congregate.

Testifying in opposition were the Tobacco Institute, the Hawaii Business League, the Hawaii Restaurant Association, the Liquor Dispensers of Hawaii and the Hawaii Food and Beverage Association who felt that expansion of the non-smoking sections of restaurants impinged on the restaurants' ability to make decisions based on their business requirements.

Your Committee has amended the bill as follows: In Section 2 (3)(A) regarding the proportion of nonsmoking areas that a restaurant shall provide, the percentage has been changed from sixty percent to fifty percent. Your Committee noted that the New York statute contains a similar provision and that it has worked well in practice there. Paragraph (3) under Section 3 Exceptions has been moved to become subparagraph (E) of paragraph (7) in Section 2 and the subsequent subparagraphs have been re-lettered. This change reflects the fact that your Committee believes that a restaurant in a retail establishment, which is not separated by a solid wall or hallway, is properly regarded as part of the retail establishment proper and is thus subject to the prohibition on smoking therein.

Your Committee on Health is in accord with the intent and purpose of H.B. 2800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2800, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.
(Representatives M. Ige, Shito and Ribellia did not concur.)

SCRep. 122-88 Health on H.B. No. 3012

The purpose of this bill is to provide funds for additional mental health positions for mental health services to children and youth.

Your Committee received testimony strongly supporting this bill from the Department of Health. The Department felt 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.

Your Committee feels that a mechanism is necessary to assess the unmet needs for mental health services for students and is amending this bill by adding a paragraph (5) to Section 1 of §321-174 Coordination of services with department of education to read as follows:

(5) Developing an ongoing mechanism to assess, document and report to the legislature and the governor unmet needs for mental health services for students in each geographic region; and

Your Committee is appropriating the sum of \$660,000 out of the general revenues of the State of Hawaii for additional personnel for the Department of Health. The Department felt that this amount was necessary to meet the needs of the estimated 1434 special education students in order to ensure that they would receive timely, effective, and appropriate services.

Your Committee on Health is in accord with the intent and purpose of H.B. 3012, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3012, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 123-88 Health on H.B. No. 3149

The purpose of this bill, as originally received, was to allow a \$1000 tax credit to caregivers, fitting certain criteria, who are caring for elderly relatives in their homes. Your Committee has changed the purpose of this bill to mandate the Department of Human Services to issue a \$2000 stipend to caregivers fitting these same criteria.

Your Committee heard testimony from the Department of Human Services, the Executive Office on Aging, the Kokua Council for Senior Citizens of Hawaii, the American Association of Retired Persons and several concerned individuals urging support for the measure. The Department of Taxation, however, felt that the proposed tax credit was untenable and noted that there were already similar credits in existence although they amounted to far less than the credit proposed here.

Your Committee heard detailed discussion centering on the economic burden of the caregivers and the fact that any relief the State could provide would be far outweighed by the cost to the State if the elderly relatives had to be

institutionalized. It was also noted that many caregivers are unable to hold down outside jobs because senior daycare is largely unavailable and thus direct financial aid to the caregivers would be of great value.

Because your Committee felt that a direct stipend to caregivers who meet the criteria set forth in the bill would be both more useful to them than a tax credit and more consistent with the expressed preferences of the Department of Taxation and of the Executive Office on Aging, as well as easier to implement, Section 1 of the bill was rewritten to substitute a stipend from the Department of Human Services in the amount of \$2000 for the tax credit originally proposed.

Your Committee has amended the bill by adding a new section to appropriate funds to implement the purpose of this bill.

Your Committee on Health is in accord with the intent and purpose of H.B. 3149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3149, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 124-88 Health on H.B. No. 2984

The purpose of this bill is to provide funds to develop alternatives to psychiatric hospitalization and inappropriate admissions for some of Hawaii's most severely emotionally disturbed adolescents through the development of community-based residential treatment and support services as mandated by Act 218.

Your Committee finds that there is a great need for community-based residential programs for emotionally and mentally disabled youths. The establishment of the proposed "gatekeeping" unit is an important component that will help ensure that these disabled youths are properly assessed and placed in programs appropriate to their required level of supervision and treatment.

Your Committee finds further that Hawaii is lacking in day treatment programs for adolescents and that therefore inappropriate and restrictive placements and overutilization of in-patient services are not unusual.

Your Committee heard a great deal of testimony in support of the various components of this bill from the Commission on the Handicapped, Child and Family Service, the National Association of Social Workers, the Mental Health and Substance Abuse Council, the Child Abuse Coalition, the Mental Health Association, the Department of Health, Catholic Charities and the Handicapped Network. There was clear consensus on the urgent need for a twenty-four hour mobile "gatekeeping" unit, therapeutic foster homes, and therapeutic group homes as outlined in the bill. These three elements were seen to be vital, interrelated components which together could serve to alleviate the placement and referral problems that troubled adolescents face.

Your Committee finds that adolescent mental health services are required on a continuum ranging from the state hospital, to the community mental health centers, to the so-called "clubhouse" facilities and finally to group homes and individual residences. This continuum, and the corresponding House Bills which fund the various components, can be expressed as follows:

Hawaii	Mental	Clubhouse	Group
State	Health	H. B. 2604	Homes,
Hospital	Centers	\$576,800	etc.
	H. B. 3152		
	\$485,450		
	Adolescent-----Gatekeeping Unit &		
Unit	Therapeutic Homes		
	H. B. 2984		
	\$766,513		

Within this perspective the Gatekeeping function is extremely important as it routes the adolescent to the appropriate facility and/or program. In order for this system of triage to function, however, the alternatives obviously must exist in the community. Your Committee believes that the programs funded by this bill are a vital and requisite first step in the provision of community-based services. Your Committee sees the need for both an assessment of the various services currently available, and a long range plan for implementation of mental health programs both traditional and community-based. Such a plan would greatly aid the Legislature in its future decision-making.

Your Committee on Health is in accord with the intent and purpose of H.B. 2984 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 125-88 Health on H.B. No. 2489

The purpose of this bill is to establish a University Affiliated Program to enable persons with developmental disabilities to achieve their maximum potential through increased independence, productivity, and integration into the community.

Such a program will provide ongoing training to public/private staff who are currently providing services to developmentally disabled citizens, while also training future professionals and paraprofessionals in the field.

Your Committee received testimony from the Department of Health, the Commission on the Handicapped, the Association for Retarded Citizens of Hawaii, the Handicapped Network, the State Planning Council on Developmental Disabilities, the Protection and Advocacy Agency of Hawaii, and a number of individual specialists all in favor of this bill.

Your Committee agrees with the need for such a program. However, during the public hearing it became evident that it will take at least a year to recruit and hire qualified staff who will then be able to develop the curriculum necessary for the program to begin. Your Committee has therefore amended the bill to address this need specifically and to appropriate only the amount necessary to hire the staff for the first year.

Your Committee finds that with the current emphasis on placing developmentally disabled people in the community when at all possible, the training of qualified and experienced personnel is becoming critical. This bill will address that need and will move toward the establishment of a quality assurance system in Hawaii for the developmentally disabled.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2489, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Peters.

SCRep. 126-88 Health on H.B. No. 3150

The purpose of this bill is to ensure that excess revenues from state hospitals be earmarked for hospital contingencies; to ensure that when the balance of such excess revenues exceeds ten percent of all hospitals' expenditures, the remainder shall be transferred into the general fund; and to statutorily establish the administrative special fund used to operate the County/State Hospital Division.

Your Committee finds that while flexibility is required to operate a County/State Hospital System in a cost-effective manner, the highest priority for revenues generated by the system should be for immediate hospital needs. In the past the existing Hospital Special Fund has accumulated a surplus of up to \$6 million which was neither released for use by the hospitals nor released into the general fund. Your Committee believes that accountability for these funds requires that they either be used or returned to the general fund for subsequent reallocation by the Legislature, not set off on the side and subject only to internal budgetary decisions.

Your Committee also finds that the Legislative Auditor properly identified the need to establish in law the existing special administrative fund which is used to run the State/County Hospital Division. The Division is currently funded from Medicaid or Medicare indirect cost reimbursements. Thus, the Division gets its administration for free. It is important that this special fund be treated differently from the existing Hospital Special Fund, because, while it may be prudent to return some excess revenues to the general fund, such a scheme applied to Medicaid or Medicare would result in the loss of those funds.

Your Committee heard testimony from the Department of Health recommending that funds be established for contingencies in accordance with the recommendation in the Legislative Auditor's "Study of the County/State Hospital Program" of January 1988.

Your Committee has amended the bill to modify the use of the existing special fund revenues, and to add a special section to allow for the administrative special fund.

Your Committee on Health is in accord with the intent and purpose of H.B. 3150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3150, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 127-88 Health on H.B. No. 3151

The purpose of this bill is to optimize quality assurance of all HIV testing in the State by standardizing HIV testing and by requiring that all final confirmatory testing for the presence of HIV be done by the State laboratory.

The Department of Health (Department) and the Hemophilia Foundation of Hawaii both testified in favor of this measure. The Department pointed out that the State laboratory is already mandated to perform serological confirmation of measles and rubella.

In an extended discussion of the wisdom of performing a second ELISA (Enzyme-linked Immunosorbant Assay) test to confirm an initially reactive ELISA, the Department explained the various tests and the underlying need for a standard testing facility under its control.

While the State laboratory has a high rate of accuracy, the Department noted that many private laboratories doing similar testing on the Mainland do not. With the increased need for testing, the need for private laboratories is expected to grow and with this growth the occurrence of laboratories with poor accuracy will also increase in number. The Department stated that some private laboratories on the Mainland have been shown to have a 90% rate of false positives.

The Department explained that some of the difficulty with the ELISA test is that it is based on a spectrum and therefore leaves much discretion with the technician. Clerical and laboratory errors are also possible. A second ELISA on a positive test will help eliminate these errors.

Another factor which your Committee noted is the fact that false positives are less common in a specific population which is known to have a high incidence of the HIV virus than in the general population. Therefore, as more people not in high risk groups are tested, more backup testing will become necessary.

While the "Western Blot" test has a high level of accuracy, it is not used after an initial positive ELISA test because the cost is approximately four times that of the ELISA test. Therefore, use of the ELISA test as a second backup is a money-saving technique, leaving the more expensive Western Blot test for a third and final backup.

The Department also pointed out that since all of these tests can be run on the same blood sample, the patient does not need to return for each backup test.

Your Committee finds this measure is necessary for the health, safety, and welfare of the individuals being tested, and that reliable test results are critical.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3151 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 128-88 Health on H.B. No. 3455

The purpose of this bill is to provide the Department of Health with the authority to administer a maternal and child health program to reduce infant and maternal mortality, and to otherwise promote the health of mothers and children.

Your Committee heard testimony in support of the measure from the Department of Health, the Hawaii Healthy Mothers, Healthy Babies Coalition and the Hawaii Public Health Association.

Presently the Department of Health's Maternal and Child Health program functions under Hawaii Revised Statutes §321-31, which limits the programs to preventive services only.

By establishing a new part of Chapter 321, Hawaii Revised Statutes, this bill will enable the Department of Health to assume a leadership role in planning, coordinating and assessing services which emphasize prevention to reduce infant and maternal mortality and morbidity. The Department is authorized to enter into contractual agreements with other agencies for the provision of these services.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3455 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 129-88 Health on H.B. No. 3456

The purpose of this bill is to authorize the Department of Health to initiate a prenatal screening program and to adopt rules which shall ensure that all pregnant women in the State are offered appropriate information, quality testing, diagnostic services, and follow-up services concerning neural tube defects and other disorders amenable to prenatal diagnosis.

Your Committee heard testimony in favor of the measure from the Department of Health, the Hawaii Healthy Mothers, Healthy Babies Coalition and the Hawaii Public Health Association.

At present, there is no state coordinated program for prenatal screening and diagnosis. A prenatal screening and diagnosis program would improve maternal, fetal and neonatal mortality and morbidity by providing information related to pregnancy, birth and postnatal management. Such a program could result in preventive measures and aid in the planning and provision of services to high risk pregnant women and children with birth defects and their families.

Your Committee was concerned that a birth defect monitoring program was not included in the proposed new section. The Department of Health, however, assured the Committee that they already have authority to perform such monitoring, and that they plan to implement such a program in the near future.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3456 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Peters.

SCRep. 130-88 Health on H.B. No. 3468 (Majority)

The purpose of this bill is to expedite the County and State Hospitals division of the Department of Health in their purchase of medical diagnostic and therapeutic equipment under the requirements of Hawaii Revised Statutes §103-22.

Your Committee has received testimony in support of the measure from the Department of Health.

Your Committee finds that medical diagnostic and therapeutic equipment costs are often in excess of the monetary threshold amounts specified in Section 103-22. The time consuming requirements of the bidding process negatively impact hospital operations because the hospital must wait for a contract to be awarded instead of expeditiously replacing or purchasing needed medical diagnostic and therapeutic equipment.

This exception to the statute's bidding requirements will allow for the purchase of operationally compatible medical diagnostic and therapeutic machinery which will reduce maintenance and operational cost in the event of emergency break down.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3468, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.
(Representatives M. Ige, Metcalf, Cavasso, Hemmings and Ribellia did not concur.)

SCRep. 131-88 Health on H.B. No. 2438

The purpose of this bill is to repeal Part XII of Chapter 321, Hawaii Revised Statutes, relating to the safety glazing of glass.

Your Committee heard testimony in favor of this measure from the City and County of Honolulu Building Department.

Part XII of Chapter 321 regulates one aspect of one type of material (safety glazing of glass) used in the construction of buildings, and supersedes county ordinances unless they are approved by the Director of Health as implementing state law.

Your Committee finds that the overwhelming majority of laws regulating the construction of buildings and structures are appropriately contained in county building codes as the counties have the general responsibility for issuing building permits and inspecting the sites.

Your Committee finds that having this one law regulating a specific material in an area of law which is otherwise left entirely to county control is best regulated by the several counties through their building codes.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2438 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki and Peters.

SCRep. 132-88 Health on H.B. No. 3152

The purpose of this bill is to provide funds for pilot programs to develop community-based residential and support services as alternatives to hospitalization as mandated in Act 218, Session Laws of Hawaii 1984. These funds are intended for certain mental health centers to help them strengthen their community-based programs in order to lessen the need for unnecessary hospitalization. This initiative has been incorporated into the Robert Wood Johnson Foundation Grant and it is consistent with the expressed goals of the Mental Health Division of the Department of Health.

Your Committee finds that the Foundation grant requires that the State of Hawaii initiate a new funding strategy to target and strengthen the Mental Health Centers. Your Committee finds that in other states similar community-based treatment programs help them to achieve high ranking on the full range of objective indicators while proving cost-effective as well.

Your Committee heard testimony from the Commission on the Handicapped, the Mental Health and Substance Abuse Legislative Action Committee, the National Association of Social Workers, the Mental Health Association, the Department of Health, Catholic Charities, the Handicapped Network and the Waianae Coast Community Mental Health Center. All of these organizations spoke in strong support of the bill.

Your Committee finds that adult mental health services are required on a continuum ranging from the State Hospital, to the community mental health centers, to the so-called "clubhouse" facilities, and finally to group homes or individual residences. This continuum, and the corresponding House bills which fund the various components, can be expressed as follows:

<u>Hawaii</u>	<u>Mental</u>	<u>Clubhouse</u>	<u>Group</u>
<u>State</u>	<u>Health</u>	<u>H.B. 2604</u>	<u>Homes,</u>
<u>Hospital</u>	<u>Centers</u>	<u>\$576,800</u>	<u>etc.</u>

H.B. 3152
\$485,450

Within this continuum, the community mental health centers provide a less restrictive, more culturally appropriate, more cost-effective, and, for many people, a far more beneficial treatment venue than the State Hospital. By providing resources to mental health centers, your Committee is providing an incentive to these centers to develop alternative programs to hospitalization. Your Committee believes that the demonstration pilot proposed in this bill will serve as an ideal model of the community-based services, mandated by Act 218, which represent the future direction for mental health services in Hawaii.

Your Committee has appropriated \$485,450 out of the general revenues of the State of Hawaii to carry out the purpose of this bill.

Your Committee on Health is in accord with the intent and purpose of H.B. 3152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3152, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 133-88 Health on H.B. No. 2268

The purpose of this bill is to give the Department of Health (Department) the authority to establish procedures and standards to clarify section 325-16, Hawaii Revised Statutes, which relates to informed consent for testing for the presence of human immunodeficiency virus (HIV) and for the disclosure of the test results.

The Department testified that the current law appears to be ambiguous in its references to "imminent jeopardy to the health care provider" and "imminent jeopardy to the patient" in paragraphs 325-16(b)(5) and (6) of the Hawaii Revised Statutes and the Department will be able to clarify the confusion through department rules.

While the Life Foundation and the American Civil Liberties Union both proposed more specific language be included, it is the opinion of the Committee that because the legal status of case and statutory law in this area continues to evolve, it is preferable to analyze the issues further. The upcoming "AIDS and the Law" conference will present the entire community with an opportunity to evaluate the issues more fully.

Your Committee is of the opinion that incorporating specific language into this bill at this time is premature and could disallow others the opportunity to comment on these extensive and far-reaching proposals.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2268 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 134-88 Health on H.B. No. 3467

The purpose of this bill is to amend the tax laws by removing the Department of Health as certifier for certain exemptions and substituting the Department of Taxation.

Your Committee finds that historically, tax benefits for the blind were granted by the tax commissioner. While current law requires certification by a medical officer of the Department of Health, anyone with knowledge of medical terminology would be able to certify the disability since certification is based solely on the report of a private physician. Requiring certification by a medical officer is cumbersome for those who live on Neighbor Islands or when a medical officer is unavailable. Shifting certification responsibilities to the Department of Taxation would facilitate the process for certain tax exemptions.

Your Committee received testimony from the Departments of Health and Taxation in support of this bill.

Following discussion your Committee broadened the bill by amending the definitions of "deaf" and "totally disabled person" similar to the amended definition of "blind". Your Committee also provided that certification shall be on forms prescribed by the Department of Taxation and be based on certification of, or a report by, a qualified ophthalmologist, optometrist, otolaryngologist, or licensed physician.

Your Committee finds that this bill will provide a more reasonable method for certification for those qualifying for these tax exemptions.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3467, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 135-88 Health on H.B. No. 2197

The purpose of this bill is to place the fiscal responsibility for the care and maintenance of an infected individual deemed by the Department of Health (Department) to be a public health danger, from the county government to the state government.

The Department stated that this was an important logistical step and will address the current difficulties in protecting the public from disease caused in part by the separation of responsibilities between the Department and various county governments.

While the Department also addressed the need to further amend the statute, suggesting the addition of due process provisions and a "guardianship" process, and while your Committee is sensitive to these suggestions, your Committee nevertheless finds it would be more expedient to explore the various other avenues available to accomplish these goals before deciding on the specific mechanism to be used. The upcoming "AIDS and the Law" conference will afford a method for all to address these issues critically and develop strategies which can be accepted by all the various segments of our society.

Your Committee is particularly interested in the Department's discussion of a "step-wise" process which would begin with intensive counseling. Under this model, only if an individual continues to put others at risk would more restrictive measures be adopted. In some cases a quarantine/guardianship option may also be considered.

Your Committee finds that this measure will enable the Department to more efficiently protect the public from disease by isolating or quarantining persons who are certified as public health menaces.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2197 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 136-88 Health on H.B. No. 2330

The purpose of this bill is to establish a pilot program, "Operation Nightingale", to be operated by the Department of Health to offer a review and training course aimed at graduates of nursing schools to assist them in passing the written examination of the Commission on the Graduates of Foreign Nursing Schools and the National Council Licensing Exam for Registered Nurses. The review and training courses will be held for four to six months and shall commence four to six months prior to the dates of the examinations.

Your Committee finds that the approach in this bill is a valuable augmentation to other programs aimed at addressing the current shortage of nurses in Hawaii. This program is targeted at graduates of nursing schools who have not yet passed the necessary examinations for licensure in Hawaii. Many of these graduates are currently working in health care institutions in the State as licensed practical nurses, nurse's aides, ward clerks, and in other nursing-related work. The time demands of their work and socio-economic pressures make it difficult for these individuals to prepare for these examinations. Under the program proposed in this bill, participating hospitals would assist their employees in maintaining their salary and job status while attending these review classes by scheduling their work hours to facilitate their attendance at classes, etc.

Your Committee heard testimony from the Department of Human Services, the Department of Health, Kapiolani Medical Center for Women and Children, St. Francis Medical Center, the Hawaii Nurses' Association, Wahiawa General Hospital, the University of Hawaii, Kuakini Medical Center, the Board of Nursing, the Executive Office on Aging, the Healthcare Association of Hawaii, the Instructor/Coordinator of the Foreign Nurse Licensure Review course, and several registered nurses presently living in the State. The agencies and hospitals were unanimous in their support for this measure, particularly if the participants are well screened, and many of the hospitals have already pledged their cooperation in the program. St. Francis Medical Center indicated to your Committee that they alone have some 150 employees who fall into the group targeted by this bill.

Some of the individual nurses were concerned that the proposed training courses concentrated on test-taking skills as opposed to upgrading the graduates' clinical education and problem-solving skills, but your Committee is satisfied that the proposed courses would incorporate these important components. An amendment was suggested to offer Canadian nurses, who purportedly receive training very similar to American nurses, eligibility for a temporary license. Your Committee feels, however, that the proposal was too narrow and technical to be considered at this time and that a clear consensus did not exist on this issue.

Your Committee has made the following amendments to this bill:

(1) All references to "the American Nurses' Association Certification of Graduates of Foreign Nursing Schools", which is incorrect, have been changed to "the Commission on Graduates of Foreign Nursing Schools (CGFNS)".

(2) In Section 2, in the second sentence, we have deleted the phrase "School of Nursing" because the University of Hawaii also has nursing programs in the community colleges which might be involved with the design of the course.

(3) In the second paragraph of Section 2 the phrase "or a designated representative" shall be added after Director of the Department of Health and the Dean of the University of Hawaii School of Nursing, and the phrase "and a representative from the Hawaii State Board of Nursing" was added.

(4) In the same paragraph the phrase "the participating hospitals" replaces "five hospitals" since the intent of the bill is to encourage any hospital which wishes to participate.

(5) In Section 4 an appropriation of \$200,000 has been specified.

Your Committee on Health is in accord with the intent and purpose of H.B. 2330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2330, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 137-88 Health on H.B. No. 2346

The purpose of this bill is to ensure that habitable buildings such as boardinghouses and lodging or tenement houses are not prevented from obtaining licenses on the basis of conflicting or incorrect interpretations of recent amendments to the laws regulating those licenses.

Your Committee received testimony in favor of this bill from the Department of Health and Hei Wai Wong who operates a rooming house.

Your Committee has amended the purpose of this bill by deleting all subsequent paragraphs after the first in this section in order to clarify some of the inaccuracies contained in it. The Department stated that in inspecting habitable buildings for compliance with health and sanitation requirements it has not applied more stringent requirements than were previously applied to any of these buildings. In contrast to the original language, the Department has not raised the health standards thereby making it difficult or impossible for existing habitable buildings to obtain a certificate. The problem is with the definition of these habitable buildings that is contained in Act 149, SLH 1986. Prior to the enactment of Act 149 there were no limits on the number of habitable rooms within a tenement house. After the enactment of Act 149, no tenement house could have more than nine rooms. Because of this new definition, and not because of public health violations, certificates were not issued to any existing tenement house with more than nine rooms.

The proposed new Section 8 is also being amended by substituting language, suggested by the Department of Health, which more clearly states the intent of this bill to "grandfather" those hotels, boarding houses, lodging and tenements licensed prior to the effective date of Section 445-90.

Your Committee on Health is in accord with the intent and purpose of H.B. 2346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2346, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 138-88 Health on H.B. No. 2456 (Majority)

The purpose of this bill is to amend Section 321-228, Hawaii Revised Statutes, and allow the Department of Health to contract with private agencies for the provision of emergency medical ambulance services to counties.

Your Committee heard favorable testimony relating to this measure from International Life Support. Unfavorable testimony was heard from the Department of Health.

Your Committee finds that the integration of public and private services is beneficial, when combined resources are necessary to provide the needed level of emergency ambulance services. However, certain ambiguities in the bill, such as the possible conflict between the roles of the Department of Health and the counties, were noted.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2456 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki and Peters.
(Representative M. Ige did not concur.)

SCRep. 139-88 Health on H.B. No. 2426

The purpose of this bill is to repeal Part VII and Part VIII of Chapter 322, Hawaii Revised Statutes, requiring pigeon and aviary game bird owners to obtain permits from the Department of Health.

The Legislature finds that there is no public health reason for these permit requirements which constitute unnecessary paperwork for the Department of Health. The Department has ample authority to enforce sanitation requirements necessary for the public health through its departmental administrative rules concerning animal enclosures.

Your Committee heard testimony from the Department of Health. Testimony was clarified after questions from Committee members, such that the Department supported the intent of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2426 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki and Peters.

SCRep. 140-88 Housing and Community Development on H.B. No. 3564

The purpose of this bill is to create a housing development revolving fund, by amending Section 201E-204, Hawaii Revised Statutes, and by amending the Session Laws of Hawaii.

This bill proposes to establish a revolving fund to be administered by the Housing Finance and Development Corporation to help relieve the affordable housing shortage, by making a substantive commitment by opening up large tracts of lands for private and governmental development, as well as financing the needed infrastructure system and attaining the needed permits, variances, and zoning changes.

The Chamber of Commerce of Hawaii supports the State's position of providing affordable housing through a revolving fund. They believe with the State's lead, private developers would be in a favorable position to assist in developing affordable housing.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3564 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 141-88 Health on H.B. No. 2796

The purpose of this bill is to provide funds for epidemiological research to determine the health effects of exposure to sugar cane smoke.

Your Committee finds that previous research in this area has been inadequate in evaluating the potential health risks of cane burning. Moreover, funding for future studies by the Environmental Protection Agency is highly uncertain.

Testimony supporting this bill was presented by Dr. DeWolfe Miller, Chairman of the Ad Hoc Cane Smoke Working Group, the Hawaii Medical Association, and the Hawaii Lung Association. The Hawaii Sugar Planters Association also supported the intent of this bill and urged that upcoming federal studies be coordinated with State efforts to avoid duplication. They recommended that the areas and individuals most affected by cane burning be identified initially and subsequently followed by epidemiological research.

Your Committee on Health is in accord with the intent and purpose of H.B. 2796 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 142-88 Health and Education on H.B. No. 2993

The purpose of this bill, as received, is to provide additional mental health counseling positions to service secondary public school students at the request of school administration. Your Committees have changed the purpose by removing the word "secondary" since we believe such services are of vital importance to every student.

Your Committees find that there is a pressing need for increased mental health services for children and youth in the public schools. This bill provides flexibility in both funding and staff so that a range of appropriate mental health resources can be provided to students who need them. We find further that under the Working Agreement between the Departments of Health and Education, all the special education students needing such services are entitled to receive them.

Your Committees heard testimony from the Department of Education and the Department of Health in support of this bill.

There was lengthy discussion of the ways in which this bill complements H.B. 3012, H.D.1 which provides funds for additional mental health services to children and youth and also mandates the Departments of Health and Education to develop an ongoing mechanism to assess, document and report to the Legislature and the Governor on the unmet needs for mental health services for students in each geographic region.

Your Committees have amended the bill by removing the appropriation, since it was felt that the appropriation in H.B. 3012 was adequate to the task and provided the same services as those proposed herein. In addition, as noted above, we have removed the adjective "secondary" since it is our intention that this bill provide mental health services to students at all levels.

Your Committees on Health and Education are in accord with the intent and purpose of H.B. 2993, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 2993, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Crozier and Peters.

SCRep. 143-88 Health and Planning, Energy and Environmental Protection on H.B. No. 2501

The purpose of this bill is to require the Director of Health to adopt rules to require all diesel buses larger than twenty-five feet in length and weighing more than twenty thousand pounds gross weight to install and use exhaust systems which route the smoke emissions to levels above the roof of such buses.

Your Committees find that an elevated exhaust system will result in some dilution and lowering of pollutant concentrations for occupants of vehicles.

Your Committees heard testimony in support of this bill by the Department of Health and the American Lung Association. However, the Department of Health recognizes that an upward discharge system, while minimizing the emission impact on pedestrians, bike riders and other commuters, will direct the emissions over a larger area, thereby affecting a greater number of people with a much lower and diluted concentration of pollutants. The Department of Health also suggested that feasibility studies should be conducted involving re-routing buses, reducing the number of stops, or utilizing alternative fuels such as gasohol, ethanol or methanol.

Your Committees on Health and Planning, Energy and Environmental Protection are in accord with the intent and purpose of H.B. No. 2501 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 144-88 Housing and Community Development on H.B. No. 3566 (Majority)

The purpose of this measure is to generate additional revenues for affordable housing purposes through increased conveyance taxes for real property.

This bill, as received by your Committee, proposes a graduated tax based on consideration to be paid upon the conveyance of real property - the greater the consideration, the greater the conveyance tax to be paid. The bill also provides that \$0.05 per \$100 (of an unspecified amount) be deposited into the State treasury. The remaining tax revenues would be deposited into the Rental Assistance Revolving Fund or other fund established under Chapter 201E, Hawaii Revised Statutes, to assist qualified families in making rent payments, or to meet other housing and shelter needs.

The State Department of Taxation and the Housing Finance and Development Corporation testified in strong support of this measure. The Housing Finance and Development Corporation stated that housing assistance would be allocated to projects proposed for all counties.

After much deliberation, your Committee has decided that the proposed increases were indeed too steep and has decided to amend this bill as follows:

- 1) there would be no increase in the conveyance tax rate for properties for which consideration to be paid is \$150,000 or less;
- 2) the conveyance tax rate would be increased to \$0.10/\$100 for all properties for which consideration to be paid is between \$150,001 and \$250,000;
- 3) the conveyance tax rate would increase to \$0.40/\$100 for all properties for which consideration to be paid is between \$250,001 and \$500,000;
- 4) the conveyance tax rate would increase to \$1.50/\$100 for all properties for which consideration to be paid is over \$500,000;
- 5) the applicability of the use of funds has been amended by deleting specific examples for which the funds can be used. Your Committee believes that the more general language provided in this bill is adequate;
- 6) the requirement that the board of directors of the corporation approve the deposit of funds into the rental assistance revolving fund or other fund has been deleted.

Your Committee estimates that the proposed increase in conveyance tax rates will generate approximately \$10 million in additional revenues per year. This annual amount will be sufficient to finance rent subsidies necessary to support the projected production of 500 subsidized rental units per year, based on an estimated \$175 subsidy per unit per month.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3566, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3566, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Cavasso and Hemmings did not concur.)

SCRep. 145-88 Housing and Community Development on H.B. No. 2154

The purpose of this bill is to provide stockholders of cooperative housing corporations the ability to resolve disputes through arbitration.

Showing support was the President of the Hawaii Independent Condominium and Cooperative Owners Association, who testified that the bill had the unanimous support of its members. In regard to the Board of Directors, the members believe that the problems of cooperative shareholders are similar to the problem faced by condominium owners. The members further believe that cooperative shareholders should be granted the same right to appeal to the American Arbitration Association, thus providing an alternative to court action in certain disputes between the shareholder and a cooperative housing corporation, its board of directors, or executive officers.

Hawaii Independent Condominium and Cooperative Owners Association further support Section 514A-121, Hawaii Revised Statutes, amendment to arbitration proceedings. Arbitration is intended to simplify the problem solution process. Hawaii Independent Condominium Cooperative Owners Association further believes that it is possible to complete arbitration proceedings in the stipulated 90 days.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2154 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 146-88 Housing and Community Development and Consumer Protection and Commerce on H.B. No. 3328

The purpose of this bill is to amend Section 246-4, Hawaii Revised Statutes, relating to real property tax.

Currently, under Section 246-4, Hawaii Revised Statutes, Cooperative Apartment Corporations are taxed under a "blanket" agreement, where the Cooperative Apartment Corporation is assessed the real property tax. Stockholders, in a Cooperative Apartment Corporation, are assessed a monthly fee usually provided for in their maintenance fee. Each stockholder is assessed the same fee regardless of the market value of the stockholder's interest.

According to the "Report to the Legislature on Issues Relating to Condominiums and Cooperatives," by the Real Estate Commission, this bill proposes to implement some type of consistency between Cooperative Apartment Corporation and Condominiums.

Presently, Cooperative Apartment Corporations are responsible for the payment of real property taxes as well as notifying the Department of Taxation of a stockholder's eligibility for a home exemption. This responsibility relegated to the Cooperative Apartment Corporations adds to the administrative cost and provides for inaccuracy.

Under the provisions of H.B. No. 3328, stockholders would deal directly with the Department of Taxation providing stockholders with the use of their money until payment is due, and allowing for accurate reporting of home exemptions.

Both the Hawaii Association of Realtors and the Real Estate Commission recommend passage of this bill because it would be beneficial to the Cooperative Apartment Corporations as well as the individual stockholders.

Your Committees on Housing and Community Development and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 3328 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Peters, Takamine, Yoshimura, Jones and Medeiros.

SCRep. 147-88 Housing and Community Development on H.B. No. 3653

The purpose of this bill is to make an appropriation to expand low-income housing for the elderly living in rural areas.

Showing support, the Housing Finance and Development Corporation stated that this bill further expands housing opportunities for the elderly in Hawaii.

Your Committee has amended the bill by providing a sum of \$2,000,000 for the purpose of this bill.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3653, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 148-88 Ocean and Marine Resources on H.B. No. 2179

The purpose of this bill is to appropriate out of general revenues, the sum of \$250,000 for fiscal year 1988-1989, to conduct research on nori (*Porphyra sp.*) at the Natural Energy Laboratory of Hawaii that will contribute towards the development of commercial nori culture techniques in Hawaii.

Your Committee heard testimony from the Department of Land and Natural Resources, the Department of Business and Economic Development, and the Royal Hawaiian Sea Farms in support of this measure.

Testimony indicated that the Department of Land and Natural Resources has been carrying on a three pronged research and development effort aimed at: 1) identification of valuable natural products from algae; 2) assessment of possibilities for Hawaii being a site for algae processing; and 3) development of production technologies to increase local supplies of algae. Much of the work has been funded jointly with the University of Hawaii Sea Grant College Program.

Royal Hawaiian Sea Farms, located on State leased land at the Natural Energy Laboratory of Hawaii (NELH), stated that funds from the State would assist in their efforts in moving from the research stage to the commercial stage of production, thereby diversifying the State economy, creating jobs and tax revenues. Their goal is to sell nori as a fresh vegetable in local and mainland markets.

Your Committee has adopted the recommendations of the testifiers by amending the bill to have the Department of Land and Natural Resources be the expending agency. In addition, the language was broadened to allow experimentation with other economically important species in concert with nori. Therefore, Section 2, line 7 is amended by adding the phrase, "and other economically important marine species" after the word "(Porphyra sp.)".

In addition, your Committee has also made a technical, nonsubstantive amendment to the bill for the purpose of clarity.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2179, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 149-88 Ocean and Marine Resources on H.B. No. 2480

The purpose of this bill is to appropriate out of the general revenues the sum of \$10,000 for fiscal year 1988-1989, to be expended by the Department of Land and Natural Resources for a baseline study on the lifecycle and potential economic uses of the seaweed Hypnea musciformos to be performed by the botany department of the College of Natural Sciences at the University of Hawaii.

The Department of Land and Natural Resources and the College of Natural Sciences at the University of Hawaii testified in favor of this bill.

Testimony indicated that H. musciformos, a common seaweed found along the shoreline and abundant to such an extent in some areas that they are known as a nuisance and the "brown plague". It may be a significant source of agar or other substances that are valued for use in research and in the food and cosmetics industries. The College of Natural Sciences stated that although Hypnea musciformos produces an edible plant gelatin, there are certain technical difficulties in extracting commercial quantities of it.

Further testimony revealed that in order to assess the potential economic value of H. musciformos, baseline information such as its reproduction, growth, habitat and position in the marine food web is needed. This information may help the State find useful ways to use and/or control this seaweed.

Your Committee has amended Section 2 of the bill to have the College of Natural Sciences at the University of Hawaii be the expending agency.

In addition, your Committee has made a technical, nonsubstantive amendment to the bill for the purpose of clarity.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2480, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2480, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 150-88 Ocean and Marine Resources on H.B. No. 2876

The purpose of this bill is to appropriate out of the general funds the sum of \$1,750,000 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.

The Department of Business and Economic Development, the University of Hawaii School of Medicine Hyperbaric Treatment Center and The Ocean Recreational Council of Hawaii (TORCH) presented testimony in support of this measure.

Testimony indicated that the Hyperbaric Treatment Center (HTC) performs a service for the people of Hawaii that is both highly valuable and unique. In addition to treating decompression sickness (bends), the HTC has provided hyperbaric oxygen therapy (HBO) for over a dozen serious medical disorders. The treatment is covered by virtually all medical insurers including HMSA, Medicare, Medicaid and CHAMPUS. No other medical facility in Hawaii provides this treatment.

Further testimony indicated that with the additional fee income by HBO treatments and with HTC's expansion, the Department of Business and Economic Development believes that in the near future, the HTC will become financially self-sufficient. This will reduce or eliminate state funding and could result in a reduction of medical treatment fees.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2876 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hiraki.

SCRep. 151-88 Ocean and Marine Resources on H.B. No. 2127

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to establish the amount of fishing fees through administrative rules, and to provide that the fees would be set at an amount necessary to fund enforcement of fishing regulations and aquatic resource regulations. The bill further provides that the fees currently specified in the statutes for fishing permits and licenses shall remain in effect until DLNR administrative rules governing such fees take effect.

The Department of Land and Natural Resources testified in favor of this bill. However, they pointed out that to set fishing fees at a level sufficient to fund their aquatic resources programs could pose a hardship to the small population of fishermen in Hawaii, especially the part-time commercial fishermen. In FY 1986-87, total revenues for fishing permits and licenses were \$104,356, while the operating budget of the Department's aquatic resources programs totaled over \$1.5 million.

The DLNR also recommended that the expiration date of fishing permits and licenses be set one year from the date of issuance rather than June 30 of each year. Administratively, this would alleviate the concentration of permit renewals prior to the expiration date. In addition, permittees and licensees would be assured of a full year's use instead of a partial year since the fees are not pro-rated by the month of issue.

Your Committee has adopted the recommendations of the Department of Land and Natural Resources and amended the bill by:

- (1) Providing that the charge to set the fees at a rate necessary to supplement the funding the DLNR's enforcement programs;
- (2) Authorizing the Department of Land and Natural Resources to adopt rules to carry out the purposes of the chapters on fresh water game fishing and commercial marine licenses; and
- (3) Providing that the licenses will be good for one year from the date of purchase.

Your Committee has also made other minor amendments, including technical, nonsubstantive amendments, for purposes of style and clarity.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2127, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Honda, Isbell, Tajiri, O'Kieffe and Pfeil.

SCRep. 152-88 Ocean and Marine Resources on H.B. No. 2970

The purpose of this bill is to appropriate out of the general revenues the sum of \$102,850 for fiscal year 1988-1989, to be expended by the Department of Land and Natural Resources for the School of Medicine of the University of Hawaii to develop a simple one-step test from the present six-step laboratory procedure for the detection of ciguatoxin in fish.

Ciguatera poisoning is caused by fish contaminated with a poisonous chemical called ciguatoxin, which is a naturally occurring marine plant product, produced by a marine algae that grows in tropical reef areas including Hawaii and the rest of the Pacific. Ciguatoxin cannot be destroyed by cooking, smoking, drying, salting, freezing, or any commonly used method of handling of preparing fish.

Your Committee heard testimony from the Department of Land and Natural Resources and the University of Hawaii School of Medicine, Department of Pathology in support of this bill. The testimony indicated that the reliable six-step stick test to detect ciguatoxin is best suited for use in laboratories. At present, this procedure is applicable to fish markets, fish auctions, and fish handling facilities that can provide an area to set up the six-step testing. What is needed is a simple, quick and easy one-step field test for use by fishermen in their boats and by the general public at home.

Further testimony indicated that in addition to affecting the public health, ciguatera poisoning also affects the fisheries industries in tropical areas. Reports of ciguatera have led to decreased export and sale of certain types of fish, causing economic losses.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2970 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 153-88 Ocean and Marine Resources on H.B. No. 2162

The purpose of this bill is to add a new section to Chapter 266, Hawaii Revised Statutes, which prohibits storage, parking, mooring, displaying or placing of any thing or personal property on or at Waikiki Beach for the purpose of engaging, conducting, transacting or soliciting business of any kind. The bill allows for outrigger canoes and sailing catamarans, registered under the Department of Transportation (DOT), to be placed below the mean high water mark.

Your Committee heard testimony from the Department of Transportation in opposition to this bill. They stated that the Attorney General's Office and the Department of Land and Natural Resources both concurred that outrigger canoes and catamarans can be parked temporarily on the face of the beach during the business day. The DOT indicated that such a statute is not needed since their administrative rules are being clarified in regards to this matter.

However, testimony from the Waikiki Beach Services, Inc. revealed that the majority of beachboys and citizens in Waikiki are in favor of this bill. They stated that the scenes of canoes and catamarans on Waikiki Beach are synonymous with the landmarks of Hawaii. They strongly felt that a statute will provide some stability and eliminate any possible threats to the canoes and catamarans which are considered to be integral parts of our tourist's attractions. Furthermore, they do not want to fall prey to the fluctuating administrative rules of the DOT.

Your Committee emphathizes with the concerns of our island beachboys.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2162 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 154-88 Ocean and Marine Resources on H.B. No. 2105

The purpose of this bill is to give authorization to the Director of Finance to issue general obligation bonds in the sum of \$1,750,000 for the completion of a hyperbaric treatment chamber and for the construction of a structure to house the hyperbaric treatment chamber. The bill also requires that all permits for the completion of the chamber be obtained before the money is made available.

Representatives from the Department of Business and Economic Development and the University of Hawaii School of Medicine Hyperbaric Treatment Center submitted testimony in support of this bill. Testimony indicated that the Hyperbaric Treatment Center (HTC) performs a service for the people of Hawaii that is both highly valuable and unique. In addition to treating decompression sickness (bends), the facility provides adjunctive, supportive Hyperbaric Oxygen (HBO) treatment for a number of medical conditions (i.e. carbon monoxide poisoning, gas gangrene, osteoradionecrosis, osteomyelitis, compromised skin flaps/grafts, etc.). These beneficial treatments to patients are both gratifying and rewarding. No other medical facility in Hawaii provides this treatment. HBO treatment is covered by virtually all medical insurers including HMSA, Medicare, Medicaid and CHAMPUS and provides the additional benefit of reducing the State's cost to operate and maintain the HTC.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2105 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 155-88 Ocean and Marine Resources on H.B. No. 2311

The purpose of this bill is to appropriate general revenues to improve the statewide tsunami warning, response, and information system to include the addition of two remote data communication systems to existing tide gauges at Nawiliwili, Kauai, and Kahului, Maui; and the installation of telemetered tsunami gauges on the Puna Coast of Hawaii and the North Shore of Oahu.

Representatives from the Pacific Tsunami Warning Center of the National Oceanic and Atmospheric Administration/National Weather Service Pacific Region, the State of Hawaii Department of Defense, the International Tsunami Information Center and the Oahu Civil Defense Agency submitted testimony in support of this bill.

The testimony presented indicated that Hawaii is vulnerable to the threat of distant tsunamis from around the Pacific, but the greatest potential for destruction is associated with tsunamis generated in South America, Alaska, and along the Kamchatka coast of the U.S.S.R. A tsunami from South America would first impact the Puna Coast of the Big Island. A tide gauge at this location, with data available in real-time to Civil Defense officials, would provide invaluable information not only of confirmation of initial tsunami wave arrival, but confirmation of the arrival of later waves which might be more destructive. No tide gauge presently exists along the north shore of Oahu, an area of continued growth in coastal recreational use and commercial development. The monitoring of tsunami activity, in real-time, for the north shore of Oahu would be extremely useful in ensuring adequate and timely evacuation of a heavily populated coastal area.

Further testimony revealed that the Pacific Tsunami Warning Center maintains a network of six tide gauges, four on the Big Island and two on Oahu. However, these data are not presently available to Civil Defense components for their own evaluation. The installation of a remote data telemetry system to provide real-time access by Civil Defense to the existing

sea level network and the installation of two new tide gauges at strategic locations would greatly enhance the capability of Civil Defense to respond to an ongoing tsunami threat. In addition, the sea level data would monitor high surf conditions or possible storm surge associated with a hurricane.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2311 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 156-88 Ocean and Marine Resources on H.B. No. 2310

The purpose of this bill is to appropriate general revenues for improving tsunami preparedness in Hawaii by reviewing and updating tsunami evacuation maps with primary focus on those areas of greatest risk and of most coastal development; by developing uniform statewide signs and symbols designating evacuation routes; and by developing a public education program concentrating on tsunami awareness, preparedness, saving of lives and reduction of personal property damage.

Your Committee heard testimony from the Pacific Tsunami Warning Center of the National Oceanic and Atmospheric Administration/National Weather Service Pacific Region, the State of Hawaii Department of Defense, the International Tsunami Information Center, the Oahu Civil Defense Agency, and the Tsunami Society in total support of this measure.

The testimony indicated that the present tsunami inundation maps, illustrated in all public telephone directories, were prepared almost two decades ago. The maps are outdated, prepared from limited data, very conservative, lack the detail to accurately depict boundaries, and do not provide information on evacuation direction.

Further testimony revealed that a reevaluation and updating of potential tsunami inundation areas, with the emphasis on the preparation of evacuation maps, is needed to identify areas of greatest risk and provide for timely and effective evacuation of the public. In conjunction with the better identification of evacuation areas is the need for publicly posted signs which can provide easily understood visual guides for the public to follow. These signs need to be uniform on a statewide basis and readily understood not only by residents, but also by visitors from different nationalities and cultures. Another area of concern is the development of a comprehensive public education program to ensure that all members of the public are adequately aware of the threat posed by a tsunami and prepared to act appropriately. Regardless of how well a Tsunami Warning Center functions or how well Civil Defense implements evacuation procedures, it is ultimately the response of the individual members of the public that determines whether lives will be lost and property damage minimized during a tsunami.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2310 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 157-88 Ocean and Marine Resources and Planning, Energy and Environmental Protection on H.B. No. 2271

The purpose of House Bill No. 2271 is to amend three portions of the Hawaii Revised Statutes (HRS): 1) Section 205A-44, to include dead coral or coral rubble, deletes the prohibition for taking various marine deposits seaward of the shoreline, limits taking of materials to one gallon per person per day, removes reference to certain beaches for sand replenishment, permits beach cleaning for state and county maintenance purposes, stipulates that no Environmental Impact Statement will be required for maintenance or cleaning activities; 2) Chapter 171, to prohibit the taking of sand, dead coral, coral rubble, rocks, soil or marine deposits seaward from the shoreline except with a permit from the Board of Land and Natural Resources (Section 183-41), providing that no permits are issued for Hakipu'u sandbar; and 3) to repeal Section 7-3 since the provisions are more fully covered under Section 205A-44.

As Section 205A-44 is now written, it appears to give the County Planning Departments jurisdiction over lands seaward of the shoreline. This is inconsistent with other parts of Chapter 205A which clearly give the Department of Land and Natural Resources (DLNR) jurisdiction over seaward lands. Removing the references seaward of the shoreline from Section 205A-44 will eliminate a major source of confusion and will facilitate permit processing.

There is no definition of the "reasonable" amount of coral, rocks, soil, or other beach or marine deposits which Section 205A-44 allows to be taken for "personal, noncommercial use". For public understanding, there is need to clarify the allowed taking by a specified rate of harvest.

Your Committee received testimony from the Department of Land and Natural Resources, the Department of Business and Economic Development, the Department of Land Utilization of the City and County of Honolulu and the Environmental Center of the University of Hawaii in support of this amended measure.

Further testimony from the University of Hawaii's Environmental Center indicated that the requirement for an environmental impact statement prior to mining or taking of sand by the state or county for replenishment of sand on public beaches is inconsistent with the intent of Chapter 343 and what is clearly needed instead is an environmental assessment. They stated that if an environmental assessment finds a significant effect on the environment as determined under the criteria established by Chapter 343, then an environmental impact statement would be required. They strongly

felt that it is environmentally unnecessary and potentially costly to make a blanket requirement for an environmental impact statement without benefit of the assessment procedure already established under Chapter 343.

Your Committee, therefore, has amended this bill as follows:

Section 1. Section 205A-44, Subsection (a):

- (1) Addition of the word "dead" after the word "sand," on page 1, line 3.
- (2) Addition of the words "or coral rubble" after the word "coral" on page 1, lines 3-4.
- (3) Deletion of the clause ", or within 1,000 feet seaward from the shoreline, or in water of 30 feet or less in depth in the territorial sea," on page 1, lines 5-6.
- (4) Deletion of the words "a public beach" on page 1, line 8 and insertion of the words "the shoreline area".
- (5) Addition of the clause ", not in excess of one gallon per person per day," on page 1, lines 8-9.
- (6) Addition of the clause " , provided that stricter provisions may be established by the Counties;" on page 1, line 10.
- (7) Deletion of the clause "on public beaches at Hilo Bay, Waikiki, Ala Moana, and Kailua beaches;" on page 1, lines 14-16.
- (8) Addition of the words "in the shoreline area," after the word "sand" on page 1, line 14.
- (9) Deletion of the words "impact statement" on page 2, line 1 and the insertion of the word "assessment".
- (10) Deletion of the number "30" on page 2, line 11 and the insertion of the word "thirty".
- (11) Addition of the clause "or cleaning of shoreline areas for State or county maintenance purposes, including the purposes under section 46-11.5 and section 46-12;" on page 2, line 19.
- (12) Addition of the word "removed" after the word "sand" on page 2, line 22.
- (13) Deletion of the word "beaches" on page 3, line 1 and the insertion of the word "areas".
- (14) After the word "turbidity." on page 3, line 2, addition of the sentence "The removal of sand or coral rubble under this paragraph shall require an environmental assessment pursuant to chapter 343 to determine whether this action is declared exempt".

Section 2. Chapter 171, a new section to be appropriately designated and to read as follows:

"171- Prohibitions. The mining or taking of sand, dead coral or coral rubble, rocks, soil, or other marine deposits seaward from the shoreline is prohibited with the following exceptions:

- (1) The taking from seaward of the shoreline of such materials, not in excess of one gallon per person per person per day, for reasonable, personal, noncommercial use;
- (2) With a permit authorized under section 183-41, provided that such permit shall not be issued for Hakipu'u sandbar, which is offshore of Molii fishpond, Oahu;
- (3) The clearing of such materials from existing drainage pipes and canals and from the mouths of streams or cleaning areas seaward of the shoreline for State or county maintenance purposes including the purposes under section 46-11.5 and section 46-12; provided that the materials removed shall be placed on adjacent areas unless such placement would result in significant turbidity. The removal of such materials under this paragraph shall require an environmental assessment pursuant to Chapter 343, to determine whether this action is declared exempt."

Section 7-3, Hawaii Revised Statutes, to be repealed.

Your Committee has also made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committees on Ocean and Marine Resources and Planning, Energy and Environmental Protection are in accord with the intent and purpose of H.B. No. 2271, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2271, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 158-88 Ocean and Marine Resources and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2657

The purpose of this bill is to appropriate out of general revenues the sum of \$75,000 for fiscal year 1988-1989 to the Department of Business and Economic Development for the development of a comprehensive plan for the utilization of ocean resources in nearshore areas, to include but not limited to potential uses such as recreation, harbor, aquaculture, reclamation, and conservation.

The Department of Business and Economic Development testified in support of this bill and stated that it would enable the preparation of geographic-specific ocean resource uses. They believed that the contents of the plan should be comprehensive with respect to limited geographic areas that have demonstrated real or potential ocean resource use problems.

The Committee members expressed reservation about the specific definition of "nearshore" in Section 1 of the bill. Therefore, your Committees amended Section 1 by deleting the last sentence, "'Nearshore" means the ocean area just beyond the shoreline."

Your Committees on Ocean and Marine Resources and Water, Land Use, Development, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 2657, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2657, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 159-88 Ocean and Marine Resources and Higher Education and the Arts on H.B. No. 2966

The purpose of this bill is to appropriate out of general revenues to The Hawaii Undersea Research Laboratory (HURL), University of Hawaii, the sum of \$500,000 for fiscal year 1988-1989, for the purpose of matching federal funds of \$1,500,000 towards the purchase and refit of a 200-foot-long vessel in support of deep ocean submergence operations with the University of Hawaii's submersible PISCES V; and the sum of \$150,000, for fiscal year 1988-1989 to be appropriated for three positions.

Testimony from the University of Hawaii Department of Oceanography showed that the department is in support of the bill. They stated that HURL is the only undersea laboratory in the world whose sole mission is to study deep water processes and resources of the inner space of mid-ocean tropical islands. At present, because of the size limitations of the current support vessel, HURL is limited to studying only those areas of Hawaii that are within one day's sailing distance from port, a mere 10% of Hawaii's Exclusive Economic Zone (EEZ). The acquisition by the State of a 200-foot-long vessel would enable HURL to reach all the critical areas of Hawaii's EEZ.

They further indicated that after the vessel is purchased, yearly operating costs will be funded by the federal government.

Your Committees on Ocean and Marine Resources and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2966 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Crozier, Tam and Ribellia.

SCRep. 160-88 Ocean and Marine Resources and Higher Education and the Arts on H.B. No. 2969

The purpose of this bill is to appropriate out of the general revenues the sum of \$15,000 for fiscal year 1988-1989, to fund a feasibility study to be conducted by the Sea Grant College Program and the Aquaculture Development Program of the Department of Land and Natural Resources, to determine the most suitable sites in the State for commercial seaweed production. The sum appropriated shall be matched by federal funds.

Your Committees heard testimony from the University of Hawaii Sea Grant College Program in support of this measure. They stated that offshore sites are, for the most part, inaccessible for farming seaweed because of competing uses. However, terrestrial farming of seaweed using seawater sprinkling and other agronomic technology appears to be a very viable option for Hawaii.

Your Committees on Ocean and Marine Resources and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2969 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Crozier, Tam and Ribellia.

SCRep. 161-88 Planning, Energy and Environmental Protection and Consumer Protection and Commerce on H.B. No. 2472

The purpose of this bill is to amend Chapter 247, Hawaii Revised Statutes, to increase the conveyance tax temporarily to fund the identification, acquisition, protection, operation, management and maintenance of the natural area reserves system (NARS) of the State of Hawaii.

Your Committees find that all across the country, state governments have been taking special steps to protect their natural resources. Fifteen states have already established programs to fund the identification, acquisition, and management of sensitive natural areas, and another fifteen states are now considering such programs. But none of these states has as much at stake as Hawaii does. For its size, Hawaii has the richest and most diverse natural heritage on Earth. Over 90% of our native plants and animals are found only in Hawaii and nowhere else on Earth. However, our natural heritage is also the most endangered.

In 1987, the legislature strengthened the statutes protecting the NARS and appropriated \$750,000 during the 1987-89 biennium for priority management programs, essential research, and development of a long-range plan. The Governor delivered the NARS Strategic Plan to the legislature in November, 1987. This farsighted plan lays the foundation for a reserve system that can fulfill the legislative mandate of permanently protecting examples of Hawaii's native ecosystems and natural features.

The NARS Strategic Plan identifies as a high priority the establishment of secure funding for NARS operations and growth. To accomplish this goal, the Plan calls for the creation of a \$30 million trust fund. Once the trust fund is in place, the fund's investment income can be expected to fuel the estimated \$1.6 million NARS annual management operations without any further cost to the taxpayer.

This bill would start the process of creating the trust fund over several years. Your Committees feel that creating an adequate fund to permanently protect the critical natural resources found within the NARS without placing an on-going fiscal burden on the State or its taxpayers is in the best interest of the people of this State.

Your Committees have amended this bill by specifying that the funds shall be administered as set forth in §195-9, HRS.

Your Committees on Planning, Energy, and Environmental Protection and Consumer, Protection and Commerce are in accord with the intent and purpose of H.B. No. 2472, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2472, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell and Jones.

SCRep. 162-88 Planning, Energy and Environmental Protection on H.B. No. 2628

The purpose of this bill is to provide \$28,000 to relocate the continuous sulfur dioxide monitoring station for HPOWER emissions.

Your Committee finds that there is a need to establish background data on the sulfur dioxide levels near the proposed HPOWER plant as well as to measure the potential effects of sources at Campbell Industrial Park. The funds in this bill will be used to re-establish the Campbell monitoring station which was damaged by a recent storm. The funds are necessary to relocate the site and place the equipment back on operational status.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 2628 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163-88 Planning, Energy and Environmental Protection on H.B. No. 3452

The purpose of this bill is to establish a state revolving fund to provide assistance to counties or state agencies in the construction of publicly-owned wastewater treatment works. The State must statutorily establish a water pollution control revolving fund in accordance with the provisions and requirements of the Water Quality Act of 1987 to receive the \$63 million of federal capitalization grants set aside by Congress for this purpose. In addition, establishing a revolving fund would provide a source of financial assistance to the counties in constructing needed wastewater facilities in the future and would ensure compliance with statutory deadlines and the protection of our water resources and public health.

By way of a brief background, in 1972, Congress enacted amendments to the Federal Water Pollution Control Act of 1956 that provided for a strong federal role in the construction of publicly-owned wastewater treatment works. The 1972 amendments provided a federal grant share of seventy-five per cent in an effort to hasten the pace of wastewater treatment facility construction and eliminate a backlog of needed facilities.

However, Congress has long expected that states and municipalities would eventually assume full responsibility for financing new and replacement wastewater facilities. The recently enacted Water Quality Act of 1987 sets forth a schedule and mechanism for completing the transition to full state and local responsibility.

The direct grant program of the United States Environmental Protection Agency (EPA) ends in 1990, while the authority for EPA to make grants to the states to capitalize state water pollution control revolving funds (SRF) begins in 1989. The primary purpose of the SRF is to provide loans to municipalities for the construction of wastewater treatment facilities.

Congress has authorized funds for SRF capitalization grants from fiscal year 1989 through fiscal year 1994 amounting to about \$63 million to the State of Hawaii. There will be no federal assistance to states or municipalities for the construction of wastewater facilities after 1994. As a result, states and municipalities will thereafter have full responsibility for providing the financing needed to meet the enforceable requirements of the Act.

Your Committee finds that the receipt of available funds for the construction of critically needed wastewater treatment facilities is necessary for the preservation of the public's health and as a consequence has amended the bill based on the recommendations of the Department of Health and the EPA to ensure the State's eligibility for the \$63 million in federal funding.

Your Committee also finds that the Water Quality Act of 1987 requires that the State match twenty per cent of the federal capitalization grants. Based on the Congressional appropriations for the revolving fund capitalization grants, the State's required matching funds for fiscal year 1988-1989 is \$1.8 million. Thus, your Committee has amended section 3 of the bill to appropriate state funds under Act 216, Session Laws of Hawaii 1987, Item D-1, for the required state matching grant. Additionally, section 3 of the bill has been amended to provide for the conversion of the temporary positions in the Department of Health's Wastewater Treatment Works Construction Grants Branch to be converted to permanent civil service positions.

Your Committee on Planning, Energy, and Environmental Planning is in accord with the intent and purpose of H.B. No. 3452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3452, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 164-88 Planning, Energy and Environmental Protection on H.B. No. 2591

The purpose of this bill is to appropriate the sum of \$85,000 to fund the development and implementation of environmental education programs.

Your Committee recognizes the importance of improving both public and agency awareness of the environment, of environmental review procedures, and the role of OEQC. It is increasingly apparent that public education is a necessary tool to promote effective management of our natural resources. Much of the general public is unaware of local environmental issues and does not appreciate the unique and valuable natural heritage we have in Hawaii.

This bill is intended to provide funds to the office of environmental quality control (OEQC) in order to develop a public awareness campaign; publish and distribute a newsletter; develop a school curriculum with materials; and conduct twice a year workshops on environmental review procedures.

While your Committee agrees with the intent of this proposal, various testimonies indicated that there is concern over whether OEQC is the appropriate agency for implementing some of the programs outlined in this bill. For instance, the University of Hawaii's environmental center indicated that the public awareness campaign and the development of the school materials and curriculum might be implemented more effectively by the Department of Education.

Your Committee feels that since OEQC is solely responsible for the oversight of chapter 343 and no other agency has that responsibility, it is important that new educational directives not be undertaken at the expense of the duties required under chapter 343, the environmental impact statement law, and other functional responsibilities under chapter 341. The present growth and development occurring statewide emphasizes the need for OEQC to coordinate, guide, and generally perform its statutory coordination responsibilities, as well to provide educational guidance, so as to assure conformance among state and county agencies in implementing the environmental review procedures required by chapter 343.

Your Committee has amended this bill by deleting the programs relating to the public awareness campaign; the school material and curriculum activities; and the publishing and distribution of a newsletter. Your Committee has further amended this bill by specifying that the educational program provided for in this bill will be focused on giving educational guidance to State and county agencies' staff in order to assure conformance in implementing the environmental review procedures as required by chapter 343.

In accordance with the aforementioned amendments, your Committee has amended the appropriation in this bill from \$85,000 to \$10,000.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2591, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 165-88 Water, Land Use, Development and Hawaiian Affairs and Intergovernmental Relations on H.B. No. 2255

The purpose of this bill is to repeal Act 38, Session Laws of Hawaii 1984, which allows the transfer of park lands between the State and City and County of Honolulu. Under that Act, only the transfer of park lands and related improvements are authorized, but not personnel, equipment and functions. Act 335, 1987 broadened the authority and is in conflict with Act 38.

Your Committees received testimony in favor the bill from the Department of Land and Natural Resources and the Department of Transportation.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Intergovernmental Relations are in accord with the intent and purpose of H.B. No. 2255 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 166-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3137

The purpose of this bill is to provide long-term leases to resident farmers throughout the State, who have been on month-to-month permits from the Department of Land and Natural Resources for many years.

Your Committee heard testimony in favor of this bill from the Department of Land and Natural Resources and from many local farmers.

Your Committee finds that the present situation is difficult for permittees because adequate financing is not available to persons with short-term permits. We believe month-to-month revocable permits are not a viable vehicle to develop diversified farming, and the situation places an unacceptable burden on the permittees.

Your Committee has amended the bill to appropriate the sum of \$500,000 for appropriate surveys and appraisals. The funds will be recovered when leases are issued.

It is the consensus of this Committee that permittees who have been surviving month-to-month should be able to convert to long-term leases regardless of the income they receive from their farm. The State has a moral obligation to assist these residents who have borne this insecurity too long. Your Committee has amended the bill accordingly by deleting the requirement that the individual be an active farmer.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3137, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 167-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2241

The purpose of this bill is to develop a comprehensive statewide shoreline and inland public access program to manage and protect ancient highways, trails, and other public easements.

Your Committee received testimony from the Department of Business and Economic Development, Kawai Nui Heritage Foundation, University of Hawaii Environmental Center, Sierra Club, Department of Land and Natural Resources, and individuals.

At the same time this bill was heard, your Committee also took testimony on H.B. 3237, the purpose of which was similar to H.B. 2241: the establishment of a public access program. H.B. 3237 provided significant detail which was valuable, but was limited by its title to shoreline access and excluded inland trails. Your Committee, therefore, has chosen to use H.B. 2241 as a "vehicle bill" to incorporate the substance of H.B. 3237 and to broaden its scope to both inland and shoreline access. Also, we have added language which identifies the management function of the trail and access program.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2241, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 168-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3100

The purpose of the bill is to increase the compensation for the Board of Trustees of the Office of Hawaiian Affairs. Increased compensation would address the inordinate amount of time and energy expended by the Trustees in resolving issues while away from their regular work, families and personal commitments.

Your Committee has amended the bill by providing that members shall be allowed compensation at the rate of \$100 per day for each day's actual attendance at any meeting authorized by the chair; but also providing that no individual member shall receive more than \$7,500 in any calendar year.

Your Committee has also responded to concerns raised about attendance at late-night meetings on a trustee's own island, by incorporating a provision for personal expenses modeled on Article 42 of the HGEA contract for Unit 13 (Professional).

Your Committee also adopted the recommendation of the Office of Hawaiian Affairs that there be appropriated out of the general revenues the sum of \$19,800, for fiscal year 1988-1989, to carry out the purpose of this Act.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3100, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 169-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2151

The purpose of this bill is to establish a revolving loan fund to assist small business on Molokai.

Molokai's economy is contingent on the development and growth of small businesses, especially in diversified agriculture, and it is in the public interest to provide financial support to facilitate such development and growth on Molokai.

Testimony in support of the bill was received from the Department of Business and Economic Development.

Your Committee has amended the bill by adopting most of the recommendations of the Department of Business and Economic Development. The formation of the rules for the program by DBED shall be in cooperation with the Mayor of the County of Maui and the Mayor's Molokai Task Force. The rules will prescribe methods of repayment, including warrants, options or royalties in sales or earnings.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2151, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 170-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3445

The purpose of this bill is to support the efforts of Hawaii companies which receive small business innovation research (SBIR) Phase I grants from federal agencies, and to help them be more competitive in obtaining follow-on Phase II funding.

Your Committee heard testimony in favor of this bill from High Technology Development Corporation, Hawaii Island Economic Development Board and the Department of Business and Economic Development.

We recommend the program be funded in the amount of \$100,000, and that the maximum state grant be fifty percent (50%) of the Federal grant. Also, we have amended the qualifications language to be sure the funded project is carried out in the State of Hawaii.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3445, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 171-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3446

The purpose of this bill is to provide procedures by which automatic weapons may be imported into the state for use as movie props.

Your Committee heard testimony to the effect that the proposed legislation has been worked out in consultation with local law enforcement agencies and with the Attorney General's Office.

Your Committee has corrected two typographical errors.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3446, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 172-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3563

The purpose of this bill is to make it possible for the State to have a business and marketing presence in locations overseas.

State procedures for conducting business may not be applicable in other countries. State purchase orders may not be accepted overseas. Commitments based on U.S. dollars may fluctuate unacceptably with changes in the value of the dollar, and to be effective, a business must be able to conform to local business practices.

Your Committee has amended this bill to make it clear that the Department of Business and Economic Development shall not be allowed to expend funds not appropriated by the legislature for this purpose.

A second amendment removes the requirement that all expenditures be subject to the Governor's approval. Testimony concerning the requirement for the Governor's approval indicated that such a requirement would be unduly restrictive on the conduct of day-to-day business, and that the Comptroller of the Department of Accounting and General Services would be able to institute adequate fiscal control. However, your Committee did not delete the requirement that the Governor approve the appointment of employees who are not subject to Chapter 76 and 77.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3563, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2440

The purpose of this bill is to repeal Chapter 221 of the Hawaii Revised Statutes.

Your Committee heard testimony that the bill should be amended to provide for the transfer of the records of the Commission on the Year 2000 to the State Archives, and has so amended this bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2440, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 174-88 Human Services on H.B. No. 2059

The purpose of this bill is to appropriate \$200,000 to the Executive Office on Aging to establish a one-year demonstration project utilizing geriatric social workers as resident assistants in older adult housing complexes.

The burgeoning of our older population and its increased longevity has resulted in a tenant population that is far older than any previous generation, and has created a situation previously not encountered by our state.

Problems of managerial attitudes, neglect and practices have been well documented and the need for new social services and managerial skills has greatly expanded. By providing the services of a professionally trained social worker, the physical and psychosocial needs of our independently living elderly will be addressed. Furthermore, this demonstration project is expected to serve as a model for the development of policies and procedures of elderly housing management.

Your Committee recommends that the following housing projects be selected as resident assistant demonstration sites (as suggested by the Executive Office on Aging):

Makua Alii with Paoakalani and Kalakaua Midrise (462 units)
 Punchbowl Homes (156 units)
 Pumehana (139 units)
 Kupuna Home in Waialua (41 units)
 Kahuku Elderly-Hauoli Hale (64 units)
 Kapuna 1 (160 units)

Section 2 of H.B. No. 2059 has been amended by replacing \$103,000 with \$200,000.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2059, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ribellia.

SCRep. 175-88 Human Services on H.B. No. 2345

The purpose of this bill is to prohibit unfair and deceptive practices in the rooming house business by defining such practices and authorizing the Director of Human Services to conduct investigations and to take necessary corrective action.

Your Committee finds that a significant number of elderly and disabled persons live in rooming houses. Moreover, physical and mental disabilities, coupled with their economic status, render these populations particularly susceptible to exploitation. This bill is intended to ensure fair practices in the operation of rooming houses.

The Department of Health testified in favor of the bill and made several recommendations. Your Committee is in agreement with these recommendations, and has amended the bill as follows:

(1) The proposed regulations related to rooming houses have been placed in Chapter 445, Hawaii Revised Statutes, thereby making such regulation a function of the various counties, which are already responsible for licensing similar types of living arrangements;

(2) The definition of "rooming house" has been changed to conform to the definition which applies to "lodging or tenement house", since this very similar type of living arrangement is already defined statutorily and licensed by the counties; and

(3) The denial of rooming house accommodations for any prospective resident solely on the basis of age or disability been prohibited, as well as eviction for either of those reasons.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2345, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Ribellia.

SCRep. 176-88 Human Services on H.B. No. 2672

The purpose of this bill is to appropriate \$70,000 to implement a demonstration project for a public awareness program on long-term care.

A great concern of the elderly is becoming impoverished by the high cost of medical care and the financing of long-term care. Furthermore, many misconceptions by our elderly citizens about medicare, medicaid, spousal impoverishment, and the limitations and benefits of long-term care insurance policies exist. Your Committee finds that the information H.B. No. 2672 will provide is vitally needed.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2672 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ribellia.

SCRep. 177-88 Human Services on H.B. No. 2682

The purpose of this Act is to appropriate \$371,000 to fund a child sex abuse unit on Oahu and additional social worker positions on Hawaii, Kauai, and Maui.

During the past five years, sexual abuse reports increased 137 per cent. It has been well documented that long-term effects of child abuse to the victims are considerable. Data indicates that 70-100 percent of severe sex offenders (rapists, fixated and sadistic pedophiles) were sexually assaulted as children. H.B. No. 2682 addresses this difficult, cyclical problem with specialized training for social workers to enable them to deal effectively with child abuse cases.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2682 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ribellia.

SCRep. 178-88 Human Services on H.B. No. 2847

The purpose of this bill is to appropriate \$98,000 to establish a statewide foster parent training and liaison program.

State licensed foster parents play a crucial role in the quality of care these children receive. The training and supportive professional services foster parents would receive under H.B. No. 2847 will enable them to provide their foster children with a stable and nurturing environment in which to develop.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2847 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ribellia.

SCRep. 179-88 Human Services on H.B. No. 2850

The purpose of this bill is to appropriate \$50,000 for the development, production, and distribution of multilingual materials pertaining to long-term care issues for the elderly.

The complexity of long-term care issues is compounded when older adults and/or their caregivers are non-English speaking or lack competency in the English language. Approximately 100,000 adults in Hawaii have varying degrees of literacy problems, including non-mastery of the English language. Your Committee recognizes the urgent, ongoing need for multilingual information to this population.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2850 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ribellia.

SCRep. 180-88 Human Services on H.B. No. 3221

The purpose of this Act is to appropriate \$150,541 to fund a pilot program which will provide for intensive parole supervision.

An intensive parole supervision program (7 days a week-24 hours a day) will assist an officer's effectiveness in supervising parolees who are not seriously criminal. Trouble signs such as excessive drinking, unsatisfactory job performance, or spouse abuse can be easily detected under this program. By closely monitoring a parolee's progress, a parolee's chance of a successful return to the community is greatly enhanced. Your Committee finds that passage of in H.B. No. 3221 can result in significant savings in public funds.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3221 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ribellia.

SCRep. 181-88 Human Services on H.B. No. 3108

The purpose of the bill is to establish an office of transition services for the handicapped within the Office of the Governor. The office would be responsible for, among other things, establishing a statewide transition plan for handicapped persons, ages fifteen through twenty-five; studying the transitional needs of handicapped persons; reviewing

and recommending legislation; evaluating the adequacy of transition services; and coordinating efforts of private and public agencies in providing transition services. The bill also provides for an advisory council to advise and assist the executive director in developing transition services programs and policies and provides funding for the office.

Your Committee finds that the transition of handicapped students from the Department of Education (DOE) to adult services has not been occurring in a systematic manner. While a person is a student, DOE monitors the handicapped person's progress and development. Currently, this is being done through the individual transition plan. However, due to the large number of handicapped persons that are in the DOE, individual transition plans have not been prepared for each handicapped student. And once the handicapped student leaves the DOE, there is no established plan to monitor them.

Testimony presented indicated a concern that establishing an office to administer transition services for the handicapped would be duplicative of existing efforts. Presently, the DOE is working through the special education advisory council with other agencies to effectuate a smoother transition of the handicapped student to adult services. Also, the Commission on the Handicapped is empowered to review, develop and coordinate services for the handicapped. While there was agreement on the intent of the bill, testifiers felt the intent could be accomplished without creating another agency and by supplementing the budgets of existing agencies.

As a result, our Committee has amended the bill by deleting the provisions relating to the establishment and functions of the office of transition services for the handicapped. In place of said provisions, your Committee has amended the bill to provide that the Commission on the Handicapped develop a statewide plan for transition services for the handicapped. To accomplish this mandate, your Committee has added an appropriation of \$40,000 for the Commission on the Handicapped to hire a planner and clerical staff to assist the commission in developing a statewide plan for transition plan for the handicapped.

Your Committee further amended the bill by requiring that the DOE develop an individual transition plan for each handicapped student beginning at age 15 years. To accomplish this mandate your Committee has added an appropriation of \$40,000 for the DOE to hire an education specialist and clerical staff to work with DOE district personnel and with teachers in preparing individual transition plans for each handicapped child, from age fifteen until the child exits the DOE.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3108, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3108, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ribellia.

SCRep. 182-88 Human Services on H.B. No. 3141

The purpose of this bill is to establish a revolving fund, administered by the Department of Human Services, from which money shall be loaned to facilitate the development of adult day health programs

Testimony in support of the bill was received from a number of agencies, both public and private. While in general support of the bill, the representative from the Hawaii Association of Adult Day Care Centers testified that a loan program would not facilitate the development of adult day health programs since, typically, such programs require three to four years to achieve a financial break-even point. As such, a loan program, even with low interest rates, would represent limited assistance.

Upon consideration of testimony submitted, your Committee has amended the bill as follows:

- (1) Provided for grants rather than loans to assist in the development of adult day health centers;
- (2) Changed the revolving fund to a special fund since the fund would not generate revenue; and
- (3) Made the Department of Health responsible for the administration of the adult day health special fund rather than the Department of Human Services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3141, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ribellia.

SCRep. 183-88 Human Services on H.B. No. 2532

The purpose of this bill is to establish an agency to coordinate veterans services in the Office of the Governor. The responsibilities of the new agency would include coordinating and promoting appropriate programs, disseminating public information, recommending legislation and administrative action, and administering Neighbor Island veterans cemetery maintenance subsidy payments.

Your Committee finds that a central agency can benefit the 102,000 veterans residing in Hawaii since services to veterans are presently fragmented throughout a number of State agencies.

The bill received the support of a number of agencies, both public and private. While in support of the concept of a central agency to coordinate veterans' services, a representative from the Department of Defense testified that the Department preferred the establishment of a veterans' affairs office in the Department of Defense and the establishment of an advisory board on veterans services.

Your Committee agrees with positions set forth by the Department of Defense, and has amended the bill by:

- (1) Establishing an Office of Veterans' Services in the Department of Defense;
- (2) Establishing procedures for the selection of the director of this new Office and specifying the director's responsibilities;
- (3) Transferring activities appropriately placed in the Office of Veterans' Services from the Department of Human Services; and
- (4) Creating an Advisory Board on Veterans' Services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2532, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ribellia.

SCRep. 184-88 Human Services on H.B. No. 2862

The purpose of this bill is to allow individuals with incomes in excess of the eligibility standard to receive medical assistance for chore services if, after deducting medical expenses, the excess income is insufficient to meet the costs of needed chore services.

Currently, income in excess of the eligibility standard prevents any individual from receiving chore services from the State, even when the excess may be small compared with the cost of the chore services needed.

The Department of Human Services submitted testimony stating that currently, chore services are not included as part of medical assistance, as indicated by the bill. In addition, while in support of the bill, the Legal Aid Society of Hawaii recommended several amendments.

Upon consideration of testimony submitted, your Committee has amended the bill as follows:

- (1) Amended the language of section 1 of the bill to allow an individual to apply the portion of income in excess of the Department's applicable standard of assistance, to the purchase of chore services, thereby qualifying the individual for chore service assistance;
- (2) Deleted section 2 of the bill;
- (3) Renumbered the remaining sections; and
- (4) Appropriated \$544,320 for chore services

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2862, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2862, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 185-88 Judiciary on H.B. No. 67

The purpose of this bill, as received by your Committee, is to establish a juvenile justice information system containing information about juvenile offenders which will be used by agencies with juvenile justice responsibilities.

Your Committee heard testimony in support of establishing a juvenile justice information system ("system"). In testimony presented by its chairperson, the Juvenile Justice Interagency Board requested an appropriation for the development of a system and recommended the postponement of substantive legislation until after the system is developed. As described in the Board's testimony, the design of the proposed system incorporates a "multi-system manager" program which uses existing telecommunication lines and mainframe computers of certain local and state agencies.

Your Committee has adopted the recommendations of the Juvenile Justice Interagency Board by amending the bill to provide an appropriation for development of the system in lieu of the substantive provisions. The bill proposes an appropriation in the sum requested by the Board.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 67, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 67, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 186-88 Judiciary on H.B. No. 1630

The purpose of this bill, as received by your Committee, is to authorize licensed persons to provide service of process and to provide the procedure and requirements for the licensing of process servers.

Under existing law, the sheriff, the sheriff's deputies, the county police chief, the chief's authorized subordinates, and court appointees are authorized to provide service of process and judicial orders. Licensure of private persons as process servers would provide another alternative for providing this service to the courts.

Your Committee heard testimony from the Judiciary in support of the bill. The testimony expressed concern about allowing the supreme court sufficient time to adopt rules to implement the licensure proposals of this bill. Accordingly, your Committee has amended this bill by delaying its effective date to December 31, 1988.

Your Committee has further amended this bill by inserting the amount of the application fee and the value of the surety bond required for licensure, providing for licensed process servers to receive the fees and mileage compensation for their service, removing the prohibition against licensure of convicted felons, and requiring the supreme court to include instructional study on service of process as a qualification for licensure.

Your Committee has also amended this bill by making the statutory amounts the maximum amounts for fees received for process of service, and by adding a maximum amount of compensation for transportation costs in large political subdivisions. Your Committee defers to your Committee on Finance for further consideration of the amendments to matters of financial consequence.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1630, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 187-88 Judiciary on H.B. No. 2092

The purpose of this bill is to increase the mileage fee paid to jurors in compensation for the miles traveled to and from court on each day of court attendance.

A representative of the Judiciary presented testimony in support of the bill. The statutory provision allowing for a mileage fee of 20 cents per mile for jurors was enacted in 1973 and has not yet been amended to reflect inflationary increases in gasoline, motor vehicle insurance, and general maintenance costs. The testimony included a suggestion that the mileage fee be increased higher than the fee proposed in the bill.

Your Committee has amended the bill by increasing the proposed mileage fee from 21 cents to 30 cents for each mile. The mileage fee was amended to be equivalent to the mileage fee currently paid to witnesses in compensation for miles traveled for court attendance.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2092, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 188-88 Consumer Protection and Commerce on H.B. No. 3279

The purpose of this bill is to authorize the issuance of special purpose revenue bonds and refunding of special purpose revenue bonds up to the amount of \$131,410,000 to assist electric utilities in obtaining lower interest rate bond financing for capital improvement projects.

Your Committee received testimony from Kauai Electric Division of Citizens Utilities Company requesting that this bill be amended to include authorization of an additional amount of \$34,000,000 for Kauai Electric's multi-project capital improvement program. Included in that program are two major projects of paramount importance: the installation of two 6mw medium-speed diesel generating units in 1990 and the rebuilding of the backbone 57 kv tower transmission line which transects the Island of Kauai.

Your Committee agrees with Kauai Electric's request and has amended the bill to include this request. The total amount of special purpose revenue bonds, including the multi-project capital improvement programs of Hawaiian Electric Co., Hawaii Electric Light Co. and Maui Electric Co. as well as Kauai Electric's request, has been increased to \$165,410,000.00

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3279, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 189-88 Consumer Protection and Commerce on H.B. No. 3299

The purpose of this bill is to appropriate funds for a study regarding the deregulation of private coin-operated telephones, telephone-shared tenant services, interisland telephone service, and the issue known in the telecommunications industry as "bypass".

Your Committee intends that the study will include, among other issues, a thorough review of the impacts on the public with respect to costs and service levels. Your Committee has amended this bill by inserting the amount of \$25,000 to be appropriated for this study.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3299, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 190-88 Consumer Protection and Commerce on H.B. No. 3304

This bill contains ten amendments to the Insurance Code, Acts 347, 348 and 349, Session Laws of Hawaii 1987. One purpose of this bill is to establish consistency in the application of the code. In keeping with new filing fees required for all rate filings, this bill would require filing fees throughout the code in instances where forms filed with the Insurance Division are reviewed and/or approved by the division. The bill also provides for a penalty and possible revocation of a fraternal benefit society license in the event of late or nonpayment of the license fee.

The bill would also require life insurers withdrawing from the state to reinsure with an authorized insurer under an agreement approved by the commissioner. Life insurance companies are presently exempt from this requirement and your Committee received testimony to the effect that any benefit of this requirement was negligible and that the bill would require expensive and unusual handling of these matters in the event a life insurer did desire to withdraw from the state.

The bill also requires foreign or alien insurers to notify the commissioner of name changes before the effective date of the change and permits the commissioner to appoint a senior rate and policy analyst exempt from civil service requirements.

The bill also makes certain provisions of the insurance code applicable to title insurance and title insurers.

The bill also corrects certain section references in the code.

Your Committee believes that there is currently no apparent necessity for the provision in the bill which would require life insurers to reinsure with an authorized insurer upon withdrawing from the state. Your Committee has therefore eliminated that provision of the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. 3304, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 3304, H.D. 1.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 191-88 Consumer Protection and Commerce on H.B. No. 3270

The purpose of this bill is to establish a fund to be used by the Office of Consumer Protection to investigate or enforce reported or suspected violations of laws and rules relating to consumer protection, or to discharge the functions of the Office. The monies in the fund will come from civil penalties, attorney's fees, court costs, costs of investigations, and other similar payments received by the Office of Consumer Protection as a result of their investigations.

Your Committee received testimony in favor of this bill from the Department of Commerce and Consumer Affairs.

Your Committee has made technical amendments to this bill for purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3270, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 192-88 Consumer Protection and Commerce on H.B. No. 2022

The purpose of this bill is to establish a "one-stop" business permits service center which will provide comprehensive information on permit requirements, assistance in coordinating the processing and review of permits, general information on laws affecting business, and information on financial assistance programs available for businesses. The business permits service center would be established within the Department of Commerce and Consumer Affairs.

The Department of Commerce and Consumer Affairs testified that negotiations were underway with the Department of Business and Economic Development (DBED) to determine which would be the most effective department to administer the center and to prevent any needless duplication of services. In consideration of these negotiations your Committee believes that the concept originally outlined in this measure should be modified from the creation of a completely new entity to the enhancement of programs already functioning within the Department of Business and Economic Development.

Your Committee has therefore amended this bill to give additional authority to DBED, including additional personnel and an appropriation of \$150,000. The amended bill also provides that DBED may establish a walk-in center on an experimental basis, that it shall coordinate the review of the possible use of a master application form for business permits, and that it shall report on the implementation of this Act to the next Legislature. This bill has also been amended to correct technical drafting errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2022, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 193-88 Consumer Protection and Commerce on H.B. No. 2355

The purpose of this bill is to equalize the premium tax rates for domestic and foreign insurers. A number of foreign insurers have alleged that the present differential is unconstitutional and have, in fact, instituted litigation against the state on that basis. While your Committee does not necessarily agree with the foreign insurers on the question of the constitutionality of the present system, the provisions of this bill, or the provisions of related bill H.B. No. 2784, your committee finds it advisable to address the concerns of the foreign insurers.

This bill would equalize the premium tax rates for all insurers, while providing a preferred tax rate for insurers maintaining principal offices in the State of Hawaii.

Your Committee received testimony indicating that one desired goal, of legislation to address this problem, would be to achieve a tax revenue neutral effect. There was no testimony received which could confidently address the tax revenue effects of this bill and it is clear to your Committee that the tax revenue effects require further study before a selection can be made between the approach offered by this bill and that presented in H.B. No. 2784.

Your Committee has therefore decided to pass both bills out of Committee in order to keep both bills alive for the further consideration of the House through the Committee on Finance, with the suggestion to the Committee on Finance that further testimony be taken on the tax revenue effects of both and the possible combination of features of both bills.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2355 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 194-88 Consumer Protection and Commerce on H.B. No. 2398 (Majority)

The purpose of this bill, as received by your Committee, is to empower the Insurance Commissioner to take steps to ensure the availability of casualty insurance at reasonable rates when that type of casualty insurance is found to be unavailable in the State or available but only at unreasonable rates. This bill would allow the Insurance Commissioner to assign risks to different insurers, a system similar to elements of Hawaii's no-fault insurance laws. Insurers would then be allowed to obtain reinsurance from the State with premiums paid for the reinsurance deposited into a fund which is managed and invested, and the monies from the premiums and investments will be available to pay reinsurance claims.

Your Committee received testimony from persons who favored this bill because certain types of casualty insurance are apparently not available or are only available at rates which threaten the very existence of certain businesses. Your Committee also received testimony from State government agencies, attorneys, and the insurance industry. The testimony received indicated that there may well be a serious problem with the availability of casualty insurance at reasonable or affordable rates but that the bill presently under consideration may not be a workable solution to the problem.

Your Committee sympathizes with those persons and organizations facing difficulties obtaining casualty insurance at affordable rates. However, your Committee also is cognizant of the concerns expressed by the bill's opponents.

In view of the problems existing in the present system, your Committee finds that there is a need to evaluate and develop affordable and equitable alternatives to the present casualty insurance system. Your Committee believes that a study of the provisions contained in this measure is needed to determine the impact of this plan. Additionally, your Committee seeks other alternatives to ensure the availability of casualty insurance for businesses. Fair Access to Insurance Requirements plan is a viable alternative.

Accordingly, your Committee has amended the bill by deleting the substance and replacing it with new provisions which authorize the Office of the Legislative Auditor to conduct a study of the feasibility of implementing the provisions of H.B. No. 2398, as originally introduced during the Regular Session of 1988. Your Committee has included an appropriation of \$50,000 for this purpose and requests the Committee on Finance to add further and more detailed guidelines for the study.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2398, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.
(Representative Hemmings did not concur.)

SCRep. 195-88 Consumer Protection and Commerce on H.B. No. 3519

The purpose of this bill is to resolve certain ambiguities in the franchise tax law pertaining to banks and financial corporations which deprive the State of tax revenues. The bill provides a method to establish the measure of the franchise tax for the initial year of a bank or financial institution's operations and to prevent underpayment of tax for the second year of operation. The bill also provides for the payment of the franchise tax on the actual net income for the taxable year or part of a taxable year in which a bank or financial institution terminates business operations. The bill also provides for the adjustment of tax and filing of amended returns for the first, second, and final year of business of a bank or financial institution.

Your Committee received testimony from the Department of Taxation in favor of this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3519 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 196-88 Consumer Protection and Commerce on H.B. No. 3593

The purpose of this bill is to extend the Compliance Resolution Fund to July 1, 2001, and to authorize the Department of Commerce and Consumer Affairs to create a public information officer position to assist the Department in its efforts to inform and educate Hawaii consumers.

In 1982, when the Compliance Resolution Fund (CRF) was created, there existed a four-year backlog of complaints to the Department of Commerce and Consumer Affairs (DCCA). That backlog has been eliminated, and in 1987 69 per cent of the new complaints received by the Regulated Industries Complaints Office were resolved within 46 days. The timely resolution of these complaints has made consumers more aware of the services offered by the DCCA, and has made the subjects of complaints more responsive due to the swiftness of disciplinary action.

Your Committee received testimony in favor of this bill from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3593 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 197-88 Consumer Protection and Commerce on H.B. No. 3596

The purpose of this bill is to provide that the Office of Consumer Protection shall be awarded reasonable attorney's fees and costs of a suit whenever judgment is entered in favor of the State in any action brought by the Office of Consumer Protection under Chapter 480, Hawaii Revised Statutes. The bill would also change the status of the Office of Consumer Protection to that of a division of the Department of Commerce and Consumer Affairs, whose executive director would be appointed by the Director of the Department of Commerce and Consumer Affairs. The bill would also provide that the powers, duties, and compensation of the executive director would be defined and fixed by the Director of the Department of Commerce and Consumer Affairs.

The bill would also remove the educational function and educational specialist positions from the Office of Consumer Protection.

Your Committee received testimony from the Department of Commerce and Consumer Affairs in favor of this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3596 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 198-88 Consumer Protection and Commerce on H.B. No. 2553

The purpose of this bill is to ensure that liability insurance is available at reasonable rates for certain obstetricians and gynecologists designated by the Insurance Commissioner. Your committee heard testimony that especially in certain rural communities the cost of liability insurance for certain OB-GYN's could jeopardize that type of medical services in those communities.

Your committee has amended this bill to increase the amount available to \$150,000, based upon testimony that insurance rates have increased 30% and may increase again shortly.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2553, as amended herein, and recommends that it pass Second Reading in the form attached here to as H.B. No. 2553, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 199-88 Consumer Protection and Commerce on H.B. No. 2784

The purpose of this bill is to equalize the premium tax rates for domestic and foreign insurers. A number of foreign insurers have alleged that the present differential is unconstitutional and have, in fact, instituted litigation against the state on that basis. While your committee does not necessarily agree with the foreign insurers on the question of the constitutionality of the present systems, the provisions of this bill, or the provisions of related bill H.B. No. 2355, your Committee finds it advisable to address the concerns of the foreign insurers.

This bill would equalize the premium tax rates for all insurers, while providing credits against the premium tax for insurance examination fees, real estate taxes and excise taxes. The bill also changes the tax due date to correspond to the filing of the annual tax statement.

Your Committee received testimony indicating that one desired goal of legislation to address this problem, would be to achieve a tax revenue neutral effect. There was no testimony received which could confidently address the tax revenue effects of this bill and it is clear to your Committee that the tax revenue effects require further study before a selection can be made between the approach offered by this bill and that presented in H.B. No. 2355.

Your Committee has therefore decided to pass both bills out of Committee in order to keep both bills alive for the further consideration of the House through the Committee on Finance, with the suggestion to the Committee on Finance that further testimony be taken on the tax revenue effects of both and the possible combination of features of both bills.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2784 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 200-88 Consumer Protection and Commerce on H.B. No. 2903

The purpose of this bill is to add a new classification of cooler beverage to Chapter 244D, Hawaii Revised Statutes, and add definitions for each type of cooler beverage. The bill also would delete the category of cooler beverages from the tax rate schedule, resulting in the taxing of each type of cooler beverage at the rate applicable to its basic alcohol component. This would raise the tax on wine cooler beverages from \$.81 per wine gallon to \$1.30 per wine gallon.

Testifiers stated that this tax increase is inequitable and that while taxing coolers according to the type of liquor they contain seems to make sense, in fact wine and malt liquor coolers have similar alcohol levels and appeal to basically the same market as does beer.

Your Committee agrees that the tax increase on wine coolers resulting from this bill would be inequitable to the sellers and consumers of wine coolers. Your Committee has therefore amended this bill to place wine coolers, malt beverage coolers, and beer in the same category in the tax rate schedule. Your Committee has also amended this bill to correct technical drafting errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2903, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2903, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 201-88 Consumer Protection and Commerce on H.B. No. 3036

The purpose of this bill is to encourage the development of Hawaii as an international center of financial services by exempting certain trust income from taxation. Specifically, this bill amends Section 235-4(b), Hawaii Revised Statutes, to exempt from the gross income of a foreign corporation acting as a personal holding company, the income received from intangibles to the extent that the income to the trust beneficiaries is excluded under Section 235-4(a), and the trust company holds 100% of the corporate stock.

Your Committee received testimony indicating that this bill would encourage certain trust business in Hawaii which is not presently here.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3036 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 202-88 Consumer Protection and Commerce on H.B. No. 2035

The purpose of this bill is to 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 .5 percent and the premium tax for association captive insurance companies and risk retention captive insurance companies at 1 percent. The Insurance Division of the Department of Commerce and Consumer Affairs recommended in testimony that the term "risk retention captive insurance company" be changed to "risk retention group". Your Committee agrees with this testimony and has amended the bill to reflect the change.

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 and their affiliated companies. The Insurance Division testified that the inclusion of affiliated companies complicated their regulatory function and expressed the desire to have "affiliated companies" excluded. Your Committee has amended the bill to exclude affiliated companies.

The bill also requires the Insurance Commissioner to establish a list of advisors to assist with the review of captive applications. 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 431-312. Pure captives would be allowed to make investments not specified in the insurance code with the approval of the Commissioner. The Insurance Division pointed out that the bill should be amended to clarify that the Commissioner need not approve prior to each investment by a pure captive insurance company. Your Committee has made the necessary changes to clarify this possible confusion.

The bill provides that risks ceded by any other insurer may be reinsured by any captive insurance company. The Insurance Division suggested an amendment which accurately reflects the distinction between reinsurance accepted by a captive insurance company and risks ceded by a captive insurer to a reinsurer. Your Committee agrees and has amended the bill appropriately.

Your Committee received testimony that the tax rates were more favorable to captive insurance companies than to the other insurance companies presently doing business in Hawaii. Your Committee also received testimony that captive insurance companies should be subject to only a minimal tax on gross premiums in order to attract captive insurance business to the state. Your Committee believes that the resolution of these conflicting positions should be in favor of a minimal tax on gross premiums and therefore has amended the bill to provide a .25% tax on gross premiums for pure captives and 1% tax on gross premiums for association captives.

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.

Your Committee also is in accord with allowing captives to write credit life and credit disability insurance.

Several technical and non-substantive amendments for the purposes of style and clarity have also been made upon the recommendation of the Insurance Division.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.B. 2035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2035, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 203-88 Ocean and Marine Resources and Higher Education and the Arts on H.B. No. 2691

The purpose of the bill is to provide required matching funds for a federal appropriation of \$6,375,000 for a Center for Applied Aquaculture in Hawaii. There is appropriated out of the general funds the sum of \$1,000,000 for fiscal year 1988-1989 to be expended by the Department of Land and Natural Resources for planning, design and construction of a Center for Applied Aquaculture facility at the Oceanic Institute. The State funds are contingent on a signed memorandum of understanding of cooperation being executed between the president of the University of Hawaii, the chairperson of the Department of Land and Natural Resources and the chairperson of the Oceanic Institute.

Representatives from the University of Hawaii, the Department of Land and Natural Resources (DLNR), and the Oceanic Institute (OI) presented testimony in support of this bill. Testimony indicated that the facility will support growth of a profitable production center through the application of research to solving problems of the commercial sector. The

proposed aquaculture facility is projected to bring a multitude of direct and indirect benefits to the state from increased revenue from production to increased employment opportunities.

Further testimony indicated that the facility is the common ground for the efforts of the University of Hawaii and the Oceanic Institute, which together represent the basic and applied aquaculture research talent of the State.

Your Committees on Ocean and Marine Resources and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2691 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Tajiri and Pfeil.

SCRep. 204-88 Housing and Community Development and Higher Education and the Arts on H.B. No. 2914

The purpose of this bill is to provide loans to those Manoa residents who have suffered losses to their homes and lands from the devastating effects of ground movement or who may suffer such losses from continuing movement. In addition, funds are to be provided to begin for the planning of housing on University of Hawaii lands in which affected residents would be allowed to relocate while repairs or reconstructions on their homes are occurring. While residents are rebuilding or reconstructing their homes the residents are to be temporarily relocated to housing to be built on University of Hawaii lands. Once reconstruction on all affected homes has been completed, the temporary housing would revert back to the University of Hawaii for uses in a manner specified in its master plan.

Your Committees received testimony from the Department of Business and Economic Development (DBED), from the University of Hawaii, a soils expert from the University of Hawaii, the City Councilmember from the Manoa area, concerned residents of the area, and others. The DBED did not support the bill because in the departments view the repairs to the property to prevent further ground movement might not be economically feasible, and the affected residents might be given false hopes if corrective action could not be taken. One alternative suggested by the department was the condemnation of the affected properties and subsequent relocation to other areas.

The University of Hawaii, although concerned and sympathetic to the plight of the residents, felt that they might be legally constrained from rendering assistance as specified in the bill. The University questioned whether the bill was consistent with the public trust requirement of the State constitution, however the University of Hawaii expressed a willingness to be open to discussion should its concerns be satisfactorily addressed.

A representative from Pacific Housing Assistance Corporation, a non-profit housing corporation, expressed interest in the concept of developing housing should the State and the University decide not to participate as a developer.

Your Committees has proposed the enactment of a new program, to be managed by the State Housing Finance and Development Corporation, for the purpose of making loans to Manoa Valley residents who have been affected by ground movement. These loans are to be used by qualified residents for rehabilitation and renovation of their homes or in cases where rehabilitation and renovation may not be economically feasible, for the construction of new housing.

Your Committees further desires that such loans, as authorized by this bill, not be made until correction measures and preventive actions to stabilize the ground movement have been made and judged to be effective.

Your Committees have further proposed the planning of temporary housing for qualified residents who may be forced to temporarily vacate their homes or property in order that their homes may be rehabilitated or, in cases of extensive and un-repairable damage, new construction. The University of Hawaii property located near Noelani Elementary School is envisioned by your Committee to serve a dual purpose of not only providing temporary housing for the Manoa residents affected by ground movement but also for University of Hawaii faculty and their families. The University of Hawaii master plan for this property currently reflects plans to develop and construct lowrise town house type units for faculty and their families.

Your Committee has further proposed amendments to appropriate planning funds to the University of Hawaii (\$50,000) for the temporary housing/faculty housing and \$25 million to the Housing Finance Revolving Fund, as created by Section 201E-57, Hawaii Revised Statutes. This revolving loan fund is administered by the State Housing Finance and Development Corporation.

Finally, your Committee intends, that should qualified residents be required to relocate from their homes for periods where rehabilitation, renovation, or new construction of their homes may be performed, that the benefits of Chapter III of the Hawaii Revised Statutes be provided to those qualified residents pursuant to "improvements under governmental supervision". Your Committee views the necessary corrective and preventive measures to be under taken by either the State of City and County of Honolulu, as the case may be, to be sufficient grounds to activate relief provision contained in Chapter III of the Hawaii Revised Statutes.

Your Committees on Housing and Community Development and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2914, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2914, H.D. 1. and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, M. Ige, Honda, Kawakami, Leong, Hemmings, O'Kieffe and Pfeil.

SCRep. 205-88 Health on H.B. No. 3466

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

The Department of Health is currently preparing a redelegation request of the National Pollutant Discharge Elimination System (NPDES) program from the federal Environmental Protection Agency (EPA). In order to complete the redelegation request, the State of Hawaii will require statutory authority to enforce against pretreatment requirements and the State's criminal penalty requirements must be consistent with the Federal Water Quality Act of 1987.

Your Committee heard testimony from the Department of Health, which supported the bill. Failure to obtain redelegation of the NPDES program would result in a loss of \$325,000 of Clean Water Act Section 106 grants to the State.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3466 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by members of the Committee except Representative Arakaki.

SCRep. 206-88 Higher Education and the Arts on H.B. No. 3474

The purpose of this bill is to create a discoveries and inventions revolving fund and to provide for an annual report to the Governor and the Legislature on this fund.

Your Committee received testimony from the University of Hawaii in support of this measure. The University of Hawaii indicated that "the establishment of the discoveries and inventions revolving fund is an essential ingredient for the overall effectiveness of the University's technology transfer and economic development program". The testimony of the University of Hawaii also indicated that it should be made clear that the transfer of funds to the revolving fund would be for start up purposes only.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3474 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 207-88 Higher Education and the Arts on H.B. No. 3475

The purpose of this bill is to authorize the University of Hawaii to establish a revolving fund for its vocational and technical training projects by amending Section 304-8.4, Hawaii Revised Statutes, to include the University of Hawaii at Hilo.

Your Committee heard testimony from the University of Hawaii in support of this measure. The University of Hawaii's testimony indicated it is necessary to permit the University of Hawaii-Hilo to continue the revolving fund established by Hawaii Community College should the functions of Hawaii Community College become a part of a new organizational structure within the University of Hawaii-Hilo.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3475 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 208-88 Higher Education and the Arts on H.B. No. 3172 (Majority)

The purpose of this bill, is to establish a commission to help maintain, preserve and make accessible significant collections of Hawaii's moving image heritage.

Your Committee heard testimony from the Department of Accounting and General Services, the Department of Commerce and Consumer Affairs, the Department of Education and others in support of this measure.

Your Committee has amended this bill to provide as follows:

- (a) Added language to clarify the function of the revolving fund.
- (b) Technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3172, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3172, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 209-88 Higher Education and the Arts on H.B. No. 3173

The purpose of this bill, as received by your Committee, is to amend Section 40-88 Hawaii Revised Statute, to provide a fund to be known as the State of Hawaii endowment fund, of which, the income and capital gains shall be used for operations of the Honolulu Symphony.

Your Committee heard testimony from the Department of Accounting and General Services, and the Honolulu Symphony in support of the intent of this measure.

Your Committee has adopted the recommendations of the Department of Accounting and General Services and has amended this bill to provide as follows:

(a) To include language requiring an annual audit by an independent auditor covering the State of Hawaii endowment fund,

(b) The deletion of "The department, in accord with chapter 91, may adopt rules to carry out the purposes of this section" on page 3, line 3 and 4.

(c) To correct certain typographic, technical, and stylistic errors, no substantive changes were made.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3173, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 210-88 Higher Education and the Arts on H.B. No. 3177

The purpose of this bill is to establish the State Capitol Anniversary Commission and to provide funds for this purpose.

At the present time, there is no one source for the planning, coordination and implementation of a celebration to commemorate the anniversary of the dedication and opening of the State Capitol. H.B. No. 3177 will establish a permanent commission to accomplish the foregoing tasks and future State Capitol celebrations.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3177 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 211-88 Higher Education and the Arts and Judiciary on H.B. No. 2095

The purpose of this bill is to amend section 304-14.6 of the Hawaii Revised Statutes to grant University of Hawaii tuition waivers to the spouses and dependents of Hawaii National Guard members who were permanently disabled or those killed while on active duty. Under the present law only Hawaii National Guard members are entitled to tuition waivers.

Your Committee received testimony in favor of the bill from the Department of Defense State Adjutant General who pointed out the additional benefit would further strengthen the Hawaii National Guard's ability to retain and sustain its members. This benefit would provide eligible spouses the opportunity to reconstruct their lives and be given the means for a brighter future. Furthermore, this benefit would allow eligible dependants the option of post-secondary education.

Your Committees on Higher Education and the Arts and Judiciary are in accord with the intent and purpose of H.B. No. 2095 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 212-88 Higher Education and the Arts on H.B. No. 3120

The purpose of this Act is to permit a sculpture of Duke Kahanamoku to be permanently displayed at Kuhio Beach on Oahu.

Duke Kahanamoku is revered by many, not only in Hawaii, for his numerous accomplishments and contributions. A statue of Duke Kahanamoku already stands in California as well as one in Australia. Your Committee finds that it would be only fitting for Hawaii to honor him with such a commemoration.

Section 2 of this bill has been amended by replacing the authorization of funds for works of art pursuant to section 103-8, Hawaii Revised Statutes, with an appropriation out of the general revenues of the State of Hawaii.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3120, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 213-88 Higher Education and the Arts on H.B. No. 2508

The purpose of this bill is to amend Section 42-12 Hawaii Revised Statutes, to provide an exemption from the provisions of this chapter for culture, arts, history and humanities organizations receiving \$100,000 or less in the form of grants, subsidies, and purchases of service.

Your Committee received testimony from the State Foundation on Culture and the Arts and a number of Hawaii art organizations in support of this measure. The testimony indicated that the present law, Section 42 Hawaii Revised Statutes, imposes an unnecessary burden on organizations with low or moderate budgets who depend predominantly on volunteer help for management tasks.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2508 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 214-88 Higher Education and the Arts on H.B. No. 2507

The purpose of this bill is to establish a fellowship program within the State Foundation on Culture and the Arts to encourage artists to pursue their chosen art field in Hawaii.

At the present time, the State's financial support of artists is limited to the support of cultural and art organizations. H.B. No. 2507 will establish a program for individual artist fellowships to provide financial support directly to the artists.

Your Committee heard testimony indicating many of the artists who live in Hawaii are unable to support themselves through their chosen art field and must find other means of support. Many are forced for economic reasons to leave the State to pursue their art careers. Testimony was heard by your Committee from the State Foundation on Culture and the Arts that the appropriation in the bill would provide the financial support needed by the artists. The Foundation further testified it would evaluate artist fellowship programs of other states to determine criteria for the State's proposed program. Your Committee therefore agrees with the intent of this bill to provide individual artist fellowships.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2507 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 215-88 Higher Education and the Arts on H.B. No. 2506

The purpose of this bill is to establish a revolving fund for special events to be administered by the State Foundation on Culture and the Arts.

Your Committee finds that the present process of submitting proposals to the State Foundation on Culture and the Arts for funding of culture and arts events has resulted in the loss to the public of special events opportunities. Your Committee finds that the nature of special events is that they often present themselves unexpectedly and require quick action. Therefore, a mechanism is needed to ensure that legislative intent to provide culture and the arts opportunities to the public which should include special events is met.

Your Committee, therefore, agrees with the intent of this bill to provide a revolving fund to be used by the State Foundation on Culture and the Arts for funding of special events.

Your Committee has adopted the recommendations of the State Foundation on Culture and the Arts by making the following amendments:

- (a) Deletion of "traveling" on page 1, line 9 and page 2, line 8;
- (b) Deletion of "in the form of seed money," on page 3 line 1;
- (c) Deletion of "and for necessary expenses in administering the fund" on page 3, lines 2 and 3.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2506, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2506, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 216-88 Higher Education and the Arts on H.B. No. 2203

The purpose of this bill is to hire a full-time educational retention specialist for the Disadvantaged Minority Recruitment, Retention, and Training Project (DMRRTP) in the School of Social Work, at the University of Hawaii. This specialist position would provide the means to keep the recruitment, retention, and training efforts cost-effective.

Your Committee received testimony from the University of Hawaii's School of Social Work describing disadvantaged minority students as high-risk and high-stress groups. These characteristics call for retention services that begin with initial recruitment contact and follows the students into their post-graduate career as social workers.

Your Committee finds that the nature of disadvantagedness is itself a major pitfall in the process of recruitment, retention, and training, and a full-time educational retention specialist is critically needed to add consistency, stability, and availability of services to disadvantaged minority students in social work. Moreover, your Committee is in agreement that this hiring expresses a credible commitment of the State of Hawaii to the development of underrepresented minorities at the University of Hawaii at Manoa campus.

Testimony also specified the amount requested at \$32,736. Therefore, your Committee has amended this bill, by inserting in Section 2 the sum of \$32,736.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2203, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 217-88 Higher Education and the Arts on H.B. No. 2202

The purpose of this bill is to request funds to match the federal cost of five traineeships for disadvantaged minority students of Filipino, native-Hawaiian, and other Polynesian ancestries in the School of Social Work at the University of Hawaii. If approved, this request would increase the number of available traineeships to ten.

The Disadvantaged Minority Recruitment, Retention, and Training Project (DMRRTP) sets its primary goal as increasing the recruitment, retention, and training of Filipino, native-Hawaiian, and other Polynesian students to serve the people of the State of Hawaii and the Pacific Basin.

Your Committee received testimony from the University of Hawaii's School of Social Work, stating federal funding for DMRRTP has steadily decreased during the past five years. This decline in funding created a financial need in disadvantaged minority students where seeking an education in social work and in DMRRTP's ability in sustaining their enrollment in the master's degree program. Your Committee finds that these disadvantaged minority students are more often than not beset with historical, political, economic, and social obstacles which restrict their educational opportunities and career choices. Your Committee agrees that the five additional traineeships would help to reduce these barriers, thereby increasing the pool of professionally trained and culturally sensitive disadvantaged minority social workers to plan and provide services in the State of Hawaii and the Pacific Basin.

Testimony also specified the amount requested at \$28,677, which includes five stipends totalling \$23,300 and five tuition and fee expenses totalling \$5,377. Therefore, your Committee has amended this bill, by inserting in Section 2 the sum of \$28,677.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. 2202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2202, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 218-88 Higher Education and the Arts on H.B. No. 2184

The purpose of this bill is to provide for the authorization of general obligation bonds in the sum of \$17,000,000 for the construction of Phase III of the Agricultural Science Facilities building over a three year period.

This building will house offices, state-of-the-art laboratories, classrooms and other facilities for the College of Tropical Agriculture and Human Resources (CTAHR). Several programs will occupy the new building.

In testimony presented before your Committee, the Dean of the College Tropical Agriculture and Human Resources while supporting the bill suggested that the bill be amended to provide for the construction funds to be appropriated over two years rather than three years as currently specified in the bill.

Your Committee, therefore, has amended the bill to provide token funding for the 1988-1989 fiscal in the amount of \$1,000. Your Committee recognizes the need for appropriation of funds for the building, but feels that funding for one year is appropriate at this time.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2184, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 219-88 Higher Education and the Arts on H.B. No. 1700

The purpose of this bill, as received by your Committee, is to increase the total units of State financial aid at the University of Hawaii. In addition, this bill provides that a percentage of tuition waivers for undergraduate university studies are set aside for veterans who served in Southeast Asia during the Vietnam era, and to extend the duration of this tuition waiver benefit through June 30, 1994.

Your Committee heard testimony in favor of this bill from the University of Hawaii, the Governor's administrative assistant for veteran's affairs, and a representative of the Vietnam Vet Center.

Your Committee finds from the testimony presented that the intent of the bill to insure tuition waivers for veterans who served in Southeast Asia during the Vietnam era would not be accomplished by this bill. The University of Hawaii offered a substitute amendment which would achieve this purpose but would place it in a more appropriate section of the law. Upon discussion with all concerned your Committee has amended the bill to reflect the University amendment.

Your Committee also discussed the problem of veteran's access to the college of continuing education and community service. This is because many veterans who qualify for this waiver cannot attend regular classes during the day. While it may be desirable to pursue this issue, your Committee feels it is beyond the scope of this bill, and raised other policy questions. Your Committee believes, however, that the University should continue to work with Veteran groups to expand their abilities to take advantage of the waiver.

Your Committee has adopted the recommendations of the University of Hawaii by making the following amendments:

- (a) Deletion of sections 1 and 2.
- (b) Added a new section 1.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1700, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Tom, O'Kieffe and Pfeil.

SCRep. 220-88 Higher Education and the Arts on H.B. No. 3169

The purpose of this bill is to amend Section 304-8.6 to allow the student activity fees, classified as "Special Funds", to be used for the purchasing of leis, refreshments, food and prizes. This bill provides clarification for auditing purposes as to what expenses are appropriate for the fund.

Your Committee received testimony from the Vice President of Student Affairs at the University of Hawaii, the Lobbying Committee of the Associated Students of the University of Hawaii as well as the President of the Campus Center Board for the University of Hawaii. All of the testifiers endorsed the need for clarification of the statute. The University suggested some technical, nonsubstantive amendments to the bill for the purposes of style and clarity. Your Committee agrees these amendments are needed and has made the necessary revisions.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3169, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 221-88 Higher Education and the Arts on H.B. No. 2008

The purpose of this bill is to begin the process of establishing a new gymnasium on the Manoa Campus to replace the aging Klum gymnasium. This bill would provide for \$503,000 in design monies.

Your Committee received testimony from the Director of Athletics at the University of Hawaii in favor of a new gymnasium, however, he pointed out the appropriation would be better spent to create a multipurpose athletic facility which would provide for a larger seating capacity than called for in the bill. The Athletic Director also testified that with such a facility the University would have the opportunity to bid for regional championship tournaments and would be able to have most of its athletic events on campus, including men's basketball.

Your Committee strongly supports the idea of a new gymnasium and would like to insure its establishment. However, sufficient information regarding what would be the most appropriate size of the new facility was not available. Your Committee has thus amended this bill to provide for flexibility in deciding upon an appropriate facility.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2008, as amended herein, and recommends that it pass Second Reading, in the form attached as H.B. No. 2008, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 222-88 Higher Education and the Arts on H.B. No. 2152

The purpose of this bill is to amend Section 304-8.5 of the Hawaii Revised Statutes to add rental income to the list of activities for which fees are deposited into the revolving fund for the animal research farm at Waialae, Oahu.

Animal research is expensive to conduct due to the costs of the animals, feed, veterinary supplies, equipment and facilities. The Legislature established a revolving fund to assist with the cost of the animal research. When the experiments were completed, the beef cattle, hogs, eggs, broilers and milk were sold. The receipts are deposited into the revolving fund and used to purchase replacement animals, feed, supplies, equipment and maintenance services.

In testimony before your Committee, the Dean of the College of Tropical Agriculture explained that one of the costs of conducting animal experiments is the labor requirement seven days a week. Housing is provided for animal technicians on the research farm to meet this labor requirement. Presently the rents collected from this housing are deposited into the general fund. Under the bills amendments, these rents would be deposited into the revolving fund.

Your Committee feels these amendments to the current statute would allow the College to increase the effectiveness of research on problems of high priority to the animal industries of the State.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2152, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 223-88 Human Services on H.B. No. 2539

The purpose of this bill is to provide a tax credit to employers who provide child care subsidies for their employees.

Testimony in support of the bill received from a number of public and private agencies, indicated that the demand for affordable quality child care is escalating as the number of working parents increases. This bill would make government a full partner with business and the community in the effort to extend child care opportunities to all working parents who need such services for their offspring.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2539 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 224-88 Human Services on H.B. No. 2668

The purpose of this Act is to encourage and support gainful employment while caring for elders.

This bill would amend section 235-55.6, Hawaii Revised Statutes, to expand the definitions of qualifying individuals for a tax credit for dependent care services. Your Committee received testimony in support of this bill from the Founders Group of the Kokua Council of Senior Citizens and the Executive Office on Aging.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2668 H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 225-88 Human Services on H.B. No. 2844

The purpose of this Act is to strengthen Hawaii's foster care program with an appropriation of \$323,000.

An increasing number of agency foster parents are closing their homes. As a result, the number of foster parents available are insufficient to meet Hawaii's growing foster care needs. Although foster parents devote themselves to helping others without monetary gain, Your Committee finds that care services can be expanded by compensating foster parents for their services.

A second concern involves the quality of services foster parents provide. Foster care parents face difficult and trying situations in caring for abused and/or neglected children. H.B. No. 2844 addresses this need for professional support and training through the development of a program for specialized foster care.

H.B. No. 2844 has been amended by inserting an appropriation for the sum of \$323,000.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2844 H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 226-88 Human Services on H.B. No. 3242

The purpose of this Act is to establish a standard of need equal to the federal poverty level in our public assistance programs.

The federal poverty level, as demonstrated by the Legislative Auditor's Report on the Study of the Adequacy of Hawaii's Public Allowances, is a standard of measurement for determining the adequacy of public assistance benefits. Present assistance levels range from 50 to 61 per cent of the Federal Poverty Level. H.B. No. 3242 proposes to increase the amount of assistance to 65 per cent this year, then 5 per cent each year thereafter until the amount of assistance equals the monthly pro-rated amount of the federal poverty level.

As indicated by the Auditor's Report, our welfare levels are too low. For the estimated 60 per cent of AFDC families who cannot work, the low welfare levels mean that they must make do on half of what is considered to be a minimal standard of living. Your Committee finds that by setting the standard of need at the federal poverty level Hawaii's needy would have a decent and safe standard of living.

Your Committee has made the following amendments to section 4 of H.B. No. 3242:

1. The typographical error has been corrected so that "Section 346-66" reads "Section 346-65".
2. "respite child care, clothing transportation, medical costs," has been added to Hawaii Revised Statutes 346-65 (c).
3. "\$250" has been replaced with "\$1,000" and "\$600" has been replaced with "\$2,000" in Hawaii Revised Statutes 346-65 (d).

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3242 H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 227-88 Human Services and Judiciary on H.B. No. 3568

The purpose of this bill is to add a new chapter to the Hawaii Revised Statutes to provide for an administrative process to establish, modify, and enforce child support obligations in compliance with the federal mandates of Public Law No. 98-378, The Child Support Enforcement Act Amendments of 1984, and to implement a more efficient method for handling child support enforcement cases.

Testimony in support of this bill was received by the Judiciary and the Department of the Attorney General.

Your Committees find that an alternative to the current State process to establish and enforce support obligations owed to dependent children by parents must be established as a matter of compelling State interest; federal funding of child support programs may be withdrawn on grounds that State laws in this area are not in compliance with federal statutory and regulatory requirements.

Your Committees have amended the bill to incorporate changes proposed through testimony presented. The amendments are as follows:

1. Provisions of the bill relating to the roles of the courts and the Department of the Attorney General have been clarified;
2. Provisions relating to establishing the amounts of periodic support to be paid have been amended to take into consideration pre-existing payment orders;
3. A centralized agency is to be created for repository of documents;
4. Provisions relating to the period an employer is to begin withholding monies from an employee responsible for support payments have been amended to conform to existing State law; and
5. Clarifications of terms have been made to conform with recent amendments made to other related provisions in the Hawaii Revised Statutes.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 3568, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3568, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Jones and Medeiros.

SCRep. 228-88 Human Services and Judiciary on H.B. No. 2846

The purpose of this bill is to appropriate funds for a purchase of service agreement with the Catholic Charities, Child Sex Abuse Treatment Program for treatment of adolescent sex offenders.

Your Committees find that this bill will allow for the treatment of juveniles processed through the Family Court system rather than the criminal justice system.

Testimony in support of this bill was presented by the Department of the Prosecuting Attorney, The Judiciary, Hawaii Psychological Association, Department of Human Services, Department of Corrections, Catholic Services to Families, and The Sex Abuse Treatment Center.

Your Committees are in agreement with research in the area of sexually abusive behavior that has shown that the earlier treatment intervention can be provided, the greater the success in reducing recidivism. Therefore, your Committees feel the treatment of juvenile offenders will accrue long-term benefits to the individual and to society.

Your Committees are also in agreement with testimony asserting that since the Family court is the agency which supervises adjudicated law violators, this bill should be amended such that The Judiciary rather than the Department of Human Services be given the purchase of services funds. Consequently, this bill has been amended accordingly.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 2846, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2846, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Jones and Medeiros.

SCRep. 229-88 Human Services and Judiciary on H.B. No. 3569

The purpose of this bill is to amend Section 576-10, Hawaii Revised Statutes so that the interest realized from the special interest bearing account for child support payments established in subsection (a) is to be deposited into the State treasury to the credit of the general fund.

Testimony in support of this bill was received from the State Attorney General.

Under federal law (45 C.F.R. §304.50), any interest or other income earned by a state in recovering Title IV-D child support payments must be offset against the state's right to a 68% reimbursement from the federal government of the cost of operating the Title IV-D program. Federal law also requires that a state is to provide the initial funding for the Title IV-D program.

As a result of the offset requirement of 45 C.F.R. §304.50, the monies collected by the Child Support Enforcement Agency for support payments pursuant to Section 576D-10, Hawaii Revised Statutes, serves to reduce Hawaii's federal reimbursement to the State General Fund--the initial funding source of all child support enforcement activities.

This bill allows the State to be restored to a minimum disbursement of general funds for child support enforcement purposes by requiring that all interest earned by the special-interest bearing account for child support payments is to be deposited into the State Treasury, thereby replenishing the initial source of funding for child support enforcement activities to the maximum extent possible.

Your Committees on Human services and Judiciary are in accord with the intent and purpose of H.B. 3569 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 230-88 Intergovernmental Relations on H.B. No. 2223

The purpose of this bill is to expand the authority of agents from each county's department of finance, which collect license fees from businesses regulated by Chapter 445, Hawaii Revised Statutes. In addition to their current duties of inspecting such businesses, the agents of each county's department of finance would be allowed to cite violators regulations in a manner similar to the system utilized to cite parking violators. Such authority would allow the county departments of finance to work with the appropriate county prosecuting attorney's office and the courts to establish a procedure allowing businesses to establish a bail forfeiture system, if the cited business establishment provides proof of compliance with the provisions of Chapter 445.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. 2223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2223, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 231-88 Intergovernmental Relations on H.B. No. 1292

The purpose of this bill is to make the following changes to Chapter 237, the general excise tax law: 1) exempt the sales of goods and certain services to the State and the counties; 2) subject the final sublessor of real property to the tax at 4 per cent and all prior lessors to the tax at 1/2 per cent; and 3) allow the filing of a consolidated general excise return by a group of affiliated corporations which files a consolidated return under Chapter 235.

Your Committee received testimony in support of this bill from the City and County of Honolulu; the National Federation of Independent Business (NFIB); and the NFIB Council. The Department of Taxation opposed the bill.

Based on the testimony of the Department of Taxation, your Committee finds that there may be problems with the language in Section 3 of the bill relating to the filing of a consolidated return by an affiliated group of corporations. Specifically, your Committee finds that the administration of this provision may be complicated due to the fact that the decision to elect to file a consolidated income tax return can be made after the close of the taxpayer's year - long after the general excise taxes are due. Moreover, your Committee finds that consolidated income for net income tax purposes involves the elimination of intercompany transactions.

Accordingly, your Committee has amended this bill by deleting Section 3 in its entirety and renumbering the succeeding sections. In addition, your Committee has established January 1, 1989 as the effective date of this bill based on the recommendation of the Department of Taxation.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1292, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 232-88 Intergovernmental Relations on H.B. No. 2224

The purpose of this bill is to require the State to reimburse the county for the State's share of improvement district assessments in the year following the incurrence of an assessment.

At the present time, Section 67-8, HRS, only requires that the State reimburse the City "from time to time".

Your Committee received testimony from the Director of the Department of Finance, City and County of Honolulu, indicating that this provision of the statute has resulted in the State reimbursing the City approximately once every 15 years. The Director also indicated that prompt reimbursement would provide the City and County of Honolulu with funds critically needed to start other improvement district projects.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. 2224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2224, H.D. 1, and be referred to the Committee on Housing and Community Development.

Signed by all members of the Committee except Representative Jones.

SCRep. 233-88 Intergovernmental Relations on H.B. No. 3391

The purpose of this bill is to establish a commission to develop a land exchange plan between the military and the State of Hawaii. The proposed commission would consist of the following members: the Chairman of the Senate Committee on Military and Civil Defense, the Chairman of the House Committee on Intergovernmental Relations, the Governor of the State of Hawaii or the Governor's designated representative, and the Commander-in-Chief of the Military in Hawaii.

In addition, this bill would require the commission to prepare and submit an interim report of its activities and findings or recommendations to the Legislature prior to the regular session of 1989 and a final report of its activities and findings or recommendations to the regular session of 1990, and at the same time submit similar reports to Congress and the United States Department of Defense. Upon filing the final report the commission would be dissolved.

While in agreement with the intent of the bill, your Committee believes that the two positions on the commission held by the Senate and the House should be appointed by the President of the Senate and the Speaker of the House, respectively. Your Committee has therefore amended the bill to provide for these appointments.

Technical non-substantive amendments were also made for purposes of style and clarity.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 3391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3391, H.D. 1, and be referred to the Committee on Water, Land Use, Development, and Hawaiian Affairs.

Signed by all members of the Committee except Representative Jones.

SCRep. 234-88 Intergovernmental Relations on H.B. No. 3390

The purpose of this bill is to provide a mechanism by which the revenue lost to the local military through wholesale liquor taxation may be restored for the benefit of their morale, welfare, and recreational funds.

This bill will amend Chapter 244D, Hawaii Revised Statutes by adding a new section directing the department of taxation to annually report to the Governor the amount of taxes collected on the sale of liquor to the military by wholesalers and also directing the Governor, upon receipt of the information, to recommend an appropriation in an amount equal to the amount collected from the such liquor sales to the military's morale, welfare, and recreational funds when preparing the biennial and supplemental budget for the State.

Testimony in favor of this bill was presented by the U.S. Army Western Command, who also represented the Air Force, Navy, and Marine Corps, Chamber of Commerce, Retail Liquor Dealers Association of Hawaii, and the Armed Services YMCA.

Your Committee has amended §244D- (a) of the bill to limit the amount of taxes reported by the Department of Taxation to the Governor to the taxes collected by wholesalers on the sale of liquor to active military personnel.

In addition, your Committee has amended §244D- (b) to recommend that the Governor make an appropriation limited to the amount of taxes collected by wholesalers on sales of liquor to active military personnel.

Furthermore, your Committee has changed the effective date of the bill to July 1, 1988.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 3390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3390, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Horita, Souki, Jones, Marumoto and Medeiros.

SCRep. 235-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2857

The purpose of this bill is to establish small business incubators to assist new businesses engaged in, or intending to engage in, the areas of light manufacture or services, to achieve financial viability, after which the business shall leave the program to operate independently. The bill will not cover businesses that are engaged in importing or purchasing for purposes of resale, with the exception of distributorships that directly supply technology intensive businesses.

H.B. 2496, RELATING TO HIGH TECHNOLOGY INCUBATORS, was intended as a specialized industry incubator under the development corporation. Its similarity in content and intent to H.B. 2857, RELATING TO SMALL BUSINESS INCUBATORS, under the Department of Business and Economic Development, prompted a review of the common objectives apparent in both bills. It is evident that the needs of high technology start-ups and the start-up of other businesses in non-retail light manufacturing, assembly and service areas will be met under the universal approach of H.B. 2857. The combining of H.B. 2496's provisions with H.B. 2857 will result in operational efficiencies under a single administrative body, the Department of Business and Economic Development.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of both bills and therefore recommends that the applicable provisions of H.B. 2496 be amended for inclusion under H.B. No. 2857, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2857, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Isbell, Kanoho, Tajiri, O'Kieffe and Pfeil.

SCRep. 236-88 Water, Land Use, Development and Hawaiian Affairs; Housing and Community Development; Transportation; Tourism; and Ocean and Marine Resources on H.B. No. 2024

The purpose of this bill is to direct the Office of State Planning to coordinate and integrate the spectrum of interests, plans and proposals and opportunities which exist in the Honolulu waterfront planning area.

Your Committees find that the development of the Honolulu waterfront has the potential for revitalizing downtown Honolulu, serving as a catalyst for improvement of surrounding areas, and contributing to Hawaii's long-term economic growth. Because of the importance of this project, your Committees concur with the finding of the Waterfront Development Work Group on the need for a comprehensive planning process to take full advantage of the opportunities that the waterfront provides.

As a result of testimony presented before your Committees as well as discussions with members, the following amendments have been made to the bill:

Exemption of Selected Parcels from Maritime Planning - Your Committees recognize the importance of involving all segments of the community in the planning process and the need to be especially sensitive to the concerns raised by the maritime community --- currently, the major users of the waterfront. In response to their concerns that excluding Piers 1 and 2, the Fort Armstrong area, and Piers 18-20 from consideration from the overall planning process would fragment the overall effort, your Committees have deleted this language from the bill. Your Committees agree that this amendment will ensure that all waterfront sites be evaluated for the full range of alternative uses and thereby improve the overall planning process.

Maritime Industry Charette Process - The original bill would have required the Office of State Planning to identify the concerns of maritime industry users through a maritime industry charette process. It was the intent of this section to incorporate these concerns of the maritime industry which had not been addressed in the 1987 charette process conducted by the Office of State Planning and the Hawaii Community Development Authority. Upon further consideration, your Committees believe that the same concerns can best be dealt through the direct involvement of the maritime industry in the broader planning process. For this reason, your Committees have deleted the requirement for a charette process from

the bill, and have specified the types of technical studies and harbor analysis that the maritime community could more appropriately participate in.

Public Uses of the Waterfront - Due to the broad focus of this bill, the proposed study area will encompass an extensive portion of Honolulu's coastline, including recreational areas such as Keehi Lagoon and Kewalo Basin for which there already are plans for development. Recognizing the concern that the Honolulu waterfront master plan might overlook the importance of these plans, your Committees have included in the bill a specific requirement that affected communities and the public at large be afforded every opportunity to be actively involved in each stage of the planning process. Specifically, your Committees have required a community awareness and involvement program consisting of outreach activities and the establishment of general/technical/special interest advisory committees. Your Committees have further specified that the program shall solicit community input on all aspects of waterfront planning, particularly to insure the increased availability of public recreational, educational, and cultural facilities and opportunities.

Scope of the Study Area - For clarification purposes, your Committees have specified the extent of the study area for the Honolulu waterfront master plan as extending from the Barber's Point Deep Draft Harbor on the western end to the Ala Wai Yacht Harbor on the eastern end. In arriving at this study area, your Committees considered the recommendations of the Waterfront Redevelopment Work Group (which had recommended Barber's Point to Kewalo Basin) and the Office of State Planning (which had recommended Ala Wai Yacht Harbor to the Honolulu International Airport).

Approval Date of Appropriation - In order to afford the State Administration and the Office of State Planning sufficient time to complete all of the detailed studies by the end of 1988, your Committees have amended the bill by authorizing funding for the fiscal period 1987-1989 and by further authorizing the effective date of funding upon approval of this bill.

Other Amendments - During the public hearing, some members expressed concerns about potential duplication of studies for the project area, and lack of coordinated efforts between the Office of State Planning and other agencies. Accordingly, your Committees have included specific reference to the types of studies to be undertaken by this bill, and status updates by the Office of State Planning to the Legislature.

Finally, your Committees have received assurances that the overall planning process, including all technical and engineering studies, will incorporate, to the extent possible, the needs of the existing harbor users.

Your Committees on Water, Land Use, Development and Hawaiian Affairs; Housing and Community Development; Transportation; Tourism; and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 2024, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2024, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Horita, Hirono, Kotani, Peters, Cavasso, Hemmings, Jones and Marumoto.

**SCRep. 237-88 Water, Land Use, Development and Hawaiian Affairs; Housing and Community Development
Transportation; Tourism; and Ocean and Marine Resources on H.B. No. 2025**

The purpose of this bill is to appropriate funds for the Office of the Legislative Auditor to identify the proper government entity to manage the planned development of the Honolulu waterfront.

Presently, your Committees find that there are various plans for the development of certain portions of the Honolulu waterfront, defined as the coastal area extending from Barber's Point Deep Draft Harbor on the western end to the Ala Wai Yacht Harbor on the eastern end. Because of the waterfront's considerable importance to the economic well-being of this State, and its potential to provide a wide variety of new commercial recreational, educational, and cultural opportunities, your Committees believe that the Office of State Planning is the appropriate body to develop the overall master plan for the Honolulu waterfront.

This bill appropriates funds to study one essential component of this master plan, namely the identification of the proper government entity to carry out this development effort and to manage the waterfront area. Your Committees believe that such a critical study, which would also analyze innovative methods of financing harbor improvements, would best be undertaken by a neutral third party. Because of the broad scope of this effort, a large number of agencies capable of undertaking this study will be directly involved with some aspect of the development of the Honolulu waterfront. In order to ensure the objectivity of this undertaking, your Committees agree that the Office of the Legislative Auditor would be the proper agency to conduct this study.

Your Committees have amended this bill by inserting the figure of \$300,000 into line 14 on page 3 of this bill to finance the study.

Your Committees on Water, Land Use, Development and Hawaiian Affairs; Housing and Community Development; Transportation; Tourism; and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 2025, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2025, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Horita, Hirono, Kotani, Souki, Cavasso, Hemmings, Jones and Marumoto.

**SCRep. 238-88 Water, Land Use, Development and Hawaiian Affairs; Housing and Community Development;
Transportation; Tourism; and Ocean and Marine Resources on H.B. No. 2026**

The purpose of this bill is to appropriate funds for the acquisition of a 51-acre parcel known as the Kapalama Military Land (Tax Map Key: 1-2-25: portion 2) from the Federal government.

Your Committees find that the parcels within the Kapalama Military Reservation on Oahu represent the largest, contiguous area available for waterfront industrial uses in the vicinity of Honolulu Harbor. The State's acquisition of this property is essential to meet Hawaii's long-range maritime needs as well as to expand options with respect to the development of the Honolulu waterfront. Your Committees further find that based on preliminary discussions, the Federal government may be amenable to selling this property in the near future; a 14.5 acre parcel within the Reservation was disposed of last year through the public auction process.

Based on the recommendations of the Office of State Planning, the Department of Transportation, and the Department of Land and Natural Resources, your Committees have amended this bill by expanding the number of waterfront properties for acquisition to include:

1. 11.36 acres of ceded land designated by Tax Map Key: 1-2-25: portion 02;
 2. 5.278 acres, more or less, of federal fee land designated by Tax Map Key: 1-5-32:05 (Nimitz Highway frontage);
- and
3. 7.326 acres, more or less, of federal fee land designated by Tax Map Key: 1-5-32:01 (mauka of Piers 40-41).

So as not to hamper negotiations which can be undertaken by the State administration and the Federal government, your Committees believe that a specified sum is inappropriate at this time. Consequently, your Committees have amended this bill by inserting the token sum of \$1 to allow the parties to proceed more seriously to reach a satisfactory agreement for the disposal of these properties. Your Committees defer to the State administration to recommend the final dollar figure at a future date.

Finally, your Committees have further amended the bill by re-wording the purpose section to more accurately reflect the authorization to acquire several parcels within the Kapalama Military Reservation instead of a single 51-acre parcel.

Your Committees on Water, Land Use, Development and Hawaiian Affairs; Housing and Community Development; Transportation; Tourism; and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 2026, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2026, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Horita, Hirono, Kotani, Souki, Cavasso, Hemmings, Jones and Marumoto.

SCRep. 239-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2915

The purpose of this bill is to provide assistance to the City and County of Honolulu in financing repairs for Manoa's eastern hillside for purposes such as drainage and utilities.

Your Committee received testimony from the City and County of Honolulu and the Councilmember from the Manoa area in support of this bill. The Councilmember informed your Committee that the City has already committed over \$4 million to install drainage, repair sewer lines and install "trench drains". This amount, however, is not sufficient to complete corrective measures to the area and the City would need significant additional funds to alleviate ground movement in the area.

Because an exact amount of funds needed could not be determined at this time, your Committee has amended the bill to provide for a token amount of \$1 and has changed the expending agency to the City and County of Honolulu.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2915, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Isbell.

SCRep. 240-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2031

The purpose of this bill is to create an Office of International Services within the Governor's Office to oversee State efforts to improve diplomatic and economic ties between Hawaii and other nations, particularly in the Pacific Basin. The functions and personnel of the International Services Branch currently located in the Department of Business and Economic Development will be transferred into this Office to assist in this work.

Hawaii has a number of assets which offer it the opportunity to play a larger role in the Pacific region, an area which is seen as the future center of world economic activity. This opportunity has been noted by observers and leaders of Hawaii for decades, but so far efforts to realize this opportunity have fallen far short of expectations. The creation of this Office was one of the major recommendations in the report of the Majority Caucus' interim Work Group on the Pacific Basin. This Office will address certain glaring problems in Hawaii's relations with foreign nations, and will aid ongoing efforts to internationalize Hawaii's economy by increasing communication between projects to maximize results and minimize redundancy.

Your Committee received testimony on this bill from the University of Hawaii and the Department of Business and Economic Development.

Your Committee concurs with the recommendation of the Pacific Basin Work Group and finds that this bill will provide an essential component for Hawaii's quest to expand its role in the Pacific Basin and thereby expand and diversify its economy.

Your Committee has amended this bill to charge the Office with the development of a strategic plan for State efforts in the Pacific Basin to be published prior to the next legislative session. Further amendments provide for the House Speaker and Senate President to make appointments to the Advisory Council and delete reference to evaluation of University courses in Asian and Pacific area affairs. Amendments have also been made to correct technical drafting errors.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2031, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2031, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Isbell.

SCRep. 241-88 Water, Land Use, Development and Hawaiian Homes on H.B. No. 1430

The purpose of this bill is to appropriate funds to the Office of Hawaiian Affairs for the purchase of capital stock in a for-profit corporation.

Your Committee finds that one way to enable the Office of Hawaiian Affairs to better meet the needs of Hawaiians is to support alternative efforts that could lead to the establishment of a solid economic base for Hawaiians. Through the appropriations provided in this bill, the Office of Hawaiian Affairs would be able to purchase capital stock in Hawaiian Affairs, Inc., a for-profit corporation that was developed by the Office of Hawaiian Affairs.

Upon further consideration, your Committee has amended the bill by establishing requirements that limit the involvement of any member of the Board of Trustees, officer or employee of the Office of Hawaiian Affairs, or any relative, with the for-profit corporation.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1430, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1430, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Isbell, Kanoho, Tajiri, O'Kieffe and Pfeil.

SCRep. 242-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2772

The purpose of this bill is to establish a Hawaiian Living Treasures commission to designate as "Hawaiian Living Treasures" persons who have contributed to the perpetuation of the Hawaiian culture.

Supportive testimony was received from the Office of Hawaiian Affairs and Representative Terrance Tom.

Your Committee has amended the bill to broaden its scope to include recognition of contributions to the entire multi-cultural heritage that is enjoyed by the State of Hawaii.

The bill has been further amended to eliminate the mandatory nature of the obligation taken on by the persons selected and the stipend to be offered.

In addition, your Committee has amended the bill by adding a provision authorizing the commission to receive donations from sources other than legislative or federal appropriations.

Your Committee has appropriated a token sum of \$1.00, and made some technical amendments for clarification purposes.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2772, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2772, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Isbell, Kanoho, Tajiri, O'Kieffe and Pfeil.

SCRep. 243-88 Water, Land Use, Development and Hawaiian Affairs 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 in the Pacific Basin and throughout the world. 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 the critical factor for many businesses to compete successfully in the marketplace.

Currently, Hawaii has an excellent telecommunications infrastructure including six undersea cables and twenty-two satellites connecting Hawaii with Pacific Rim nations. In 1989, a historic continental United States-Hawaii-Japan fiber optic cable is scheduled to begin providing 40,000 voice-data circuits which will vastly increase the amounts of information transmitted across the Pacific. In the early 1990's, however, another equally powerful, fiber optic cable going directly between the continental United States and Japan, would bypass Hawaii and thus eliminate the need for information to pass through our state.

Your Committee realizes the urgency in acting quickly to enable Hawaii to become a leader in the information industry to derive economic benefit for the state. Hawaii may then develop a role for itself as an "information hub in the Pacific" through brokering, processing, and creating information.

Your Committee has received many recommendations with regard to this bill and has found the public overwhelming supportive of the concept of developing an industry of this kind in Hawaii. Your Committee has amended this bill by deleting the substance and inserting new material to incorporate these recommendations.

Specifically, the bill establishes an entity to be known as the Hawaii Information Network Center, or Hawaii INC, to coordinate state efforts and to take an active role in the establishment of an information industry in the Pacific.

Hawaii INC would initially be a public entity placed within the Office of the Governor for administrative purposes. Hawaii INC may later incorporate as a nonprofit corporation, provided that it first submit a plan to the Governor for approval.

The governing body of Hawaii INC will consist of nine members. Six of the members will be governmental appointees selected from the private sector. The remaining three members will include the Director of the Department of Business and Economic Development, the President of the University of Hawaii, and the Director of the Department of Budget and Finance, who would serve as ex officio voting members.

Among the purposes of this Center is to encourage the development and growth of the information industry in Hawaii and to promote and enable improved access to public data and other information.

Your Committee seeks to accomplish the following one-year goals with regard to this measure:

- (1) Establish a Center and begin operations;
- (2) Conduct baseline studies for the establishment of an information industry in Hawaii;
- (3) Define and begin resolution of basic legal issues;
- (4) Begin integration and access to public data;
- (5) Establish a data communications network with with Pacific nations; and
- (6) Establish data trading relationships with Pacific nations.

In addition to creating a center, your Committee has amended this bill to create the Information Industry Advisory Council to serve in an advisory capacity to the Hawaii Information Network Center, the Governor, and the Legislature on matters relating to programs and services for dealing with the information industry. The Council would provide the technical expertise and coordinating mechanism needed to ensure the success of this monumental undertaking.

To simplify this complex bill, your Committee has also consolidated the appropriation sections of the original bill into one section. The sum appropriated will be expended by the Office of the Governor to the Hawaii Information Network Center.

Your Committee has also made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2032, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2032, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Isbell, Kanoho, Tajiri, O'Kieffe and Pfeil.

SCRep. 244-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2409

The purpose of this bill is to authorize the Department of Land and Natural Resources to give priority to exchanging public lands with the Hawaiian Homes Commission, when DLNR has lands which are better suited for homesteading than existing Hawaiian Homes Commission lands.

Your Committee heard testimony from Civil Rights for Hawaiians, Aged Hawaiians, the Office of Hawaiian Affairs, the Department of Hawaiian Home Lands, and the Department of Land and Natural Resources.

Your Committee recognizes the strong commitment of Hawaiians to the land and their justified desired to control their own destinies which are tied to the land.

Your Committee has deleted Sections 2 and 3 of the bill which would have required DLNR to exchange lands with the Hawaiian Homes Commission, but has retained Section 4, which asks the legislative auditor to identify potential homesteading lands in the public land inventory managed by DLNR, and has expanded the scope to include residential as well as agricultural and pastoral sites. When the study is completed, the Commission, the Department, the legislature, and the beneficiaries should be in a better position to move forward toward reducing the unconscionably long waiting list for homesteads and to evaluate the statewide impact of an exchange program.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2409, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2409, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Isbell, Kanoho, Tajiri, O'Kieffe and Pfeil.

SCRep. 245-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2410

The purpose of this bill is to provide for compensation to the Department of Hawaiian Homes Lands at fair market rates, for the use of trust lands.

For decades, federal, state, and county agencies have been utilizing Hawaiian home trust lands for purposes other than for the specific benefit of native Hawaiians, as defined in The Admission Act. For example, several public schools and county parks are located on Hawaiian home lands. Although some of these uses have been changed, many of these agencies have not adequately compensated the Department of Hawaiian Home Lands for past and/or current uses of these lands for general public purposes. This failure to compensate is a breach of the Hawaiian home lands trust, for which the State, at the time of its admission into the United States, became the trustee.

In order to fully exercise governments' fiduciary trust obligations, your Committee believes that the state should compensate the Department of Hawaiian Home Lands for the use of any trust lands. In addition, the Legislative Auditor should identify trust lands previously used by state and county agencies for little or no compensation, assess the value of the use since statehood of these lands, and report its findings to the 1990 Legislature.

Your Committee has amended this bill to make clear that the state obligation extends only since statehood. Your Committee has also made numerous non-substantive changes for the purpose of style and clarity.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2410, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2410, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Isbell, Kanoho, Tajiri, O'Kieffe and Pfeil.

SCRep. 246-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2912

The purpose of this bill is to provide an appropriation for the construction of a storm drainage system on State land affecting homes from the intersection of Alani and Paty Drive to the end of Woolsey Place.

Your Committee received testimony from the Department of Land and Natural Resources, the City and County of Honolulu, the City Councilmember for Manoa, an expert on civil engineering from the University of Hawaii, and concerned residents of the area. The Chairman of the Department of Land and Natural Resources testified that the City and County may be a more appropriate expending agency even if the system were to be built on State land. The City and County recommended that the bill be amended so that funds would be available not only for construction but also for the planning and engineering of the storm drainage system.

Your Committee has amended the bill as follows:

- (a) inserted the token amount of \$1
- (b) inserted language to reflect the recommendations of the City and County, on line 12, page 1
- (c) changed the expending agency to the City and County of Honolulu

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2912, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Isbell.

SCRep. 247-88 Planning, Energy and Environmental Protection on H.B. No. 2468

The purpose of this bill is to create a \$30 million endowment fund to be administered by the Department of Land and Natural Resources for the Natural Area Reserves System to protect Hawaii's fragile ecosystems.

Your Committee finds that financial support of this kind is needed to manage Hawaii's great natural diversity more effectively by forming new reserves on suitable lands and supporting a statewide data base of available information on rare species and natural ecosystems.

Your Committee has made technical, nonsubstantive amendments to this bill.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 2468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2468, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 248-88 Planning, Energy and Environmental Protection on H.B. No. 2307

The purpose of this bill is to fund the development of a wind energy system to pump water from the wet side of the island of Maui into large reservoirs at upper elevations so that when hydroelectric power is needed, coupled with the need for water by Maui farmers and residents, the water could be released to serve both purposes (power generation and water supply).

Your Committee finds that Maui has a very good wind regime, but that Maui Electric Company is understandably concerned with a penetration level greater than 5 to 10 percent of their demand from an intermittent source such as wind energy. Furthermore, the major cost of supplying water for domestic and agricultural uses on the Island of Maui is associated with the electrical energy requirements for pumping water.

The funding provided under this appropriation would enable the completion of the needed analysis of the relationship of the wind power potential on Maui, coupled with the available sources of water on the "wet" side of Maui, so that a plan for action could be developed that would enable a greater amount of wind energy to be utilized cost-effectively.

There was some concern expressed regarding the source of the water to be used in this system. Your Committee wishes to stress that this system will be incorporated into the existing water supply infrastructure in East Maui.

Your Committee has made a non-substantive correction in Section 1 of this bill to clarify that the funds will be appropriated to the department of business and economic and development.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2307, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 249-88 Planning, Energy and Environmental Protection on H.B. No. 2306

The purpose of this bill is to appropriate \$50,000 to develop the Hawaii Pacific Center for renewable energy. The center will be coordinated by the Natural Energy Institute of Hawaii of the University of Hawaii and will involve a preliminary analysis of the potential contribution of renewable energy technologies in key Pacific Basin communities and developing ways in which Hawaii could provide assistance.

Your Committee finds that the State of Hawaii has made considerable progress in the development and application of renewable energy technologies such as biomass, hydroelectric, solar, geothermal and wind energy. This state has achieved world leadership in ocean thermal energy conversion research and development, and is assuming a major role in the development of hydrogen as a fuel for the future. Your Committee feels strongly that the Legislature should encourage the transfer of technology with Pacific basin countries which could serve to benefit this state by creating high-skill level and high-paying jobs.

The initial effort that will be made possible by this bill would be to complete a preliminary analysis of the potential contribution of renewable energy technologies in key Pacific Basin communities and to develop ways by which Hawaii could provide assistance in providing for these needs. This center will provide for a program wherein Hawaii could provide the leadership and create new opportunities for our renewable energy industries.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2306 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 250-88 Planning, Energy and Environmental Protection and Consumer Protection and Commerce on H.B. No. 3094

The purpose of this bill is to grant a franchise for the sale of electric power on the island of Lanai to Maui Electric Company, Limited (MECO), thus encouraging economic development on the island of Lanai by facilitating MECO's extension of service along public rights-of-way. By obtaining a franchise, MECO would have the right to place its poles and other equipment in the public rights-of-way, and will have condemnation powers.

Your Committees find that these rights are incidents of a franchise and would not be available to MECO if it obtained a certificate of public conveyance and necessity. In addition, with a franchise, MECO would be required to pay the County of Maui a franchise fee of two and one-half per cent of the gross receipts from the sale of power on Lanai.

Your Committees received testimony from the Public Utilities Commission stating that the bill, as originally drafted, was ambiguous. To remedy this concern, your Committees have amended the bill to indicate that MECO may use the public rights-of-way for only electric utility purposes.

Your Committees on Planning, Energy, and Environmental Protection and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 3094, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3094, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives O'Kieffe and Jones.

SCRep. 251-88 Planning, Energy and Environmental Protection and Judiciary on H.B. No. 3453

The purpose of this bill is to establish an environmental emergency response revolving fund within the Department of Health to provide the department with funds and the authority to immediately respond to environmental emergencies and accidents.

Your Committees find that the problem of responding to chemical spills, hazardous waste releases and the unlawful disposal of hazardous materials in a swift and timely manner is an issue of concern for many states throughout the country. In recognition of the need for the development of an efficient strategy of responding to such incidents in Hawaii, your Committees find that this bill would establish a funding system which would provide the department with the flexibility and the authority to respond to environmental emergency situations which pose imminent threats to the public or the environment.

The development of an environmental emergency response clean-up fund within the department of health will provide an appropriate adjunct to the department's newly established responsibility as the lead State agency in charge of coordinating emergency response activities under Title III of the Superfund Amendments and Reauthorization Act of 1986. This bill will provide the means for the State to develop a comprehensive approach to coordinating as well as responding to environmental emergency situations which might occur in the future.

Specifically, the funds in this bill will provide the department with the resources and authority to: (1) perform emergency removal actions of hazardous substances; (2) require responsible parties to perform necessary removal or remedial actions; (3) recover costs incurred by the department in the course of performing any necessary actions; and (4) develop a contingency plan for the clean up of hazardous sites in the State.

Your Committees have amended this bill by adding a new section to provide \$105,000 for the necessary staff and fiscal resources for the Department of Health to implement the environmental emergency response program.

Your Committees have further amended this bill by (1) inserting the following sentence after the sentence ending with the word "chapter" on page 7, line 18, "the director shall, as a minimum, adopt hazardous substances and reportable quantities as designated by the U.S. Environmental Protection Agency pursuant to Parts 117 and 302 of Title 40 of the Code of Federal Regulations, and by the U.S. Department of Transportation pursuant to Parts 171 and 172 of Title 49 of the Code of Federal Regulations"; and (2) On page 8, line 2, by deleting the phrase, "The director may determine that a standard quantity" and replacing it with the phrase, "The designated quantity released".

Your Committees have further amended this bill by specifying in paragraph § -3(b) of page 7, who a person should contact in the event of a release of a hazardous substance reportable quantity; and in the same paragraph by specifying that the person has twenty-four hours of knowledge of the release to report it.

Your Committees on Planning, Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of H.B. No. 3453, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3453, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

CRep. 252-88 Planning, Energy and Environmental Protection and Agriculture 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. Pesticides, to which the EPA attributes acute and chronic health risks, form the bulk of these wastes.

Your Committees find 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. And disposal at permitted hazardous waste facilities reduces the potential impact on the environment.

Your Committees on Planning, Energy and Environmental Protection and Agriculture are in accord with the intent and purpose of H.B. No. 2627 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 253-88 Planning, Energy and Environmental Protection and Intergovernmental Relations on H.B. No. 2308

The purpose of this bill is to appropriate \$200,000 to the department of business and economic development for the development of a cooperative program between the Hawaii natural energy institute (HNEI) and the People's Republic of China.

A recent resolution adopted by this body welcoming the visiting delegation from China pointed out that Hawaii's history and unique setting in the Pacific, coupled with the new opportunities of cooperative programs with the People's Republic of China, open great possibilities for our State in the emerging Pacific basin.

Your Committees find that HNEI is an internationally recognized leader in many areas of alternate energy research, development, and demonstration. The People's Republic of China is interested in exploring many of these same areas. In addition, China's ever increasing need for energy will create a demand for alternate energy technologies and products developed in Hawaii. This will provide additional income to the State and create higher-paid, higher-skill level jobs. Furthermore, your Committees feel that a cooperative energy research program could help avoid a duplication of cost and effort and allow a combination of needed skills and expertise.

Your Committees on Planning, Energy and Environmental Protection and Intergovernmental Relations are in accord with the intent and purpose of H.B. No. 2308 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 254-88 Planning, Energy and Environmental Protection on H.B. No. 2335

The purpose of this bill is to expedite the listing of endangered and threatened plants on the endangered species list by appropriating funds for field surveys.

Hawaii has a greater number of endangered and threatened plant species than any other state in the United States. Only a very few of these rare and unique species have been officially listed as endangered species by the federal government. Once a species has official status as an endangered species, it is entitled to more stringent protection. Thus action must be taken quickly to ensure the safety of these plants.

Your Committee received favorable testimony from representatives of the Department of Land and Natural Resources, the Life of the Land, the Friends of Foster Garden, and the Hawaii Audubon Society supporting the proposed funding of field surveys to identify endangered and threatened plant species in the State.

Your Committee has amended the bill to provide for an appropriation in the amount of \$120,000.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2335, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2335, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Honda.

SCRep. 255-88 Planning, Energy and Environmental Protection on H.B. No. 2589

The purpose of this bill is to provide funding to conduct a study to determine the feasibility of establishing a hazardous waste storage and treatment facility in Hawaii.

Your Committee finds that because Hawaii lacks a hazardous waste disposal site the cost of disposing hazardous wastes in Hawaii is extremely high. These high costs can in turn become a deterrent to proper disposal. Your Committee further finds that the cost of properly disposing of hazardous waste, although high, is many times cheaper than cleaning up hazardous waste which has been intentionally dumped. Storage and treatment facilities are a vital link in the disposal process.

Various testimonies presented indicated that there is a need to inventory the types and extent of hazardous wastes generated in Hawaii. The diversity of hazardous waste (biological, radiological, chemical) require different types of storage and treatment facilities. It appears that while many agencies already have storage facilities and procedures for treatment and disposal of their hazardous waste others do not.

Your Committee feels that it would be appropriate to determine how wastes are currently being handled and to what extent current practices endanger generators, the environment and the public's health. The location and accessibility of the storage and treatment facilities are important not only to the public, but also to the waste generators and other users. This study will help to identify the existing situation with regards to the storage and treatment of hazardous waste in Hawaii. In doing so it will examine the need for various types of storage and treatment facilities, especially on the neighbor island where these facilities appear to be lacking.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2589 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 256-88 Planning, Energy and Environmental Protection on H.B. No. 2861

The purpose of this bill is to establish a Commission on Endangered Plant and Animal Species to develop an action plan to protect and preserve Hawaii's endangered plant and animal species.

Various environmental groups raised concerns that the members of the Commission should include knowledgeable scientists who are well-acquainted with the issues involved in protecting our fragile environment in the State of Hawaii.

Based upon these recommendations, your Committee has amended the bill to delineate the composition of the Commission to include two ex officio members: a local officer of the United States Fish and Wildlife Service and a representative from the University of Hawaii. In addition, the five appointed members representing the five counties, should also have the scientific expertise needed to ensure the success of the Commission.

Your Committee has also amended the bill to place the Commission within the Department of Land and Natural Resources for administrative purposes instead of the Office of the Governor after hearing the recommendations of various organizations. Your Committee finds that a Commission of this nature which deals with endangered plant and animal species rightfully belongs with the Department, since it has greater expertise in this matter.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2861, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 257-88 Planning, Energy and Environmental Protection on H.B. No. 3447

The purpose of this bill is to clarify and expand existing Hawaii tax provisions which exempt gasohol from the general excise tax to encourage the production and use of locally produced biomass-derived alcohol liquid fuels, and a corresponding reduction in crude oil and gasoline imports.

Your Committee finds that the bill which provides necessary amendments to exempt gross proceeds arising from the sale of biomass-derived alcohol liquid fuels from the general excise tax would be a major step toward the State's goal of being energy self-sufficient.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3447 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 258-88 Planning, Energy and Environmental Protection on H.B. No. 3454

The purpose of this bill is to provide enabling legislation for the State to receive authorization from the Environmental Protection Agency (hereinafter EPA) to adopt, administer, and enforce a hazardous waste management program pursuant to the Federal Resource Conservation and Recovery Act of 1976, as amended (hereinafter RCRA).

Currently, the State's hazardous waste program is administered through the department of health under the direction and guidance of the EPA pursuant to a cooperative agreement. This bill will provide the department of health with the basic statutory framework upon which to develop a state-run program with rules and capabilities that meet the minimum federal criteria for a fully-authorized state hazardous waste program under RCRA. The Department of Health is currently developing program rules and submitting other required information to the EPA as part of the application process and is projecting final authorization by October 30, 1989.

Your Committee agrees that the regulation of hazardous waste should be under the control of the State rather than the federal government to ensure that the program is responsive to local needs. Your Committee believes, however, that the hazardous waste program should not be governed by an "end-of-the-pipe" philosophy and strategy, but by a philosophy that emphasizes prevention. Hawaii, being an island state, has limited capacity for the establishment of disposal facilities and the transshipment of hazardous wastes for disposal out-of-state may not be an available option in the future. Accordingly, your Committee has amended the bill to require that the program be a preventive as well as a regulatory program that gives priority to technical assistance to hazardous waste generators, a public education program, and waste reduction. Specifically, the bill, as received by your Committee, has been amended as follows:

(1) The language in Section 1 has been changed, at p. 1., lines 9 and 10, to indicate that the program being established is preventive as well as regulatory.

(2) A new section on legislative policy and program priorities has been added to Section 2 of the bill (p. 2, line 5 through p. 3, line 3)

(3) Three new paragraphs were added to the powers and duties section under Section 2 to include the provision of technical assistance, conduct of public educational programs, and promotion of waste reduction industrial practices as actions the director of health may undertake in the discharge of duties under the program (p. 9, lines 8-15).

(4) Two new sections were added at the end of Section 2 to specify the requirements for the provision of technical assistance to generators and public education program (p. 12, line 1 through p. 14, line 12).

(5) Technical, nonsubstantive amendments were made for purposes of clarity and style.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3454, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pfeil.

SCRep. 259-88 Planning, Energy and Environmental Protection on H.B. No. 2309

The purpose of this bill is to provide \$100,000 to the Department of Business and Economic Development for the wind energy research and development program at the Hawaii Natural Energy Institute (HNEI).

Your Committee finds that wind energy has been identified as having the potential to provide a significant fraction of the State's electrical energy and water pumping requirements. Wind energy conversion devices represent a mature technology with a large number of commercially available and operational systems. Much of the present development work on these systems involves improvements in system performance and reliability, and reductions in cost. However, additional research and development is required to determine the best methods of converting wind energy to more useful forms, and for determining the best methods of storing energy to minimize the adverse effects of the intermittent nature of wind. The utilities are understandably concerned with using an intermittent resource to satisfy more than 5 to 10 percent of energy demand.

Your Committee further finds that non-utility applications of wind energy such as wind-mechanical water pumping, fertilizer production, hydrogen production, etc., can provide opportunities for the greater utilization of Hawaii's exceptional wind energy resource. Hawaii is the leader in promoting these applications, but very little funding has been available to advance some of the more promising technologies. Again, this appropriation would greatly help these efforts.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2309 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 260-88 Planning, Energy and Environmental Protection on H.B. No. 3089

The purpose of this bill is to exempt commercial pesticide applicators who have applied a pesticide in manner consistent with label instructions, from liability, provided that the applicator does not act in a negligent, reckless, or intentional manner.

Your Committee finds that this bill addresses the situation where a commercial pesticide applicator has been instructed by the Federal Government to apply a chemical in a certain manner, but some years later it is determined that the method is incorrect or faulty. The pesticide applicator, in that case, would likely be held liable for his actions. The enactment of this bill would provide pest control operators with a tool to mitigate their liability insurance problems.

Your Committee further finds that since the proposed bill specifies pesticide use in a manner consistent with label instructions, it will not alter the intent or effectiveness of the Hawaii Pesticides Law, which requires applicators to follow label directions accompanying the pesticide products.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3089 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pfeil.

SCRep. 261-88 Education on H.B. No. 2574

The purpose of this bill is to provide funding for one school counselor for every two hundred fifty students, and to provide one additional counselor for grades six through eight for schools with kindergarten through eighth grade levels.

In this generation, higher numbers of children are being identified as "high-risk" children in the areas of both learning and emotional health. Your Committee believes that assisting students with needed counseling services early in their education is the best way to prevent more serious problems later on. The Board of Education has approved a counselor/student staffing ratio of two hundred and fifty to one. Your Committee finds that this staffing ratio is necessary in order to provide adequate counseling services to our public school students.

Your Committee received testimony in support of this bill from the Superintendent of Education, the Hawaii State Teachers Association, the Hawaii School Counselor Association, and others.

The previously blank appropriations section has been amended with the insertion of the specific funding amount of \$1,197,248.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2574, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 262-88 Education on H.B. No. 2715

The purpose of this bill is to provide for two voting student members of the Board of Education to be elected by all public high school students in grades nine through twelve.

Your Committee received testimony in favor of this bill from the Hawaii State Student Council, school counselors, the Hawaii Parents, Teachers, Students Association, and others.

Your Committee believes that while students are the most important element of the state education system, policy makers often fail to listen to student concerns or suggestions on how to improve our public schools. Students deserve a voice on the Board of Education to assure their complete participation in the policy decisions which affect their education.

While in support of the bill, the Hawaii Statewide Student Council recommended two amendments. Your Committee concurs with these recommendations and has amended the bill as follows:

- (1) Provided for only one student voting member on the Board of Education; and
- (2) Provided for an annual selection of the student member of the Board of Education by a statewide caucus composed of three elected student representatives from each high school.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2715, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2715, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Crozier, Levin, oshiro, Say, Taniguchi, Pfeil and Ribellia.

SCRep. 263-88 Education on H.B. No. 2678

The purpose of this bill is to appropriate \$50,000 for the purchase of instructional materials in the Hawaiian language for use in Hawaiian language medium classes.

The Department of Education and the Office of Hawaiian Affairs testified in favor of this bill. A lack of sufficient printed educational materials in the Hawaiian language necessitates state funds for the development of curriculum materials for Hawaiian language medium classes.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2678 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Honda, Oshiro, Say, Taniguchi, Tom, O'Kieffe and Pfeil.

SCRep. 264-88 Education on H.B. No. 3473

The purpose of this bill is to provide for the eligibility of councilors who may not be registered voters or legal residents, as that term is defined in Section 78-1(b), to be appointed to school district advisory councils.

Present provisions of the law effectively preclude certain segments of the population from appointment to the school district advisory councils, despite the fact that such persons may be particularly well-qualified to represent the interests of the particular segment of the population delineated. For example, military persons, including their dependents, constitute as much as one-third of the population of some Oahu school districts. Exclusion of military personnel from membership on the advisory councils based solely on voter registration choices or legal residency preferences is unfair and may result in the denial of appropriate representation.

Your Committee believes that it is desirable to allow the widest and best qualified representation on the school district advisory councils.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3473 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 265-88 Education on H.B. No. 2578

The purpose of this bill is to appropriate funds for the continuation and expansion of the parent network centers in the Department of Education.

Your Committee received testimony in support of this bill from the Superintendent of Education, the Office of Children and Youth, the Hawaii State Adult and Community Education Advisory Council, the Hawaii Parents, Teachers, and Students Association, the Conference of United Church of Christ, and other concerned organizations and individuals.

Your Committee finds that the need for parent and community involvement in the public schools has become even more critical in recent years. The nature and intensity of the problems encountered by today's families require a more collaborative support system of the home, school and community. Among the problems facing the families are substance abuse, child abuse, lack of academic achievement and overall stress and disruption in family life. Parent networking centers can provide parents and other community members a vehicle and an organized array of experiences to address the problems they face.

Your Committee finds the existing thirty-four parent/community networking centers fall short of the statewide needs and demands for centers. The bill has been amended to provide \$492,480 which also reflects the needed \$192,480 for expansion of the program to at least seventeen new State funded centers, ten of which already exist on a volunteer basis.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2578, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, shon and Taniguchi.

SCRep. 266-88 Education on H.B. No. 2049

The purpose of this bill is to amend Section 13-3, HRS, to provide for the election of Board of Education members through a system of primary and general elections, while retaining the nonpartisan character of the elections.

Your Committee believes that it is desirable that the people of Hawaii preserve and protect their ability to make informed choices among the field of candidates for the Board of Education. This bill would establish a system of primary elections from school board districts and a subsequent general election to elect board members from the candidates selected in the primary. This would reduce the number of candidates in the general election and give the voters a better chance to learn about such candidate's position on educational issues.

Your Committee on Education is in accord with the intent and purpose of H.B. 2049 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Crozier, Honda, Oshiro, Say, Taniguchi, O'Kieffe and Pfeil.

SCRep. 267-88 Education and Ocean and Marine Resources on H.B. No. 2636

The purpose of this bill is to provide funding for water safety and learn-to-swim instruction for fourth grade students in public schools.

Your Committees heard testimony from the Department of Education and the Department of Health in favor of this legislation. The Department of Education expressed concerns regarding the lack of funding in the bill for transportation.

Your Committees believe that water safety is a very important subject for young people in Hawaii and that the Department should include swimming instruction as a part of the curriculum in the public schools.

In order to allow the Department more flexibility in implementing this program, the bill has been amended to allow the Department to contract with private agencies to perform the actual instruction. Your Committee has also made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committees on Education and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 2636, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 2636, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Andrews, Crozier, Hiraki, Honda, Isbell, Tajiri, O'Kieffe, Pfeil and Ribellia.

SCRep. 268-88 Education on H.B. No. 2584

The purpose of this bill is to appropriate \$10,000,000 for the establishment of a systematic maintenance program for public school facilities.

Your Committee received testimony from the Department of Education and the Department of Accounting and General Services in support of the bill. For many years there has been no cyclical maintenance for public school buildings and some buildings have been allowed to deteriorate resulting in higher repair costs in the long run. A systematic maintenance program will assure regular maintenance and inspection of all public school facilities.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2584 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Honda, Oshiro, Say, Taniguchi, O'Kieffe and Pfeil.

SCRep. 269-88 Education on H.B. No. 2334

The purpose of this bill is to provide a vice principal for the elementary school grades of each public school in the State of Hawaii with an enrollment of grades kindergarten through twelve.

Your Committee finds that elementary school students in schools with an enrollment of grades kindergarten through twelve will receive needed support services if an additional vice principal position is provided. Testimony received indicated that currently, five schools in the State do not have the additional vice principal position.

As a result, the bill has been amended to provide funding for five vice principal positions, and the recommended funding figure of \$125,000 has been inserted in the previously blank appropriations section.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2334, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 270-88 Education on H.B. No. 2688

The purpose of this bill is to propose an amendment to Article X, Section 2, of the Constitution of the State of Hawaii to provide for the election of one voting student member on the Board of Education.

The contents of H.B. 2714, as amended by your Committee, have been inserted into this short form bill. Your Committee amended H.B. No. 2714 to provide for one voting student member on the Board of Education rather than two. Since the amendment was inconsistent with the title of H.B. No. 2714, H.B. No. 2688 is being used to move this legislation forward.

Your Committee believes that the Board of Education (Board) would be well served by the addition of one voting student member. The public education system is dedicated to the interests of students. Although we encourage our students to actively participate in community and public life, they have no voice on the Board, which more than any other public institution has a profound influence on their lives. We believe that the discussions and deliberations of the Board would be greatly enriched through the full participation of a student member.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2688, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Crozier, Honda, Oshiro, Say, Taniguchi, O'Kieffe and Pfeil.

SCRep. 271-88 Education on H.B. No. 2337

The purpose of this bill is to amend section 237-24, HRS, to exclude from the imposition of the general excise tax, amounts received by a public school as defined under section 298-1, HRS, on the sale of goods or services as a part of a fund-raising activity where the profits are used solely and exclusively in the furtherance of the educational program of the public school.

In order to clarify the intent of this bill, your Committee has amended this bill to provide that non-profit organizations affiliated with a public school shall not be subject to the general excise tax on the sale of goods and services which are part of a fund-raising activity. The bill has also been amended to eliminate any restriction on the length of time or frequency of the fund-raising activity. Finally, your Committee has further amended the bill to correct a technical drafting error.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2337, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2337, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Honda, Oshiro, Shon, Taniguchi, Pfeil and Ribellia.

SCRep. 272-88 Education on H.B. No. 3471

The purpose of this bill is to amend Chapter 301, HRS, to reflect the expanded role of continuing education programs.

The proposed inclusion of the terms "adult literacy education" and "community education" in the statute will more accurately reflect the variety of programs the Department of Education (Department) is currently providing. In addition to statutorily mandated programs, the Department provides early childhood education, parent education, community education, and other special programs for identified target populations such as senior citizens and adult illiterates.

Your Committee believes that the appropriate statutory provisions relating to adult education needs should be modified to reflect the wide range of services provided by the Department to meet the changing needs of all of Hawaii's diverse populations.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3471 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 273-88 Education on H.B. No. 2546

The purpose of this bill is to provide \$60,000,000 for planning, designing, and constructing classrooms for the public schools. This monetary figure represents only a small fraction of the total requirement for public school facilities because of the large backlog of construction needs due to the deterioration of older structures, changes in class size, and rising enrollments.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2546 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 274-88 Education on H.B. No. 2597

The purpose of this bill is to authorize the issuance of general obligation bonds and to make an appropriation for design of classrooms at Waianae High School, Oahu.

Your Committee believes that science classrooms are needed urgently at Waianae High School. The bill has been amended by:

1. Replacing the sum of \$90,000 with \$820,000. Of this sum, \$90,000 shall be earmarked for design, and \$730,000 shall be earmarked for construction;
2. Inserting the phrase "and construction" into line 5; and
3. Inserting the phrase "department of" into line 8.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2597, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2597, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 275-88 Education on H.B. No. 2774

The purpose of this bill is to appropriate funds for a computer catalog for the State braille library to manage the circulation of materials.

Your Committee finds that the State Library for the Blind and Physically Handicapped is in need of an automated circulation system to keep track of its extensive inventory of materials, which are borrowed for long periods. The software used to operate the computerized system to manage materials in general circulation in the public libraries is not appropriate to serve the unique needs of the State Library for the Blind and Physically Handicapped. This bill would allow more efficient and effective management of library materials circulated by this specialized library.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2774, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Crozier, Oshiro, Say, Taniguchi and Pfeil.

SCRep. 276-88 Education on H.B. No. 2050

The purpose of this bill is to establish a library revolving fund in which moneys collected as fines for overdue books and payments for lost or otherwise unreturned books are deposited and used to replace library books or other materials.

The State Librarian testified that public library overdue fines were reinstated in 1984 after an absence of eleven years. When public hearings on overdue fines were held by the Board of Education and when Survey Marketing Services conducted a random telephone survey for the public library system to determine the public's attitude toward fines and the loan period, the overwhelming majority favored fines, but they also supported the idea that fine moneys be used directly by the public library system for new and replacement materials.

While in agreement with the intent of the bill to use moneys collected from fines to replace library materials which have been lost, damaged or destroyed, your Committee believes that the moneys in this revolving fund should also be used to purchase other new materials when replacements for lost, damaged or destroyed materials are impossible to obtain, or when librarians determine that the public would be better served through the purchase of new materials. Your Committee has amended the bill accordingly.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2050, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 277-88 Education on H.B. No. 2629

The purpose of this bill is to appropriate funds for a study of the feasibility of establishing a public library on the north shore of Kauai.

Your Committee finds that the north shore of Kauai is the fastest growing area of the island, and is expected to continue to grow as a result of pending development plans. The nearest library is 40 miles distant, and is not easily accessible due to a lack of public transportation.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2629, and recommends that it pass Second Reading, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Honda, Oshiro, Shon, Taniguchi, Pfeil and Ribellia.

SCRep. 278-88 Education on H.B. No. 2053

The purpose of this bill is to appropriate funds to the Summer Program for the Enhancement of Basic Education (SPEBE) to enable an expansion of offerings to include Japanese and Korean studies.

Your Committee finds that a political and economic shift from the Atlantic to the Pacific is occurring. The second most powerful economy in the free world is that of Japan, and the fastest growing economies are those of the newly industrialized countries of East Asia. Hawaii's full participation in the "Age of the Pacific" will depend largely upon the knowledge and understanding which Hawaii's people possess about the nations which are integrally involved in this global shift in power.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2053 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Honda, Oshiro, Shon, Taniguchi, Pfeil and Ribellia.

SCRep. 279-88 Education on H.B. No. 2718 (Majority)

The purpose of this bill is to assure that all federal funds received by the Department of Education are used for educational purposes by prohibiting the reduction of corresponding general fund amounts appropriated for education due to the receipt of federal funds over the amount approved in a given general appropriation act.

The Superintendent of Education testified in favor of this bill, which would primarily affect Federal Impact Aid funds received by the State.

By way of a brief background, aid for Federally Impacted Areas (Public Law 81-874), also known as the Impact Aid Act, is the reimbursement of federal funds to a school district where removal of federally owned or leased properties from the tax rolls has resulted in a loss of revenues. Historically, Congress has not appropriated sufficient funds to provide all local educational agencies with their total entitlement. Presently, Hawaii receives an average of \$473 per federally-connected pupil or only 12% of the \$3,873 it costs the State to educate each pupil.

In fiscal year 1986-87 the state received approximately \$17.7 million in Impact Aid for 36,986 federally-connected students. However, Section 310 of the State appropriations act specifies that any excess funds over the budgeted amount of \$9.4 million are to be offset by general fund deductions unless the excess funds are approved for expenditure by the Governor or such cuts jeopardize the federal funds.

In State fiscal years ending June 30, 1984, 1985, and 1986, the amount of federal impact money received was less than the amount included in the budget for the Department of Education, but no additional state general funds were received by the Department. In fact, the Department was required to make up the deficiency from its own resources.

The Hawaii State Teachers Association and the Hawaii Parents, Teachers, Students Association also testified in favor of using federal Impact Aid to supplement the Department of Education's budget and not to offset any general fund appropriation.

During the course of the public hearing an issue centering on the propriety of the diversion of impact aid funds by a state's chief executive officer in view of corresponding federal provisions was raised. In short, 20 U.S.C. § 240(d)(1) may be interpreted to prohibit diversions to educational agencies in any state, "if such State makes such aid available to local educational agencies in such a manner as to result in less State aid to any local educational agency which is eligible for payments under this subchapter which such agency would receive if such agency were not so eligible." A cursory review of the provision's legislative history reveals that this provision was enacted to prevent states from supplanting state funds normally appropriated to a local school district which is eligible for federal impact aid by reducing state funds to that district by the amount of the federal money received.

A number of state and federal cases have found the practice of supplanting state education funds with federal impact aid money improper. They include: San Miguel Joint Union School District v. Ross, 173 Cal. Rptr. 292, 118 Cal App. 3d 82 (1981); Shepherd v. Godwin, 280 F. Supp. 869 (D.C. Va. 1968); Triplett v. Tiemann, 302 F. Supp. 1244 (D.C. Neb. 1969); Douglas Independent School Dist. No. 3 v. Jorgenson, 293 F. Supp. 849 (D.C. S.D. 1968). In this regard, the Committee on Finance is requested to examine the substance of the diversion issue previously delineated.

Your Committee finds that federal funds earmarked for education should be used for educational purposes, and that the Board of Education should be authorized to use federal funds for educational purposes when federal funds exceed the amount provided in a general appropriation act.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2718 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.
(Representative Say did not concur.)

SCRep. 280-88 Education on H.B. No. 2713

The purpose of this bill is to appropriate funds for extracurricular speech programs in Hawaii's public schools.

Your Committee finds that additional resources to promote extracurricular speech programs would enhance speech and debate festivals, tournaments, and fairs conducted by the Department of Education, and provide workshops for teachers in oral interpretation, storytelling, choral reading, and debate. This bill also underscores the importance of the use of standard English in the public schools.

The bill has been amended by inserting the sum of \$30,000 as the amount to be expended in the previously blank appropriations section.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2713, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Honda, Oshiro, Shon, Taniguchi, Pfeil and Ribellia.

SCRep. 281-88 Education on H.B. No. 2621

The purpose of this bill is to appropriate funds to be expended by the Department of Education to study the concept of expanding choices for parents, students, and teachers in public education.

This bill has been amended to specify the sum of \$25,000 in the previously blank appropriations section.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2621, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 282-88 Education on H.B. No. 2134

The purpose of this bill is to authorize the Department of Education to make improvements to area school buildings and facilities, taking into account improvements that would increase the ability of the surrounding community to use these school buildings and facilities.

Your Committee finds that maximum use of school facilities is to be encouraged, with primary use given to educational programs. Public school buildings and other facilities should be designed in such a way as to facilitate community use, after taking into account the limits of the Department of Education's capital improvement budget and the goals and objectives of the Board of Education.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2134 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 283-88 Education on H.B. No. 2253

The purpose of this bill is to provide for the retention of records relating to vandalism of school facilities. In cases of vandalism, when the pupil and parent or guardian do not agree with the principal on restitution, then current law requires the principal to report to the appropriate district superintendent. This bill would require that principals submit all records and documents regarding investigations and conferences related to the vandalism to the appropriate district superintendent.

Your Committee on Education is in accord with the intent and purpose of H.B. 2253 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 284-88 Education on H.B. No. 2586

The purpose of this bill is to provide a full-time educational coordinator at Waipahu Cultural Garden Park.

The Superintendent of Education testified that many Leeward Oahu district students have taken advantage of the many excellent activities being offered at the Waipahu Cultural Garden Park and that funding this position will afford many more students the same opportunity.

Your Committee has amended this bill by inserting the sum of \$18,582 into line 2.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2586, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 285-88 Education on H.B. No. 2656

The purpose of this bill is to authorize the construction of a ten classroom building at Mililani High School.

Your Committee finds that there is an urgent need for classrooms at this exemplary school which serves a portion of the expanding central Oahu population.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2656 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 286-88 Education on H.B. No. 2625

The purpose of this bill is to provide \$500,000 for night security patrols pilot projects at schools which have been identified as "high risk" for burglary, vandalism, and fire.

Your Committee finds that loss of public school buildings, equipment and supplies resulting from vandalism and fire is a serious problem that hampers the Department of Education's efforts to provide quality education to our youth. Having security personnel provide direct services to certain "high risk" public schools at night, when most of the wasteful damage and destruction occurs, is the best preventative measure for protecting valuable school property.

Your Committee on Education is in accord with the intent and purpose of H.B. No 2625 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 287-88 Education on H.B. No. 2624

The purpose of this bill is to authorize the construction of twelve classrooms at Kaimiloa School, Oahu.

Your Committee finds that there is an urgent need for classrooms at Kaimiloa School.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2624 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 288-88 Education on H.B. No. 2580

The purpose of this bill is to make an appropriation for 470 additional special education positions for the Department of Education (Department).

Your Committee finds that the Department is required by state and federal laws to provide equal and appropriate educational opportunities for all handicapped students ages three to twenty. In recent years, amendments to federal law, administrative rulings, and court orders have placed increasing demands on the Department's special education program.

Since 1986 the number of requests for due process hearings from parents of special education students has increased dramatically, in part due to the enactment of Public Law 99-372, Handicapped Children's Protection Act of 1986, which guarantees that the fees of parents' attorneys are assumed by the Department when parents prevail in hearings. Most of these costs could be avoided by providing more special education teachers and educational assistants to deliver quality educational services.

Since providing an equal and appropriate education to the handicapped requires intensive teaching methods and special teaching skills, the Department seeks to improve the special education program by giving students more individual attention based on individual need, and by improving working conditions for special education teachers. The Board of Education has affirmed this effort by approving new staffing goals for special education classes.

These new staffing ratios will enable teachers to concentrate more intensely on their students' educational goals. It is expected that resulting gains in student achievement will significantly increase the movement of mildly handicapped students to less restrictive environments in a shorter time.

Your Committee finds that the special education program of the Department can be immediately improved by appropriating funds for 365 special education positions.

The bill has been amended by inserting \$5,842,455 as the sum appropriated for the corresponding 365 additional special education positions requested.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2580, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 289-88 Education on H.B. No. 3059

The purpose of this bill is to appropriate funds for a statewide conference on conflict management.

Your Committee finds that mediation programs are operating in 23 schools throughout the State. Designed to improve understanding and to reduce conflict in the schools, these mediation programs have trained 350 students and adults in the schools to be mediators. A statewide conference would bring these mediators together to exchange ideas, build skills, establish a support network, explore current needs, and develop future plans for conflict management in the schools.

The bill has been amended to insert the sum of \$2,000 as the amount to be expended in the previously blank appropriations section.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3059, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon, Taniguchi, O'Kieffe, Pfeil and Ribellia.

SCRep. 290-88 Education on H.B. No. 2716

The purpose of this bill is to fund the cooperating teacher/host teacher in-service training program.

Your Committee finds that this is an exemplary program serving University of Hawaii education students. The program is sponsored by the School of Education at the University of Hawaii in cooperation with selected classroom teachers.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2716 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 291-88 Education on H.B. No. 2692

The purpose of this bill is to authorize the planning, design, and construction of a library and cafeteria at Sunset Beach Elementary School.

Your Committee received testimony from the principal, teachers and parents from Sunset Beach Elementary School in overwhelming support of this bill. The Department of Education testified that the cost of the library would be \$1,198,000 and the cafeteria would be \$1,268,000. The bill has been amended to include these amounts, which previously were blank.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2692, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Crozier, Oshiro, Say and Pfeil.

SCRep. 292-88 Education on H.B. No. 2619

The purpose of this bill is to require the Board of Education to adopt a classification/compensation plan for librarians in the public library system.

Your Committee finds that the Department of Personnel Services is currently responsible for this function. The State Librarian testified in support of the bill, citing increasing difficulty in attracting young people into the library profession. He stated that a new classification and compensation plan would create the potential for better compensation in the future.

Your Committee believes that in the emerging information age, librarians offer an increasingly important service to our people. If the Board of Education is able to develop a better compensation plan for public librarians, the state library system will have a better chance of attracting the best possible library professionals.

Librarians in general supported the bill, but raised a concern. They pointed out that a new classification and compensation plan developed by the Department of Education, while potentially favorable, is at the same time also potentially unfavorable. Although unexpected at this time, the new plan may actually reduce librarians' compensation.

Your Committee has amended the bill by ensuring that compensation for librarians will not be reduced as a result of this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2619, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Crozier, Oshiro, Say and Pfeil.

SCRep. 293-88 Education on H.B. No. 2626

The purpose of this bill is to authorize construction of a cafeteria at Samuel Kalama Intermediate School, Maui.

Your Committee finds that there is an urgent need for a cafeteria at this school.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2626 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 294-88 Education on H.B. No. 2631

The purpose of this bill is to authorize the construction of ten classrooms at Mililani-Uka Elementary School, Oahu.

Your Committee finds that there is an urgent need for classrooms at this school which serves a young and vital community of central Oahu.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2631 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Crozier, Oshiro, Shon and Taniguchi.

SCRep. 295-88 Tourism and Higher Education and the Arts on H.B. No. 2674

The purpose of this bill is to provide training and educational opportunities for Hawaii's residents to enable them to qualify for entry level employment in the visitor industry, and to successfully compete for higher level and management positions.

Over the next twenty years, the visitor industry will be a major source of new jobs in the State, and most of these jobs will be created on the neighbor islands, as new resort destinations now planned or under construction are completed. The visitor industry will require a work force qualified at both the entry level and in management positions. To meet this need, this bill appropriates funds to improve the coordination and expansion of the visitor industry training and education programs at Kapiolani Community College, Maui Community College, Kauai Community College, and the University of Hawaii at Hilo.

Your Committees have amended section 2 by appropriating out of the general revenues the sum of \$300,000 for the purpose of this bill. Your Committees have further amended this bill by changing the expending agency from the University of Hawaii to the Department of Business and Economic Development.

Your Committees on Tourism and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2674, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2674, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Jones.

SCRep. 296-88 Tourism and Higher Education and the Arts on H.B. No. 2976

The purpose of this bill is to appropriate funds to conduct interpretation training programs throughout the State.

The purpose of interpretation training is to ensure that the history and culture of Hawaii is conveyed to the visitor accurately but also in a manner that is provocative, interesting, and relevant. One successful interpretation training program, Interpret Hawaii, was initiated in 1985 as an outgrowth of a cooperative effort involving the tour industry, Kapiolani Community College, Hawaii Visitors Bureau, and the University of Hawaii Sea Grant Extension. With funding from the Federal Vocational Education Act, Kapiolani Community College developed a pilot program in interpretation training, consisting of a 40 hour training course, a shorter 20 hour workshop, and custom training sessions for specific sites or programs. The approval of this bill would allow interpretation programs to continue to develop and to spread even further throughout the State.

Your Committees have amended section 2 by providing funding of \$75,000 to fulfill the purpose of this bill. Your Committees have further amended section 3 by changing the expending agency from the Department of Labor and Industrial Relations to the University of Hawaii.

Your Committees on Tourism and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2976, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2976, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 297-88 Tourism and Higher Education and the Arts on H.B. No. 2975

The purpose of this bill is to establish the Pacific Tourism Training Institute as a part of the School of Travel Industry Management at the University of Hawaii at Manoa. Through the Pacific Tourism Training Institute the School of Travel Industry Management will be able to provide educational and training services by extending the School of Travel Industry Management's baccalaureate level programs to the Neighbor Islands.

Your Committees find that the School of Travel Industry Management does not now offer programs on the Neighbor Islands, yet there is a severe shortage of managers on these islands. Furthermore, many students are unable to relocate to Honolulu to obtain travel industry management degrees and training from the University of Hawaii at Manoa.

Your Committees received testimony from the University of Hawaii and the Department of Labor and Industrial Relations Tourism Training Council supporting the intent of the bill. Your Committees have found that the creation of a new institute to establish this program would require a decision by the Board of Regents.

However, your Committees find that the provision of training and educational programs on the Neighbor Islands is not necessarily tied to the establishment of an institute but is dependent on the availability of additional resources. Therefore, your Committees have amended the bill to appropriate funds to the Department of Business and Economic Development. And it is your Committee's intent that the department enter into a contract with the School of Travel Industry Management to provide both degree and nondegree training.

Your Committees have also made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committees on Tourism and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2975, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2975, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hashimoto, Honda, Levin, Tom, Jones, Marumoto, Medeiros, O'Kieffe and Pfeil.

SCRep. 298-88 Tourism on H.B. No. 2883

The purpose of this bill is to authorize the Director of the Department of Budget and Finance to issue general obligation bonds in the sum of \$3,040,000 for the design and construction of improvements and public facilities for Phase II of the Kalakaua Avenue Revitalization.

Your Committee heard testimony from the City and County of Honolulu Department of Transportation and the Hotel Association supporting enactment of this bill.

Your Committee has made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. 2883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2883, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 299-88 Tourism on H.B. No. 2535 (Majority)

The purpose of this bill is to grant to persons registered as travel agents under Chapter 468K, HRS, an exemption for the general excise tax on revenue received as commission.

Your Committee finds that travel agents and agencies currently pay a four per cent tax on commissions received from such sales, but, unlike other businesses that pay the four per cent tax, they are prohibited by federal law from passing on the cost of the tax to their customers. Another difference between travel agencies and other businesses is that the travel agencies and agents cannot recoup their tax losses by raising the prices charged in areas other than air fares because they do not set the prices for airline, hotel, and car rental reservations and cannot adjust their commission rates. Therefore, any increases in the tax losses or operating expenses of an agency can only be met by increased sales. This predicament has resulted in the closing of many agencies unable to meet increased costs, which in turn has caused an increase in the number of consumers purchasing airline tickets directly from the airlines.

Your Committee received testimony from numerous travel agents and a representative of the Travel Agents Coalition on Taxes supporting a reduction of the four percent tax on the commissions received on airline ticket sales. In addition, testimony was received from the Director of the Department of Taxation against a reduction in the tax.

Although the State stands to lose some revenue from the reduction of the general excise tax on commissions from the sales of air fares by travel agencies, your Committee notes that the State does not receive any revenue when consumers purchase their tickets directly from the airlines; therefore, it would be in the State's interest to correct the inequitable treatment of travel agents under the general excise tax law. Your Committee further notes that insurance agents, subagents, and solicitors who are also prohibited by state law from passing on the general excise tax to their customers, were granted a reduction of their general excise tax rate to .15 percent in 1978.

Your Committee has amended the bill to reduce the general excise tax rate for persons registered as travel agents under Chapter 468, HRS, from four to .15 per cent on revenue received as commissions from the sale of air fares. The bill has also been amended to clarify that (1) the reduced rate applies to registered travel agencies as well as registered travel agents and (2) the commissions for which the reduced excise tax rate applies are only those received from sales of air fares.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2535, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.
(Representatives Hirono and Yoshimura did not concur.)

SCRep. 300-88 Tourism on H.B. No. 2673

The purpose of the 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.

While your Committee received testimony from the Department of Business and Economic Development generally supporting this measure, the Department indicated that amendments were necessary to acknowledge the importance of labor supply. Your Committee has adopted the recommendations of the Department by amending the final paragraph of the Section 1 to include provisions for training unskilled local residents and to promote housing, transportation, and child care options to make such training readily accessible.

Your Committee has also made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Tourism concurs with the intent and purpose of H.B. 2673, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance, in the form attached hereto as H.B. 2673, H.D. 1.

Signed by all members of the Committee.

SCRep. 301-88 Agriculture on H.B. No. 3416

The purpose of this bill is to grant direct loans to family sugar growers who can demonstrate that a loan is necessary to prevent the closing of a family sugar growing operation.

The sugar industry is essential to the health of Hawaii's economy and, for some areas of the State such as the Hamakua and Hilo coasts, the industry is the most critical factor in the social and economic survival of the affected communities.

The success of sugar growers, and particularly those on unirrigated farms, is subject to factors, such as weather and market fluctuations, over which they have no control. While risks are part of farming, there are times when a number of negative factors come into conjunction and special action may be justified to save a farm from failure.

Your Committee has amended this bill so that it is clear that the purpose is to assist family sugar growers who have short-term cash flow problems.

Your Committee has also amended section 2 of this bill to authorize the Department of Agriculture to borrow up to \$10,000,000 from other lenders upon reasonable terms and conditions in order to secure funds to lend to eligible family sugar growers.

Your Committee has further amended section 2 of this bill so that the interest on loans shall be at a rate determined by the Board of Agriculture.

Section 3 of the bill has been amended to reflect that there be appropriated out of the general revenues the sum of \$5,000,000 to be paid into the agricultural loan revolving fund.

Section 4 of the bill has been amended so that the Department of Agriculture may insure up to 100 per cent of the principle balance of a loan, plus interest due thereon.

Technical non-substantive amendments were also made to the bill for purposes of clarity and style.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3416, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki and Pfeil.

SCRep. 302-88 Agriculture on H.B. No. 3110

The purpose of this bill is to provide \$1,000,000 to the Department of Business and Economic Development to satisfy the cost-sharing requirements of the U.S. Department of Energy in establishing a public information program to develop consumer awareness and acceptance of irradiated fruits, vegetables, and other Hawaii agricultural products on the U.S. Mainland and potential foreign markets.

Testimony from the Board of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, and Papaya Administrative Committee supported this bill. Your Committee is in agreement that consumers must have more information on irradiated foods in order to make reasoned decisions on the foods which they purchase and consume. Such information should include, but not be limited to, the process of food irradiation, the nature and amount of change that occurs during irradiation, the lack of radioactivity in irradiated foods, the effects of irradiation upon organisms that infest and spoil foods, the wholesomeness and nutritional value of irradiated foods, the handling of irradiated foods in the kitchen, and the effects of irradiation on the shelf-life of products.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3110 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 303-88 Agriculture on H.B. No. 2560

The purpose of this bill is to provide loans to papaya packers to assist in conversion efforts from the double dip treatment to vapor heat, dry heat, or x-ray treatment.

Your Committee received testimony from the manager of the Papaya Administrative Committee in support of this measure indicating a definite need for the papaya industry to use alternative methods to treat papayas for export.

Your Committee finds that the decision as to what methods should be utilized should be left up to each individual packing house as the method chosen must be suitable for its own needs.

Your Committee has amended this bill by inserting the sum of \$1 in the previously blank appropriation section.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2560, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki and Pfeil.

SCRep. 304-88 Agriculture on H.B. No. 2479

The purpose of this bill is to appropriate \$100,000 through the Department of Agriculture to the Pineapple Growers Association of Hawaii, on a dollar-for-dollar matching basis, for the promotion of fresh Hawaiian pineapples.

Pineapple continues to be an important sector of Hawaii's economy. Faced with competition from foreign processors, to maintain its viability and hence its contribution to the economy of the state, the Hawaiian pineapple industry is changing its focus from the production and marketing of canned pineapple to the shipping and marketing of fresh pineapple.

Testimony from representatives of the pineapple industry indicated that they are expanding their promotional campaign beyond the eleven western states currently covered to include another eleven mid-America states west of the Mississippi River. Continuation of this marketing effort is necessary to generate greater public awareness, increase market size, and improve the stability of the pineapple industry.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. 2479 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 305-88 Agriculture on H.B. No. 2477

The purpose of this bill is to appropriate money to purchase an ice machine for the Kamuela vacuum cooling plant.

Your Committee received testimony in support of this bill from the Hawaii Farm Bureau Federation, the University of Hawaii College of Tropical Agriculture and Human Resources, and the State Board of Agriculture. The Waimea district of the Big Island is a good growing area for temperate-type vegetables, accounting for about one-half of statewide broccoli production, as well as other crops having great economic potential here. Currently, Hawaii imports 85 per cent of the broccoli consumed here, 70 per cent of the cauliflower, 65 per cent of the celery, 40 per cent of the sweet corn, and 35 per cent of the cucumbers. Icing at the Kamuela vacuum cooling plant will improve the effectiveness of post-harvest cooling for broccoli and other crops not well suited to vacuum cooling, thus improving their market appeal. Provision of this equipment will enable farmers in the Waimea district to increase their production and sale of these crops.

This bill came to your Committee with a blank appropriation amount. Your Committee has amended the bill by inserting the figure of \$50,000 in the appropriations blank.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2477, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2477, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 306-88 Agriculture on H.B. No. 2045

The purpose of this bill is to appropriate \$100,000 to support continued research to control of anthurium blight.

Anthurium cultivation represents a large and growing segment of our agricultural economy, and brings money into the State through export sales. However, anthurium blight, a bacterial disease which devastates anthuriums, is hindering the growth of the industry to its full potential.

Your Committee received testimony in favor of this bill from the Hawaii Farm Bureau Federation, the Governor's Agriculture Coordinating Committee, and the University of Hawaii College of Tropical Agriculture and Human Resources.

Your Committee finds that the appropriation is needed to continue the progress toward effective control measures for this disease, and that control of this disease would benefit the economy of the State.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2045 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 307-88 Agriculture on H.B. No. 2043

The purpose of this bill is to appropriate \$100,000 for the promotion of Hawaii-Grown coffee to be matched dollar-for-dollar by the coffee industry.

Your Committee finds that the Hawaii coffee industry is consumer-driven and the promotion of its product in the mainland United States market is essential for the industry's growth.

Your Committee received testimony in support of this bill from the Chairperson of the Department of Agriculture, the Dean of the College of Tropical Agriculture and Human Resources and the Kona Coffee Council.

Testimony indicated that in 1987 the Legislature appropriated \$100,000 through the Department of Agriculture to assist the coffee industry. \$40,000 was earmarked for the development of a marketing plan, and \$60,000 was set aside for a promotional campaign. However, because of certain budget restrictions, only \$10,000 was actually made available for promotions. In this regard, it is the Legislature's intent that the entire amount appropriated be released for use in the promotion of Hawaii-Grown coffee.

Your Committee has amended the effective date of this bill to correspond with the beginning of the next fiscal year.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2043, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki and Pfeil.

SCRep. 308-88 Agriculture and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3114

The purpose of this bill is to appropriate funds for a research project to examine the potential uses and value of products from the Chinese tallow tree (*Sapium sebiferum*)

The Chinese tallow tree offers considerable potential as a new crop for Hawaii's agriculture sector. However, before this potential can be fully realized, the end use of the crop and associated value must be determined explicitly.

Your Committees received testimony from the Department of Business and Economic Development, the University of Hawaii College of Tropical Agriculture and Human Resources, and the Mason Research Foundation.

This bill has been amended with the insertion of the sum of \$1 in the previously blank appropriation section.

In addition, this bill has been amended to designate the Governor's Agriculture Coordinating Committee as the expending agency.

Your Committees on Agriculture and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 3114, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3114, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Hiraki and Pfeil.

SCRep. 309-88 Agriculture and Higher Education and the Arts on H.B. No. 2186

The purpose of this bill is to create a water management specialist position in the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa.

Your Committees received favorable testimony from the Hawaii Farm Bureau Federation and the College of Tropical Agriculture and Human Resources.

Your Committees find that the demand for technical information related to water management and usage has increased rapidly for all segments of agriculture.

Your Committees also find that a new extension specialist position is needed to provide delivery of technical information on water management systems to state and county agencies, extension agents in the counties, and directly to farmers, plantation and golf-course managers.

Your Committees have amended section 1 to reflect that there be a creation of a new, permanent, water management specialist position.

Your Committees on Agriculture and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2186, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2186, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 310-88 Judiciary on H.B. No. 3361

The purpose of this bill is to appropriate funds for statewide family violence programs.

Your Committee on Judiciary heard testimony in support of this bill from the Victim/Witness Kokua Program and representatives of all the Alternatives to Violence programs in the state.

In reviewing the testimony and based on discussions with members of the Judiciary and representatives from the Alternatives to Violence program on Maui, your Committee has determined that said program erred in its assumptions as to current funding and supplemental amounts to be provided through the Judiciary Supplement Appropriations request. The Women Helping Women Program assumed that it would be receiving \$186,013 through the Judiciary Budget and accordingly requested supplemental funds of \$71,452 to meet total program requirements of \$257,465. Since the Judiciary only expected to provide \$176,589 through its budget, \$80,876 in supplemental funds is required to meet the program's total program requirements of \$257,465.

Your Committee, therefore, has amended the bill to change the supplemental request for Women Helping Women-Alternatives to Violence, Maui to \$80,876.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3361, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 311-88 Agriculture on H.B. No. 3520

The purpose of this bill is to amend Section 237-4, Hawaii Revised Statutes, by clarifying as a sale at wholesale the segregated cost of a feedlot operator's service to a licensed producer of poultry or animals to be butchered.

According to testimony by the Department of Taxation, this bill is housekeeping in nature. Act 204, Session Laws of Hawaii 1971, inadvertently omitted the phrase "of the feedlot operator's service to a licensed producer of poultry or animals" from Subsection 237-4(5). Your Committee is in agreement that this phrase corrects the omission.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3520 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 312-88 Agriculture on H.B. No. 3423

The purpose of this bill is to amend Section 155-15, Hawaii Revised Statutes, in order to:

(1) Assist independent sugar growers with direct loans to cover crop production expenses, rather than supplemental direct loans to cover deficits;

(2) Include, in the definition of "crop production expenses", direct loans for soil preparation, seed, planting, cultivation, herbicide fertilization, associated equipment and machinery expenses, and other expenses related to the planting, cultivation, and growing of a sugar cane crop; and

(3) Authorize the Department of Agriculture to amend the terms of the loan made to the United Cane Planters Cooperative, pursuant to Act 183, Session Laws of Hawaii 1972, by reducing the interest rate charged on the remaining balance due on the loan from five per cent to one per cent.

The Board of Agriculture testified in support of reducing the interest rate on the remaining balance of the loan made to the United Cane Planters Cooperative. Your Committee is in agreement with this amendment to the bill.

However, the Board of Agriculture testified in opposition to the first two purposes stated above. The Department of Agriculture has been cited by the Legislative Auditor for providing loans to farmers with extremely poor repayment histories under the Independent Sugar Grower Loan Program. Your Committee is therefore of the opinion that it would not be appropriate for the Department of Agriculture to provide direct loans for crop production expenses of unlimited amounts with no collateral. Rather, your Committee is in agreement that the original language in Section 155-15 should be retained, and has recommended the following amendments to the bill:

(1) In Subsection 155-15(d), to retain the words "supplemental" and "deficits" and to delete the phrase "crop production expenses";

(2) In Subsection 155-15(d), to retain the entire paragraph (2) and to delete the underscored statutory material being proposed; and

(3) In Subsection 155-15(e), to retain the bracketed statutory material and to revise the underscored statutory material being proposed for purposes of style and clarity.

Your Committee has also made a nonsubstantive amendment for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3423, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 313-88 Agriculture on H.B. No. 3494

The purpose of this bill is two-fold:

(1) To codify, in logical sequence, the authority and responsibility of the Division of Measurement Standards under the Board of Agriculture, by repealing Chapters 486, 486D and 292, Hawaii Revised Statutes, and combining these chapters into a new Chapter 486, Parts I, II and III, respectively, in order to eliminate the overlapping and redundant sections found in the present statutes; and

(2) To eliminate Section 292-11, Hawaii Revised Statutes, relating to the odometer revolving fund.

According to testimony by the Board of Agriculture, this bill is essentially housekeeping in nature. Your Committee finds that the Division of Measurement Standards is the only division of the Department of Agriculture that is not under the jurisdiction of the Board of Agriculture. Your Committee is in agreement that the Division of Measurement Standards should be placed under the Board of Agriculture, and further is of the opinion that the Board members would act in the best interest of the public in their access to proprietary information relating to enforcement of measurement standards, as well as to sale and delivery of competitive products.

The Board of Agriculture further testified that this bill inadvertently omits codification of Chapter 486A, Hawaii Revised Statutes, relating to bread weights, and that it too should be repealed, and placed into the new Chapter 486 or Part IV, and has therefore made the following amendments:

(1) On page 55 of this bill, following line 7 and preceding Section 4, inserted the following:

"PART IV

BREAD WEIGHT

§486-88 Weight of loaf. A loaf of bread for sale shall be one-half pound; three-quarters pound; one pound; one and a half pounds; or multiples of one pound.

§486-89 Variations. Variations from the above weights, the sampling size, definitions, and exemptions shall be established by rule of the board in accordance with Chapter 91.

§486-90 Twin or multiple loaves. Twin or multiple loaves may be sold, provided that they conform to the above weight requirements.

§486-91 Penalties. Any person who violates the provisions of this chapter shall be subject to the penalties prescribed in section 486-32."

(2) On various pages of this bill, inserted in all appropriate sentences reference to the present Chapter 486A to be repealed and to be combined into a new Chapter 486 as Part IV.

Your Committee has also made some technical, non-substantive amendments to this bill for purposes of style, clarity, and grammar, including the following:

(1) Shifting the definition of "certificate of measure", from page 8 to page 2, to conform with alphabetical order; and

(2) Changing the mislabeled Section 486-84, on page 54, to Section 486-87.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3494, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 314-88 Higher Education and the Arts on H.B. No. 204

The purpose of this bill is to permit the University of Hawaii to implement a self-insurance program for faculty members who provide professional services as part of their teaching duties (medicine, law, nursing). Through this bill, the University would be allowed to use its University of Hawaii at Manoa malpractice special fund as a self-insured reserve. The bill would also permit the University to fund this reserve with general fund appropriations from the legislature that are not inconsistent with the purposes of the special fund.

Your Committee has heard testimony that malpractice insurance premiums for faculty at the John A. Burns School of Medicine have risen from \$385,000 in FY 1984-85 to \$946,000 in FY 1987-88. Loss experience for faculty members,

with the major exception of one \$600,000 settlement three years ago, has been relatively minor and has been rated as a good insurance risk by two independent, risk management consulting firms.

Your Committee is in agreement that the option of a self-insurance program holds promise for a reduction in malpractice insurance premium costs. A self-insurance program would also assure the continued availability of malpractice coverage and would not be subject to the wide swings in coverage options and premium costs that have occurred in the commercial insurance industry in the past.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2904 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 315-88 Higher Education and the Arts on H.B. No. 2638

The purpose of this bill, as received by your committee, is to provide for the celebration of the ninetieth anniversary of the arrival of the Okinawan people to Hawaii.

Your Committee received testimony in support of this measure from the United Okinawan Association of Hawaii. Your Committee supports the measure's intent to recognize the contributions of the Okinawan people in the development of Hawaii's multicultural environment. This recognition is congruous with the intent of the legislature to encourage recognition of the cultures and arts that make up our cultural heritage.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2638 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 316-88 Higher Education and the Arts Ocean and Marine Resources on H.B. No. 2633

The purpose of this bill is to appropriate funds of \$50,000 for an international symposium. The symposium is being organized to bring together in Hawaii the most current knowledge of human performance in the sea.

The symposium, to be held in November of 1988, will bring together internationally respected scholars in diving and high-pressure research. The symposium will address topics such as ocean sports diving, hyperbaric medicine, manned deep sea vehicles and saturation diving for deep-sea work.

Your Committees received testimony, from the Department of Business and Economic Development (DBED) and the Chairman of the Symposium speaking on behalf of the University of Hawaii, in support of the bill. Although the DBED supports the concept of the bill, it felt such a symposium should include the Hyperbaric Treatment Center because the center is the most experienced facility in treating disbaric diving disorders in the United States. However, your Committees felt that this was not the proper forum in which discussion of the participants in the program should take place.

The Committee has amended the bill to provide for the University of Hawaii as the expending agency, rather than the Department of Business and Economic Development.

Your Committees on Higher Education and the Arts and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 2633, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2633, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell and Tajiri.

SCRep. 317-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2495

The purpose of this bill is to amend certain sections of the Hawaii Revised Statutes to require all entities of government which issue permits for land use, to determine if public access is affected by the proposed activity, use, or development; and as a condition of issuing a permit, to provide the public a right of access in perpetuity.

Your Committee has amended the bill to accommodate the concerns of the Land Use Research Foundation and others, by limiting reference to historic, cultural or archaeological sites in Section 8 of the bill to those sites on the national or state register.

Your Committee has also made some non-substantive changes.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2495, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 318-88 Labor and Public Employment on H.B. No. 3414

The purpose of this bill is to have the Legislative Reference Bureau conduct a study of the compensation plans for the secretarial classes within the civil service of the State of Hawaii to correct any pay inequities.

Your Committee heard and carefully considered testimony on the bill and believe that a study as called for in the bill is warranted and justified to determine if any pay inequities exist in the secretarial classes.

The bill was amended by your Committee by adding a new section to include an appropriation of \$50,000.00.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H. B. No. 3414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 3414, H. D. 1, and be referred to the Committees on Legislative Management and Finance.

Signed by all members of the Committee except Representatives Horita, Jones, Marumoto and Medeiros.

SCRep. 319-88 Higher Education and the Arts on H.B. No. 2391

The purpose of this bill to authorize each library in the University of Hawaii library system to retain all receipts received from fines, fees, and other revenues derived from library operations for the purposes of improving services to users and library operations.

Presently, the University's libraries are providing free services to the community and government agencies both of whom do not pay tuition or other fees as do the students who attend the University. At Manoa, out of 58,000 registered library users, 11,000 were users from the community. In addition, constraints are being placed on the library for dial-in access to on-line public access data base searches. Currently, there is no funding mechanism with which to provide such services to users of the library outside of University of Hawaii students.

Overdue books have created an additional work load for the University. The staffing needed for the checking of shelves, for preparing and mailing notices and for handling collections would be addressed with this bill.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2391 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hashimoto, Honda, Lee, Tam, O'Kieffe, Pfeil and Ribellia.

SCRep. 320-88 Transportation on H.B. No. 3534

The purpose of this bill is to authorize the Director of Transportation to appoint county employees with limited police powers to assist in enforcing safety rules in waters fronting county beach parks.

Current law does not provide enforcement authority for county lifeguards in waters fronting county beach parks. Your Committee feels it is essential that county employees receive these powers in order to enforce existing safety rules to reduce the possibility of injury and to resolve user conflicts. At this time, the limited number of staffing positions of state marine patrol officers does not allow for the degree of enforcement needed on county beaches.

Your Committee received favorable testimony on this bill from the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3534 and recommends that it pass Second Reading and be referred to the Committee on Ocean and Marine Resources.

Signed by all members of the Committee except Representative Jones.

SCRep. 321-88 Transportation on H.B. No. 3535

The purpose of this bill is to authorize a law enforcement officer to request that a person suspected of operating an aircraft while under the influence of alcohol be tested using either a breath test, blood test, or both.

Hawaii Revised Statutes 263-11 presently makes it unlawful for any person to operate an aircraft while under the influence of intoxicating liquor.

This bill will increase the level of aviation safety for aircraft operators and passengers by mandating similar guidelines for enforcement as presently exist for operating a motor vehicle under the influence of alcohol.

Your Committee received testimony from the Department of Transportation in favor of this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3535 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 322-88 Transportation on H.B. No. 3537

The purpose of this bill is to ensure that the general penalty provisions in HRS 261-21 do not conflict with specific penalties provided for in other sections of chapter 261, and to allow administrative rules to apply to all persons and activities on airport premises.

Under current law the administrative rules do not specifically regulate matters relating to health, safety and welfare of airport administration and maintenance personnel, security and other persons who may not be considered as general public.

Your Committee has received favorable testimony from the Department of Transportation on this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3537 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 323-88 Transportation on H.B. No. 3540

The purpose of this bill is to allow the owner or operator of a vessel impounded for unauthorized mooring in state harbors the opportunity to contest the basis for impoundment at an administrative hearing prior to the disposition of the vessel.

Currently, the law authorizing the impoundment and disposition of vessels does not provide for an administrative hearing for the owner or operator to contest the basis given by the department for the administrative impoundment of the vessel. Lack of an administrative hearing may deprive the owner of full due process of law.

The Department of Transportation testified in favor of this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3540 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 324-88 Transportation on H.B. No. 3541

The purpose of this bill is to establish rules and penalties for operating a vessel under the influence of alcohol similar to those presently in effect for the operation of a motor vehicle under the influence of alcohol.

Under Hawaii Administrative Rules, no person may operate a vessel while under the influence of alcohol. There is, however, no statutory provision which sets forth any criteria establishing guidelines for levels of intoxication or appropriate penalties for this offense. This bill will provide the same guidelines for enforcement as presently exist for operating a motor vehicle under the influence of alcohol.

The Department of Transportation testified in favor of this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3541 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 325-88 Transportation on H.B. No. 3545

The purpose of this bill is to provide for a presumption of receipt of notice of cancellation, suspension, or revocation of a driver's license when the notice is mailed to the address recorded by the examiner of drivers by certified mail, return receipt requested.

The address recorded by the examiner of drivers is considered the current address of the licensee and said licensee has a legal obligation to notify the driver licensing office of any change of address. Failure to receive the notice because of refusal of service or because the licensee is not in residence should not be used to render the notice invalid.

Your Committee on Transportation has received testimony from the Department of Transportation in favor of this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3545 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 326-88 Transportation on H.B. No. 2743

The purpose of this bill is to include testing the drug content in addition to the alcoholic content in the blood of a driver of a motor vehicle or moped suspected of driving under the influence of drugs or alcohol.

Under present law, any operator of a motor vehicle or moped is considered to have given consent to testing of his or her breath or blood in determining alcoholic content should a police officer have reasonable grounds that the operator is under the influence of intoxicating liquor. Your Committee believes it is necessary to include testing for drug content in addition to alcoholic content of motor vehicle or moped operators suspected of driving under the influence of drugs or alcohol.

Your Committee received testimony in favor of this bill from the Department of Transportation, the State Attorney General and the Prosecutors and Police Chiefs of the City and County of Honolulu, and the counties of Kauai, Maui, and Hawaii.

The State Attorney General and the Prosecutors and Police Chiefs of the City and County of Honolulu, and the counties of Kauai, Maui, and Hawaii recommended an amendment to section 286-151 (c) to allow a motor vehicle operator the option of taking a blood or urine test for the purpose of detecting the presence of drugs in that person should there be reasonable grounds to believe that the person was operating a motor vehicle under the influence of drugs.

It was also suggested that the Department of Health be authorized to establish a statewide program for drug testing similar to the provisions of 321-161 HRS which authorizes the establishment of the alcohol testing program.

Your Committee has amended this bill to require operators of motor vehicles and mopeds who are suspected of being under the influence of drugs to take a blood or urine test, or both, to determine the presence of drugs in that person's body. Your Committee has further amended this bill by allowing the Department of Health to establish a statewide program for the testing of drugs, similar to the provisions of 321-161 HRS.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2743, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 327-88 Transportation and Ocean and Marine Resources on H.B. No. 3536

The purpose of this bill is to give the Department of Transportation the statutory authority to regulate the anchoring, mooring or other placement of houseboats and vessels within the ocean waters and navigable streams of the State outside state harbors. This bill will also authorize the department to charge fees to generate additional revenues to support the additional management and control of these offshore moorings.

Presently, there exists no law which governs the offshore mooring of vessels and houseboats on or within ocean waters and navigable streams outside State harbors. In the interest of boating safety, there must be some mechanism with which to regulate the indiscriminate anchoring and mooring of vessels and houseboats. This bill will provide the department with the statutory authority necessary to remove derelict vessels and houseboats from the waters of the State.

Your Committees received favorable testimony on this bill from the Department of Transportation and a commercial tour boat operator.

Testimony from the department indicated that there has been an increase in the amount of houseboats being modified for living purposes in both Keehi Lagoon and Kaneohe Bay. These houseboats are being modified without regard for proper waste disposal or safe construction criteria.

Your Committees have amended this bill to clarify that the anchoring, mooring, or placement of houseboats within State waters shall be regulated by permit.

Your Committees have also amended this bill by excluding pleasure craft or fishing vessels temporarily anchored for a period of less than seventy-two hours from the provisions of this chapter.

Your Committees have further amended this bill to mandate that the anchoring, mooring, or placement of other contrivances shall also be regulated by permit. Language clarifying the definition of contrivance has been added to this bill for enforcement purposes.

Your Committees on Transportation and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 3536, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3536, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Hashimoto, Isbell, Kanoho and Jones.

SCRep. 328-88 Transportation and Ocean and Marine Resources on H.B. No. 3507

The purpose of this bill is to expand the source of funds for the statewide boating program by using revenues from the boating program in addition to general revenue appropriations to pay for the construction of boating facilities.

Under present law, capital improvements for boating facilities including berths, slips, ramps, and related accommodations, may be paid from the boating special fund or from general revenues as authorized by the legislature. Your Committees find, however, that general navigation channels, breakwaters, aids to navigation, and other harbor structures can only be funded through general fund revenues. Your Committees believe that the Legislature should have the option to utilize general revenues or boating special fund revenues to finance general navigation channels, breakwaters, aids to navigation, and other harbor structures.

Your Committees received favorable testimony in support of this bill from the Department of Transportation.

Your Committees on Transportation and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 3507 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hashimoto, Ibell, Kanoho and Jones.

SCRep. 329-88 Transportation and Judiciary on H.B. No. 2240

The purpose of this bill is to discourage the illegal abandonment of vehicles by creating an abandoned vehicle revolving fund within each of the respective county treasuries, from which rewards would be offered to any person who provides evidence leading to the identification of the legal and registered owner of an illegally abandoned vehicle.

Your Committees received favorable testimony from the Honolulu Police Department and the Department of Finance, City and County of Honolulu. The department of finance recommended that the State Judiciary or the City Prosecutors Office be allowed to administer the abandoned vehicles revolving fund.

Your Committees have amended this bill by naming the State Judiciary as the administrator of the abandoned vehicles revolving fund. In addition, your Committees deleted Section 4 of the bill, as an appropriation to implement this bill will not be needed.

Your Committees on Transportation and Judiciary are in accord with the intent and purpose of H.B. No. 2240, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2240, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Hemmings and Jones.

SCRep. 330-88 Transportation on H.B. No. 2001

The purpose of this bill is to allow the Department of Transportation to pursue the maritime and commercial interests of the State by amending Section 266-2, section 2 of the Hawaii Revised Statutes.

Hawaii's commercial harbors are not currently being utilized to their fullest potential. Over the past twenty-five years, the number of ships stopping at the State's commercial harbors has actually decreased. Ships that stop at the harbors are provided services such as refueling. These ships help to stimulate the local economy through their purchases of goods and services. Your Committee finds that Hawaii is one of the few states with major harbors that does not have an on-going marketing program for them.

Your Committee believes that Hawaii's commercial harbors should be allowed to realize their maximum potential and the State Department of Transportation should be the agency responsible for the implementation and coordination of marketing strategies to promote the advantages of the State's commercial harbors.

Your Committee received testimony in support of this bill from the Department of Transportation.

Your Committee has amended Section 1 of the bill by deleting references to a harbor marketing manager, as a marketing manager position does not exist in the State personnel system, as referred to in Section 1, page 2, line 4 of the bill.

Your Committee has also amended Section 3 of the bill by combining all of the appropriations into a single lump sum of \$53,000 for (1) a permanent position in the harbors division to coordinate the division's marketing program, (2) one permanent harbors division support staff member and (3) support to include fringe benefits, materials, travel and other expenses and costs, rather than identifying expenses and costs for the three separate items.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2001, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 331-88 Transportation on H.B. No. 2091

The purpose of this bill is to strengthen the child passenger restraint law by excluding for hire and commercial motor vehicles, and type I school buses from the exemptions listed under the provisions of Section 291-11.5, Hawaii Revised Statutes.

Favorable testimony was received by your Committee from the Department of Health. The testimony indicated that this bill supports one of the 1990 priority objectives in the area of accident prevention and injury control of the Governor's Conference on Health Promotion and Disease Prevention.

The Department of Transportation suggested that the exemption for commercial vehicles from the provisions of Section 291-11.5, Hawaii Revised Statutes, be retained, and that a definition for "commercial vehicle" be added to this bill.

Your Committee finds that by defining the terms "emergency vehicle", "mass transit vehicle", "seat belt assembly", as well as "commercial vehicle", the enforcement capability of the law would be strengthened.

Your Committee has amended this bill by allowing commercial vehicles to remain exempt from section 291-11.5. A definition for commercial vehicles has also been added, for the purposes of this bill, by your Committee.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2091, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 332-88 Transportation and Intergovernmental Relations on H.B. No. 2231

The purpose of this bill is to give the counties the authority to permit the parking of vehicles on sidewalks in certain geographical areas or on certain highways. This bill also seeks to allow the driving of vehicles onto those sidewalks upon which parking is allowed for the purpose of parking.

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 Committees find 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 Committees received favorable testimony from the Honolulu Police Department, as well as several private citizens.

The Honolulu Police Department's testimony indicated that this bill would allow counties to promulgate rules and regulations needed to control the safe use of sidewalk areas to ensure pedestrian safety.

The Department of Transportation suggested that it would be amenable to this bill if the State were allowed to retain jurisdiction over parking along state highways while giving the counties jurisdiction over parking along county highways and roadways.

Your Committees have amended this bill 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.

Your Committees on Transportation and Intergovernmental Relations are in accord with the intent and purpose of H.B. No. 2231, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2231, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representative Jones.

SCRep. 333-88 Transportation on H.B. No. 429

The purpose of this bill is to authorize the issuance of commemorative special license plates to qualified former prisoners of war.

Your Committee recognizes the many hardships and sacrifices which former prisoners of war endured during their terms of incarceration. Favorable testimony was received from the American Ex-Prisoners of War Association, the American Veterans of World War II, Korea, and Vietnam, and private citizens.

Your Committee has amended this bill by requiring the director of finance of each county to offer one set of special commemorative license plates to qualified former prisoners of war, free of charge, to be placed upon a car or truck which is less than 6,500 pounds owned by a qualified former prisoner of war.

This bill has also been amended to set guidelines for the issuance of these special license plates. As amended by your Committee, this bill would allow the transfer of the special license plates to the spouse of a qualified former prisoner of war in the event of the death of the qualified former prisoner of war until such time as the surviving spouse remarries.

This bill has also been amended to set the minimum lettering size of the words "Former Prisoner of War" at 3/4" in height and 3/8" in width.

Your Committee has also amended this bill by allowing the director of finance of each respective county to prepare any special forms and adopt rules under Chapter 91 necessary to carry out the purposes of this section. The effective date of this bill has also been amended to allow for the implementation of necessary rules and procedures.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 429, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 334-88 Transportation on H.B. No. 2084

The purpose of this bill is to allow the issuing of driver's licenses valid for four years to persons between eighteen and twenty-four years of age and to persons sixty-five years of age or older. This bill also establishes that persons fifteen to seventeen years of age who have satisfied the requirements of sections 286-108 and 286-109 may be granted a special license that shall be valid for two years.

Your Committee finds that currently persons between fifteen and twenty-four years of age or sixty-five years of age or older are issued a two-year driver's license. However, statistics indicate that the more frequent driver's license renewal required of persons seventeen to twenty-four years of age and persons sixty-five years of age or older does not to change driving habits and thereby lower accident rates. Furthermore, because drivers in the sixty-five and over age group have the lowest accident involvement index, 0.6 percent, and because this same age group has a license examination pass rate close to 100 percent, your Committee finds it unnecessary to require persons sixty-five years of age or older to renew their driver's licenses on a biennial basis.

Your Committee received testimony in favor of this bill from the Department of Transportation and the Department of Finance of the City and County of Honolulu.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2084 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 335-88 Transportation on H.B. No. 2090

The purpose of this bill is to encourage compliance with Hawaii's mandatory seatbelt laws by increasing fines for violations set by Section 291-11.6, HRS.

Your Committee recognizes that the use of seat belts saves lives and would like to encourage more motorists to use them. This bill seeks to increase fines for violations of the mandatory seat belt law from \$15.00 to \$30.00.

Your Committee received testimony from the Department of Transportation and a spokesman representing the Automobile Association of America, the Hawaii Coalition for Safety Belts, and the Oahu Traffic Council. Testimony indicated that seat belt usage in Hawaii has decreased from a high of 72.6% to a current level of 63.0%.

Your Committee feels that while raising the current fine from \$15.00 to \$30.00 may encourage the vast majority of motorists to comply with the seat belt law, there are those motorists who would still refuse to use seat belts without further inducement. Your Committee has therefore amended this bill by increasing the fines for any subsequent violations after the first violation to \$60.00.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2090, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 336-88 Transportation on H.B. No. 2102

The purpose of this bill is to appropriate funds for the establishment of a water ferry system providing intransland transportation for commuters on Oahu. This bill appropriates the State's portion of start-up costs and funds to construct the on-shore support facilities necessary for this water ferry 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.

Your Committee received favorable testimony from the Department of Transportation.

Your Committee amended section 3 of this bill by appropriating \$1.00 as the State's portion of start-up costs for the water ferry system. Your Committee further amended this bill by deleting section 4, which appropriated funds for on-shore infrastructure.

Your Committee has also amended this bill by adding a new section to Chapter 268, Hawaii Revised Statutes, which would a) give the department the statutory authority to enter into a lease, contract, or other agreement with a private sector entity to provide for a ferry system; and b) to expand the applicability of this chapter to include an interisland or intrainland ferry system.

Your Committee has also amended this bill by requesting the Department of Transportation to submit a status report to the Legislature twenty days prior to the convening of the Regular Session of 1989.

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

Signed by all members of the Committee except Representative Jones.

SCRep. 337-88 Transportation on H.B. No. 2214

The purpose of this bill is to amend Section 290-2, Hawaii Revised Statutes, to allow each county to dispose of unclaimed abandoned vehicles within a reasonable amount of time after being towed.

Under present law the counties are required to notify the legal and registered owner of a vehicle which has been cited as having been abandoned that if the vehicle is not repossessed within twenty days, the vehicle will be disposed. This bill seeks to decrease the amount of time prior to vehicle disposition from twenty to ten calendar days.

The Department of Finance of the City and County of Honolulu testified in favor of this bill. Testimony indicated that all of the abandoned vehicles claimed after being towed over the past two years were claimed within five days after being towed. The remainder of the vehicles, which were eventually sold at public auctions, were held at the contractors' storage yards for an average of fifty days.

Your Committee finds that by decreasing the amount of calendar days within which owners can claim their vehicles, this bill will help to resolve the lack of abandoned vehicle storage area problem which faces many of the county's towing contractors and at the same time still allow the public adequate time to claim a vehicle before it is auctioned off.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2214 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 338-88 Transportation on H.B. No. 2190

The purpose of this bill is to provide funds to authorize the Department of Transportation and the high technology development corporation to collaborate with private industry to plan and establish an anti-commuting telework center.

Answers to current and future traffic needs require a multi-faceted approach incorporating innovative new ideas and relief systems. Your Committee on Transportation has found that telework centers may alleviate traffic congestion on major arteries leading into the central business district by decentralizing the existing workforce and reducing the number of commuters during peak traffic hours.

The Department of Transportation, Hawaiian Telephone Company, and the Hawaii Telecommunications Advisory Council testified in favor of this bill.

As amended by your Committee, a telework center demonstration project shall be established and operated for a 12-month period, employing a minimum of eight state employees and eight employees from private industry.

Your Committee has further amended this bill to request that the Department of Transportation conduct promotional presentations and demonstrations to both the public and private sectors on the economic and social benefits of telework centers. Your Committee has also amended this bill by requesting that the department prepare and submit a report on the status of the demonstration project to the Legislature twenty days prior to the convening of the Regular Session of 1989.

As received by your Committee, the amount of the appropriation was not specified. Your Committee has therefore amended this bill by inserting the sum of \$125,000 for fiscal year 1988-1989. The bill has been further amended by your Committee to specify that no funds shall be made available unless private industry provides matching funds.

All specific references to the High Technology Development Corporation have been deleted by your Committee.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2190, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 339-88 Transportation on H.B. No. 2220

The purpose of this bill is to allow an owner of a motor vehicle registered in another state the opportunity to apply to the director of finance for the registration of the vehicle in the county of the State of Hawaii.

Under existing law, only nonresidents are allowed to apply for registration of vehicles registered in another state. Your Committee finds that residents should also be given the opportunity to register vehicles from another state by using the same method.

The City and County of Honolulu testified in favor of this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2220 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 340-88 Transportation on H.B. No. 2352

The purpose of this bill is to ensure that the rebuilding of salvage vehicles is conducted by motor vehicle repair dealers or mechanics who are bonded.

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. Mechanics also need not be bonded or employed by bonded, and registered or certified motor vehicle repair dealers.

Your Committee believes that both repair dealers and mechanics should be bonded, and that mechanics be employed by bonded, and registered or certified motor vehicle repair dealers.

Testimony received from the Motor Vehicle Repair Board supports this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2352 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Jones.

SCRep. 341-88 Transportation on H.B. No. 2550

The purpose of this bill is to amend the existing definition of "public highways" to include both state and county highways, and exclude rail operation as transportation on public highways, in order to provide a more complete application of the provisions of Title 17, Hawaii Revised Statutes. In addition, the bill will allow the police department to enforce traffic violations on private roads.

Currently, the provisions of Title 17, which includes highway safety rules and regulations and the Statewide Traffic Code, are applicable only to roadways open to the public which are publicly maintained. Therefore, Title 17 provision violations which occur on private roads are not enforceable. Your Committee believes that it is necessary to include enforcement of violations on private roads as part of the public highway system, except those that are used primarily for agricultural purposes.

Your Committee finds that motorcycles and motor scooters required to be registered under chapter 286 shall be exempt from this article unless they are driven on highways of this State, in which case, it is essential that they be insured under a liability insurance policy as provided in section 431:10C-503.

Your Committee received favorable testimony from the Department of Transportation regarding this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2550 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 342-88 Judiciary on H.B. No. 2002

The purpose of this bill is to clarify the laws relating to public records and individual privacy. Specifically, this bill addresses the often competing public and privacy interests in a single new act which categorizes various types of records maintained by governmental agencies and establishes standards and criteria for disclosure of this information to various types of requestors while establishing certain countervailing individual privacy interests.

Your Committee finds that the existing general public records law, Chapters 92, Part V, and 92E of the Hawaii Revised Statutes, received almost uniform criticism during public testimony presented over the past summer to the Governor's Committee on Public Records and Privacy. Your Committee incorporated that public testimony, Report of the Governor's

Committee on Public Records and Privacy, December 1987 ("Governor's Report") at Vols. II and III, into the records of the public hearings on this bill held before your Committee on Judiciary.

Your Committee further finds that public testimony clearly pointed to the obvious conflicts between Chapters 92, Part V, and 92E, which were written at different times for different purposes, with conflicting definitions of a "public" and "personal" record. These factors led to the conclusion that "Hawaii's (public records) law appears . . . to give primacy to personal privacy interests through the operation of Chapter 92E," Governor's Report, Vol. I at 17, despite the clear policy and intent of Chapter 92 to open up "the governmental processes to public scrutiny and participation" and "to protect the people's right to know." (Section 92-1, Hawaii Revised Statutes) These problems thus created this need for Section 1 of this bill and the corresponding repeal of Chapters 92, Part V, and 92E by Sections 2 and 3 of this bill.

The original bill contains sixteen (16) sections. Section 1 creates a new chapter of the Hawaii Revised Statutes, to be known as the "Uniform Information Practices Act (Modified)" (hereinafter referred to as "Uniform Act"). This section comprises the bulk of this bill. Divided into four parts, Section 1 includes the following: General Provisions and Definitions (Part I); Freedom of Information Act (Part III); Disclosure of Personal Records (Part III); and the Office of Information Practices (Part IV).

Your Committee finds that the purpose of Section 1 is to provide for: 1) the accurate, relevant, timely and complete governmental records; 2) the enhancement of governmental information; 3) the accountability of government to individuals in the collection, use, and dissemination of individually-related information; and 4) the promotion of the public interest in disclosure whenever individual privacy interests do not outweigh the disclosure interests.

At the heart of the Uniform Act contained in Section 1 are the five definitions for types of records held by the government. The terms "accessible", "government", "individually identifiable", "personal", and "research", all modify the word "record" to define the five overlapping groups of records. From these definitions flow the provisions that describe different levels of access and treatment for each record type as set forth in parts II and III of Section 1.

Part II of Section 1 lists those records or information which an agency "shall make available for public inspection and copying." (§ -11) (hereinafter "Sec. -"). This is one of three parts which comprise the "open" records list. Other sections of Part II describe duties of an agency when acting on a request for records as well as the requestor's right of review if the agency denies the record request elsewhere. (Sec. -12)

Part II also describes those agency records for which disclosure "is not required". (Sec. -13) This is the first of two parts for the "closed" records list. This section describes the duties of the agency that chooses to disclose such information over the objection of the person submitting the record to the agency. The objection to disclosure applies to trade secrets or proprietary information, among other things, under this bill. Also contained here is one of two sections authorizing judicial enforcement for persons aggrieved by the action of the agency, and the subsequent decision of the Office of Information Practices (Sec. -14), the singular reviewing agency established in this bill by Part IV of Section 1. This Office stands between the agency and the circuit courts to enforce the provisions of this Act, among other duties described in Part IV.

Part III of Section 1 relates to "personal" records. This record is distinct from an agency record by definition yet is often physically contained within the broader "agency" record such as a name on a license. This part describes a personal record subset defined as "individually identifiable records" for which disclosure is required. This is the second part of the "open" record list.

Also described in this part are examples of those records in which the individual has a significant privacy interest. (Sec. -) Your Committee intends that these records are available following application of the "balancing test" to determine whether the public interest in disclosure outweighs the individual privacy interest.

In addition, Part III contains the third section of the "open" records list, namely record disclosures permitted to other agencies of government. (Sec. -23) Any restrictions on the original agency apply to the agency receiving the record.

This part also makes clear that existing prohibitions against disclosure of individual records as provided by other laws remain valid and are not overruled by its language. (Sec. -24) It is the intent of your Committee that this section preserve existing choices, and not encourage the creation of any new prohibitions.

Other provisions of this part relate to access to records by the individual to whom the record relates (Sec. -25), limitations on individual access (Sec. -26), correction and amendment of records (Sec. -27), agency record collection and maintenance (Sec. -28), and disclosure of individual records for research purposes and limitations. (Sec. -29) This last section is similar to the "open list" but open records based on restricted use, rather than on records specifically described or listed.

Civil remedies for violation of part III are found in this section that permits judicial enforcement. (Sec. -32) This is the second section of the Uniform Act authorizing judicial enforcement as noted earlier. As a highlight, this section limits recovery of money damages for a violation by the agency to no more than \$10,000 exclusive of any pecuniary loss.

Criminal penalties are also available for "willful disclosure of individual records or confidential information with knowledge of the prohibition against disclosure. (Sec. -33) A second part imposes criminal sanctions for gaining access or obtaining the prohibited records by false pretenses, bribery, or theft. A misdemeanor is the sanction for both parts. A "willful disclosure" may result in a higher penalty, however, if specifically provided for by any other law. It is the intent of your Committee that such penalties should not deter other appropriate sanctions by the agencies against their responsible officers or employees, such as discipline, suspension, or dismissal.

As a final major provision of Part III, "good faith" immunity from civil or criminal liability is provided any person participating in the disclosure or withholding of a government record, including confidential information. Agency officers or employees also receive protection from personal liability for any damages sustained for violations of Part III. (Sec. __ - 34)

Part IV of Section 1 creates the Office of Information Practices with powers to review and rule on agency decisions on access to records. The Office shall be within the Office of the Governor, with rulemaking and other powers, including rendition of advisory opinions concerning the provisions of the new chapter.

Your Committee finds that while the vision of one law controlling all public records is ideal, reality presents a body of many existing laws affecting particular and specific records which defy incorporation in one place. Thus Sections 4 through 12 of this bill address specific records statutes presently on the books, as well as creating new types of records, to meet specific public needs.

Under this bill, private donors to the Hawaii Public Broadcasting Authority receive confidential treatment, absent consent to disclosure. (Section 4) Confidentiality of inspections, investigations, and audit of books and accounts under the Milk Control Act is eliminated. (Section 5) The confidentiality of boat accident reports is also eliminated and the reports are made available for public inspection. (Section 6)

Concerning creation of new records, this bill creates a new means by which adopted children may obtain the medical history of their natural parents without disclosing the parents' identity absent their consent. This would permit determination of any inherited diseases or disorders by the child's physician. (Sections 7 through 10)

The Honolulu Police Commission has long functioned without a statutory rulemaking requirement. Neighbor island counties, however, have the statutory requirement. The operative language is therefore added to Section 52-62, Hawaii Revised Statutes, relating to the City and County of Honolulu to provide consistency and equality between counties. (Section 12) A new record, namely rules for all county police departments, is also created by this bill (Section 11). The police departments are the single agency in the state with no legal requirement for rules. Hence no rules, except relating to roadblocks under a specific statute or at their sole discretion, are disclosed to the public by the police.

The Department of the Attorney General raised the concern that Section 11 of this bill may be invalid as a violation of the "single subject" requirement for a piece of legislation. Your Committee disagrees. The purpose of Section 11 is to require the county police departments and the Honolulu Police Commission, to create a public or government record in the form of agency rules. Once established, the rules are public information by existing law and shall be filed with the lieutenant governor or with the county clerk. (Section 91-4(a), Hawaii Revised Statutes) The rules inform the public of the department's functions, services, and methods of operation, in complete agreement with the overall purpose of this bill: making government records more accessible to the public.

Over the three days of public hearings on H.B. No. 2002, your Committee received testimony from over 30 government agencies and private citizens, business, or associations. This testimony can be roughly categorized into the following areas

Your Committee received unconditional support for this bill from the Department of Education, the Department of Hawaii Home Lands, the Department of Commerce and Consumer Affairs, the Hawaii Delegation to the National Conference on Uniform State Laws, the Hawaii Federation of Physicians and Dentists, the Painting and Decorators Contractors Association, and the Hawaii Construction Industry Association.

The following government organizations gave strong support to the bill with some concerns over its provisions: the Office of the Lieutenant Governor, the Department of the Attorney General, the Department of Taxation, the Department of Accounting and General Services, the University of Hawaii, the Department of Health, the Department of Labor and Industrial Relations, the Department of the Corporation Counsel of the City and County of Honolulu, and the Victim/Witness Services of the Department of the Prosecuting Attorney for the City and County of Honolulu.

Your Committee also received conditional support for this bill from Common Cause/Hawaii, G.A. Morris, Inc., the Honolulu Star-Bulletin, the American Association of University Women, Robert Ellis Smith, Esq., publisher of the Privacy Journal a national publication on privacy laws, the League of Women Voters, and the Society of Professional Journalists, Sigma Delta Chi.

Support for the intent of this bill with strong concerns over its provisions came from the Honolulu Police Department, Mr. Desmond Byrne, Vice President of Computab, Inc., and Mr. Ian Lind, political analyst and consultant, and a member of the Governor's Committee on Public Records and Privacy.

Specific concerns for portions of the bill without support for overall passage came from the Family Court of the First Circuit, and the Hemophilia Foundation of Hawaii.

Finally, the only general opposition to the bill with support of its intent and limited provisions came from KHON-TV and the Honolulu Advertiser.

Your Committee made the following substantive amendments to the provisions of this bill, with reference to the appropriate sections where the changes occur.

1) Sec. __-2: Your Committee added language to this section taken from the declaration of policy intent under Section 92-1, Hawaii Revised Statutes. Your Committee also added a new paragraph that recites the Legislature's intent in also preserving the individual privacy interest where possible.

2) Sec. __-4: Your Committee inserted the definition of "individual" to mean a "natural person", and added definitions of "provider" and "recipient" as defined in Chapter 42, Hawaii Revised Statutes.

3) Sec. __-11: Your Committee added the general rule that "government records are open to public inspection unless access is restricted or closed by law." This statement makes obvious the thrust of Section 1.

4) Sec. __-11(b)(6): With reference to environmental tests found at this subparagraph, it is the intent of your Committee that environmental tests include water quality and water well test results.

5) Sec. __-11(b)(7): Your Committee amended this subparagraph to limited disclosure of minutes of agency meetings to those required by law to be public. This avoids the conflict with laws that presently allow confidential meetings, as with executive meetings under Section 92-4, Hawaii Revised Statutes, and related laws.

6) Sec. __-11(b)(10): Your Committee clarified this language relating to disclosures on contract hires.

7) Sec. __-12: Your Committee added a new subsection (g) taken from the original model Uniform Act concerning duties of the Office of Information Practices when acting on a request for review of an agency decision. It is the intent of your Committee that the Office of Information Practices monitor the time periods and other deadlines provided for in this bill and recommend appropriate changes next session. This addresses the competing concerns that, the time periods and deadlines are either too short or too long depending on whether you are the responding agency or the person requesting the record.

8) Sec. __-12(e): Your Committee amended this subparagraph to permit reasonable charges for the cost of record search, review and segregation of non-disclosable information from the record prior to disclosure. The new language also requires that rates shall be set by rules promulgated by the Office of Information Practices. It is the intent of your Committee that such charges for search, compilation, and segregation shall not be a vehicle to prohibit access to public records. It is the further intent of your Committee that the Office of Information Practices move aggressively against any agency that uses such charges to chill the exercise of first amendment rights. Your Committee also added new language to allow waiver of these charges when such action serves the public interest.

9) Sec. __-13(a)(1): With regard to law enforcement records, your Committee considered the concerns from the police department and the press, and deleted this from the subparagraph in its entirety, adopting similar language from the federal Freedom of Information Act ("FOIA"), 5 U.S.C. §552.

10) Sec. __-13(a)(8): Your Committee clarified "proprietary information" to include research methods, records, and data. The University of Hawaii raised this concern over access to ongoing research on their campus. This change makes clear that such practices are clearly protected by this bill.

11) Sec. __-21(g): Your Committee clarified the reference to motor vehicle registration information to make such information available for legitimate purposes as established by rules. The League of Women Voters were concerned about the release of motor vehicle registration information to learn the identity and address of the car owner. The amendment would permit release of such records for motor vehicle recall purposes, but disallow release of the same information to merely learn the identity and address of the car owner without a legitimate public purpose.

12) Sec. __-22: Your Committee clarified this section by incorporating a modification of subsection (b) of the original bill into subsection (a) of this bill. The new language would require disclosure of individually identifiable records to which a privacy interest attaches when the established compelling public interests involves public health, safety or welfare.

13) Sec. __-22(b): Your Committee deleted subparagraph (5) relating to public donations.

14) Sec. __-23(a)(6): Your Committee deleted reference to income or other tax return information as such information is clearly confidential by existing federal and state laws.

15) Sec. __-23(a)(10): Your Committee deleted reference to social security numbers.

16) Sec. __-28: Your Committee added new language to prohibit any agency from collecting information on an individuals first amendment rights, absent the state exceptions. This tracks a similar provision found in FOIA.

17) Sec. __-29: Your Committee added new language to ensure that there is a public benefit or purpose to the research, to ensure that a copy of the work product is provided to the agency, and if appropriate (i.e., if it does not violate the other protections of this law) released to the public. These provisions should address the concern that personal information would be sought (and received) for inappropriate purposes, such as harrassment of victims.

The above amendments are contained in Section 1 of this bill. Your Committee added a new section 13 to this bill which contains a severability clause for any provisions or portions of this bill that may be subsequently found invalid. This clause thus protects the other valid portions of this bill.

Finally, it is the intent of your Committee that the commentary to the Model Uniform Information Practices Code ("Model Act") guide the interpretation of similar provisions found in the Uniform Act created by this bill where appropriate. The Model Act can be found in the Governor's Report, Vol. I at Appendix E.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2002, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters, Yoshimura, Hemmings, Jones and Medeiros.

SCRep. 343-88 Judiciary on H.B. No. 2005

The purpose of this bill is to amend the penalties for driving under the influence of intoxicating liquor by adding provisions for use of an "ignition interlock system" to the offender's vehicle and to mandate an alcohol dependency assessment and treatment after a first offense. The bill also provides a new chapter which establishes procedures for installation of the system and its use.

Recent technology has developed the "ignition interlock system" which prevents a motor vehicle from starting if a breath analysis of the driver indicates an excess of alcohol in the driver's blood. The system is driver-specific thereby preventing another person from starting the vehicle.

While this system is new and few statistics exist about its long-range effectiveness, those jurisdictions on the mainland which have established a similar program have shown enthusiasm for its capabilities and are optimistic about its eventual success.

Your Committee received testimony in favor of the bill from the Judiciary, the Hawaii Criminal Justice Commission, the Office of the Public Defender, the Honolulu Police Department, and Mothers Against Drunk Driving.

Based on testimony and extensive discussions during the hearing your Committee has amended the bill as follows (page numbers refer to the bill as heard):

A. SECTION 1:

1. Page 3, line 12: "thirty days" has been changed to "ten working days". This change is necessary to prevent a driver who has been convicted of driving under the influence (DUI) from driving for an extended period without an interlock system while at the same time providing the offender with enough time to have the system installed;

2. Page 4, line 7: "stating" has been changed to "indicating" to allow the use of a symbol or other identifying mark on a driver's license;

3. Page 4, line 12: "semiannually" has been changed to "quarterly" to assure proper maintenance and program monitoring by any or all manufacturers;

4. Page 5, line 7: "not more than" has been added before "one hundred dollars" to provide the court with more flexibility to prevent extreme hardship;

5. Page 9, line 12: provides that incurred costs for which the director may make an assessment against the manufacturers are all costs incurred "in the process of certifying each ignition interlock device";

6. Page 9, line 14: adds a new subsection (d) to reflect the concerns of the Office of the Public Defender that a method for certification of these systems should be included;

7. Page 10, line 2: changes the penalty for violation of the new chapter to reflect those for a misdemeanor to prevent any conflict with the penal code;

B. SECTION 2:

1. Page 10, line 18: specifies that a person committing a DUI is guilty of a misdemeanor to conform to the penal code;

2. Page 10, penalty for first offense: restructures the penalty provisions to: (a) provide for discretionary suspension or restriction of license or connection of an interlock system; and (b) remove possibility of imprisonment;

3. Page 12, penalty for second offense: restructures the penalty provisions to mandate connection of an interlock system rather than suspension of license;

4. Page 12, penalty for third offense: restructures the penalty provision to provide for revocation of license "up to" five years to be followed by connection of an interlock system for one year;

5. Page 13, lines 13 and 18: clarifies that anyone sentenced under this section must be assessed for alcohol abuse or dependence and must obtain appropriate treatment if abuse or dependence is found; and

6. Page 14, line 15: changes the monitoring and reporting responsibilities from the Department of Transportation to the Hawaii Criminal Justice Commission.

Your Committee finds that the recent emphasis on prison terms has not proven successful in preventing drunk driving. The majority of offenders are problem drinkers or alcoholics and the problem must be analyzed from that perspective. It is evident that these offenders must first be assessed for a problem and if a problem exists treatment must be mandatory even for a first offense.

However, while treating the offender in an attempt to prevent further drunk driving, the public must be protected. Your Committee finds that evidence indicates the use of an ignition interlock system is the least restrictive method to accomplish this. The offender will continue to be able to work and meet daily obligations but will not be able to operate a motor vehicle if intoxicated.

Your Committee finds that the new technology of the interlock systems will protect the community from drivers who would consider drinking and driving, while the mandate for assessment and treatment for all offenders will provide the help needed by problem drinkers and alcoholics.

Your Committee has also made technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2005, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2005, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 344-88 Judiciary on H.B. No. 2006

The purpose of this bill is to provide for the temporary existence of a statewide fair access commission and to 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.

The island geography of Hawaii prevents ready accessibility to governmental activities and processes for large populations of Hawaii's residents. Notwithstanding the unremovable physical barriers, all residents possess the right, as declared by the Legislature, to have a sufficient level of access for participation in governmental processes and to receive a fair and equitable share of information and other public services provided by the state government. The statewide fair access commission would work to ascertain that all residents are afforded this right to the extent feasible.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2006 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 345-88 Judiciary on H.B. No. 2117

The purpose of this bill is to consolidate and integrate into the proposed new Department of Public Safety the Office of the Sheriff along with judicial security personnel.

The effect of this bill is to place the Office of the Sheriff and judicial security personnel, which are presently divisions of the State Judiciary, under the presently named Department of Corrections and to rename the newly structured department as the "Department of Public Safety." This measure will permit economy, efficiency, and effectiveness in operations.

Your Committee has amended the bill to provide for a deputy director to oversee corrections and enforcement programs. Your Committee hopes that this provision will ensure that these programs are adequately administered.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2117, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2117, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters, Yoshimura, Hemmings, Jones and Medeiros.

SCRep. 346-88 Judiciary on H.B. No. 2246

The purpose of this bill is to "improve and strengthen the skills and overall effectiveness of the police officers in the . . . handling and the investigation of cases involving family violence by providing funds for the appropriate in-service training of police officers."

Your Committee received testimony in support of the bill from various sectors including the Judiciary, the City and County of Honolulu, the Hawaii State Committee on Family, Violence, and the Waikiki Community Center.

Your Committee notes that the Judiciary suggested that the authority of the expending body rests more appropriately with the counties; and has, therefore, amended the bill to provide that the county police be the expending agency. Your Committee has further amended the bill by specifying the sum to be appropriated as \$32,000.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2246, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Peters, Yoshimura, Hemmings, Jones and Medeiros.

SCRep. 347-88 Judiciary on H.B. No. 2431

The purpose of this bill is to repeal the State's statute authority to tax real property.

Pursuant to Article VIII, Section 3 of the Constitution of the State of Hawaii, as amended in 1978, real property taxation is now a function of the counties.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2431 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 348-88 Judiciary on H.B. No. 2823

The purpose of this bill is to appropriate general funds in the amount of \$32,801 for fiscal year 1988-89 for a purchase of service from the Big Island Mediation Center, doing business as West Hawaii Mediation Services, to fund mediation services in West Hawaii.

Your Committee on Judiciary heard testimony in support of this bill from the Judiciary and from West Hawaii Mediation Services. The development of independent mediation services would provide an alternative means of resolving in the courts disputes in matters such as divorce, landlord-tenant, and consumer-merchant, where restitution to the injured party may be mediated.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2823 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 349-88 Judiciary on H.B. No. 2935

The purpose of this bill is to provide funding for the establishment of a shared electronic communications pilot project in the County of Hawaii.

With the increasing reliance on electronically generated information, duplication of efforts in entering data and inability of the various agencies to access information from other agencies point to the need to integrate the various systems. The sooner this integration can be accomplished, the sooner duplicative efforts can be avoided and the more efficient the data retrieval will be.

Your Committee received testimony in favor of the integrated electronic system by the Office of the State Attorney General and the Prosecuting Attorney of the County of Hawaii.

After further consideration and based on testimony and discussion, your Committee has amended this bill to provide funding to establish an integrated operational information system pilot project for the intake service centers in the counties of Kauai, Maui, and Hawaii.

Your Committee finds that by establishing such an integrated system, information necessary to many law enforcement agencies will begin to be developed efficiently and in a form accessible to many offices and updating will be accomplished in a more timely manner.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2935, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 350-88 Judiciary on H.B. No. 2732

The purpose of this bill is to provide for notification to victims of criminal injuries or their dependents of the option to have payments made on their behalf to other designated persons.

Your Committee heard testimony in favor of the bill noting that many qualified recipients are not compensated because they are unaware of the compensation fund.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2732 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 351-88 Judiciary on H.B. No. 2533

The purpose of this bill is to require the family court to establish a 24-hour intake and diagnostic branch within the family court system to replace the existing juvenile intake agency.

At the present time, the family courts statewide are required to provide juvenile intake services which they do within the present system, utilizing existing staff and facilities.

Your Committee heard testimony from the Judiciary indicating that the neighbor island family courts do not have the volume of Juvenile intakes like the First Circuit; therefore, separate branches to provide services on a 24-hour basis are not necessary. Your Committee has amended the bill to require the neighbor island family courts only to provide the services, which could include standby personnel and "on call" service.

The Family Court testified further that when the juvenile intake agency was created, monies were not appropriated, and so the services had to be provided within the existing system. Your committee has therefore amended the bill to appropriate \$1.5 million so that the First Circuit will have staff available at a designated location, 24 hours, seven days a week, and that the neighbor islands will have standby personnel "on call."

Your Committee has further amended the bill in Section 31.2(a)(3)(D) to clarify that detention may be in a secure or non-secure facility.

Finally, the Judiciary strongly objected to the proposed change in S571-72 Hawaii Revised Statutes, which would delete the existing authority of the Juvenile Crime Prevention Division to counsel and release minors before referral to the family court or another agency. Their timely intervention has been critical and effective in dealing with juveniles. Your Committee has therefore made no change to the statutory provision.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2533, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 352-88 Judiciary on H.B. No. 2451 (Majority)

The purpose of this bill, as received by your Committee, is to provide for a hazard mitigation inspection program within the Civil Defense Division of the Department of Defense and to authorize the creation of hazard mitigation inspection positions.

Your Committee has received testimony from the State Department of Defense suggesting that the bill be amended to provide for the establishment of a hazard mitigation program with other objectives besides inspection. It is expected that the program will be conducted in two phases. The first phase would involve the identification of potentially hazardous areas and conditions and the development of short and long term goals and objectives. The second phase would require further legislation to implement the statewide hazard mitigation plan.

The State Department of Defense further testified that a statewide hazard mitigation program would centralize disaster prevention and relief efforts and would prevent overlap and duplication of services.

Your Committee is in agreement with the recommendations of the State Department of Defense and has amended this bill to incorporate those recommendations. Your Committee has further amended H.B. No. 2451 to provide \$1.00 for the funding of hazard mitigation inspector positions, such amount to be amended accordingly by your Committee on Finance.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2451, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.
(Representative Hemmings did not concur.)

SCRep. 353-88 Judiciary on H.B. No. 3009

The purpose of this bill, as received by your Committee, is to place upon the Department of Education the direct responsibility for the junior police organizations in the public school, to establish part-time school security personnel to supervise the daily activities of the junior police, and to provide immunity from civil liability for the various employees of the Department of Education and other participants in junior police organizations.

Your Committee has heard testimony on this bill from representatives from the Department of Education, the Police Department of the City and County of Honolulu, and several public high school principals. Your Committee agrees with the testimony about the benefits of providing for school security personnel who will relieve busy school administrators of their daily duties with the junior police.

Your Committee notes the important services which junior police organizations have provided to the community statewide but also recognizes the increased risks faced by the junior police from traffic hazards. The county police departments have a better understanding of the traffic conditions than the Department of Education. With this view, the Committee has amended the bill to give to the county police departments the responsibility of training and supervising the

junior police in consultation with the school security personnel. Furthermore, your Committee has removed the provisions for immunity from civil liability because removing the right to pursue legal relief in the courts does not seem to be in the best interest of the junior police. Your Committee has also stricken the bill's proposed amendments eliminating insurance requirements and increasing the ceiling amount of recovery for injuries.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3009, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Peters, Yoshimura, Hemmings, Jones and Medeiros.

SCRep. 354-88 Judiciary on H.B. No. 2483

The purpose of this bill is to amend Act 375, Session Laws of Hawaii 1987, known by short title as the Judiciary Appropriations Act of 1987.

Your Committee on Judiciary has reviewed the Judiciary Supplemental Appropriations request and finds that the items included are reasonably necessary to support the activities of the Judiciary in meeting its responsibilities to the community efficiently and effectively.

While your Committee observes that the initial testimony submitted by the Judiciary at a public hearing on January 28, 1988, did not fully substantiate many specific items in the request, information your Committee has acquired through further dialogue and submittals from the Judiciary appears to evidence reasonable and satisfactory review and justification of requested supplemental funds and positions for FY 1988-89.

The supplemental budget request by the Judiciary was presented to your Committee on Judiciary as representing both emergency budget requirements, and items to support a framework upon which to base future progress. In response to the many criticisms leveled at the Judiciary, and based on recommendations by a citizens' panel, the Legislative Auditor, and Arthur Young and Co., the administration of the Judiciary has attempted to design a new management structure. Key elements of this effort are included in the supplemental budget.

Your Committee observes that the most critical aspect of the proposed organizational changes and the most critical recommendation of the Strategic Systems Plan, which establishes a basis for determining specific information systems needs and priorities, is the creation of the position of Chief-Fiscal and Management Services. In addition to overseeing fiscal operations, this new division head should be given responsibility as chief Information Officer for all information (computer) related functions. This recommendation is important, because information systems is currently an integral part of the Judiciary and the future success of the Judiciary is heavily dependent upon the ability to apply technology productively.

In order to support the Chief-Fiscal and Management Services with adequate personnel to carry out the mission, your Committee also recommends providing positions and funds for the following areas:

End User Computing

Three analyst positions are recommended to establish an End User Computing Group to assist users and develop process independent systems such as word processing, problem solving and analysis, and smaller departmental type systems. Specific emphasis should be placed on providing more support for neighbor island courts by designating a neighbor island coordinator.

Information Systems

Two additional analyst positions are needed to (1) develop and implement critical short term improvements to the Traffic Violations Information System, (2) finish the planned improvements to the Hawaii Judicial Information System, and (3) start development of the systems requirements for a Family Court System.

Information Systems Planning

An additional position is required to be responsible for the resource allocation process, special research and development projects, and most important, maintenance of the strategic systems plan.

It is extremely important to the Judiciary that the positions be filled with fully competent personnel, and that changes at the senior level be implemented to shift the direction toward the user and provide the organization with dynamic directed leadership as soon as possible.

Recognizing the significance of the financial commitment of appropriations for these positions and in keeping with the Judiciary's own efforts to promote accountability, it is your Committee's further recommendation that the Judiciary provide to the Legislature at least twenty days prior to the convening of the 1989 regular session, a report detailing specific needs and priorities of information systems for the judiciary. This report should include feasibility studies, plans, and costs for implementation of computer systems and software for the neighbor islands; status of improvements to the Traffic Violations Information System and the Hawaii Judicial Information System; a complete systems requirements plan for the Family Court; and specific plans for implementation of the objectives of the Strategic Systems Plan.

In addition to those items recommended by the Judiciary, and after further consultation with members of the Judiciary, your Committee also recommends several items for inclusion in the Supplemental Appropriations Act of 1988, under the following program areas:

JUD 101 Court of Appeals

Your Committee on Judiciary recommends that two positions be authorized (count only) for staff attorneys (one SR 29-C and one SR 30-C) in the Supreme Court.

The Judiciary requested two additional staff attorney positions for the Supreme Court for the fiscal beinnium beginning July 1, 1987, and ending June 30, 1989, one to be an "all purpose" staff attorney and the other to be assigned specifically to the Assignments Justice for purposes of screening appeals as they become ready for assignment.

Budget Worksheets show that the two staff attorney positions were deleted. However, H.B. No. 49, when passed and approved as Act 375, included the following specific proviso:

SECTION 8. Provided that of the general fund appropriation for courts of appeal (JUD 101), the sum of \$31,848 in each year of biennium 1987-89 shall be used to employ one law clerk in the supreme court to facilitate the assignment of cases.

Thus, Act 375 of 1987 when read in conjunction with Conf. Comm. Report No. 116 did essentially add the position requested by the Judiciary to assist the Assignments Justice, even though the position was not included in the tally of permanent position counts in Section 3 of the Act, and even though the position was entitled "law clerk." It should be noted that the appropriated salary, equivalent to an SR 29-C rating, was essentially a staff attorney's rather than a law clerk's salary, while the specified function of assisting in the assignment of cases is usually considered a "staff attorney" function rather than a traditional law clerking function.

Concerning the other requested position count for an "all purpose" staff attorney, Conference Committee Report No. 116 and Act 375 were silent on the subject. However, when the Judiciary fiscal office began analyzing the budget worksheets following passage of Act 375, it became evident that the budget for the Courts of Appeal program included for each fiscal year an additional amount exactly equal to an SR 30-C rating at which a second staff attorney was sought to be hired. Thus, even though the permanent position counts were not authorized in 1987, the positions were funded on a non-permanent basis.

The supreme court has been filling the second staff attorney position out of necessity since August 1985. The workload has been increasing. The court's substantive motions, petitions, rules of court and special proceedings require professional treatment. As the supreme court has tightened its requirements for taking regular appeals, there has been an increase in extraordinary writ petitions (petitions for mandamus or prohibition), original proceedings (submissions on agreed statements of fact, reserved questions, certified questions), and habeas corpus proceedings. These proceedings often involve matters of above-average import or emergencies and must be given special attention involving expenditure of substantial time and professional energies. At the same time telephone calls from new attorneys, prisoners and members of the public continue to consume time.

The Assignments Justice for his part continues to carry a somewhat incredible workload of assigning the hundreds of appeals being taken to the supreme court and intermediate court of appeals each year, and a permanent position count for his staff assistant seems appropriate.

Notwithstanding the reasons for revisions to the original biennium request, your Committee on Judiciary recommends that the two positions, which have been adequately funded for the biennium, be additionally included in the permanent position counts for the supreme court, under the Courts of Appeal Program.

JUD 111 Circuit Courts

Your Committee on Judiciary recommends the addition of funds to upgrade the existing Court Administrator III position in Hilo from an SR 28 rating to a position of Court Administrator IV with an SR 30 rating. In addition, your Committee recommends adding position and funds for one Court Administrator III to be seated in Kona at an SR 28 rating.

A number of reasons are offered as justification for these recommendations. Growth is the primary reason for increased case workload in Kona. With the attendant increase in staff and responsibilities including filing of documents in Kona, it is imperative to provide adequate supervision of personnel. This is difficult for the existing Court Administrator to do because of the geographical distance between the Hilo and Kona court facilities. A clerk with some type of legal expertise is also required in Kona to help with probate, small estates issues, and to offer counsel to pro se parties.

It is intended that the new Court Administrator in Kona will report to the Court Administrator in Hilo for administrative and organizational purposes. It is further the intention of your committee that the selection of personnel for these positions be made from a list of qualified civil service candidates by the Administrative Judge of the Third Circuit Court.

JUD 112 Family Courts

Your Committee on Judiciary recommends that positions and funds be provided for one District Family Court Judge, two Circuit Court Clerks I, and one Court Bailiff I to meet increased workload in the Third Circuit.

Backlog in the District Court has increased from 1,903 in FY 82-83 to 3,529 in FY 85-86. Two District Court Judges listen to Family Court matters three days a week. In addition, two Circuit Court Judges listen to Family Court matters three days a week. The caseload of a District and Circuit Court Judge may range from five to ten cases a day. District Court Judges also have scheduled 15-20 divorce cases per week. The utilization of District and Circuit Court Judges evidences the need for a full-time District Family Judge and support staff (2 circuit court clerks and 1 court bailiff.)

The consequence of not providing a District Family judge is that the District Court will continue to have an increase in backlog due to the utilization of District Judges to hear Family Court matters. In addition, Circuit Court may also

accumulate a backlog. With the time constraints of Chapter 587, a District Family Judge is necessary to hear cases on an emergency basis.

JUD 121 District Courts

Your Committee on Judiciary recommends that positions and funds be provided for six District Court Clerks II and one Account Clerk III to meet increased workload in the Third Circuit.

The District Court's primary problem area in the N/S Hilo and Puna Divisions and the Kona Division is one of increasing backlog. Although not evident in caseload statistics, the bulk of the District Court Clerk's time is spent on criminal and family court trials. Due to increased caseload, additional and longer court sessions must be scheduled. This has increased the amount of clerical work required before and after court sessions, while at the same time decreasing office time available to handle the added responsibilities.

In order to support Circuit Court needs, four court reporters were transferred from the N/S Hilo and Puna Divisions to the Third Circuit Court. These reporters performed a significant amount of clerical work in addition to their reporting responsibilities.

Due to the increased workload and the loss of the court reporters, the N/S Hilo and Puna divisions are averaging more than 113 hours of overtime per week collectively in their effort to meet deadlines and prevent backlogs.

As shown in the table below, the number of traffic and other violations filed in the N/S Hilo and Puna divisions increased 61% from FY 84 to FY 86. The number of traffic and other violations requiring court action increased 13% during this same time period.

<u>Description</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
No. of traffic and other violations filed	19,354	24,921	31,255
No. of traffic and other violations requiring court action	8,380	8,983	9,442

Due to the increased workload and the loss of the court reporters, the Kona District Court is averaging 30 hours of overtime per week in its effort to meet deadlines and prevent backlogs.

In the Kona division, the District Court Clerks will file civil and small claims complaints, motions, and other related civil documents; file traffic and criminal summonses, warrants, and orders; assist the general public, attorneys, and police officers, over the counter by receiving court documents for review and filing; collect payments for traffic citations, court fines, civil filing fees, traffic abstracts, etc; prepare court calendars, final court minutes, bench warrants, and delinquent notices.

As shown in the table below, the number of traffic and other violations filed at the Kona division increased 53% from FY 84 to FY 86 and the number of criminal cases filed increased by 37%. The increase in filings caused court action for traffic and other violations to increase 47% and the number of criminal trials to grow by 45% for the same period.

<u>Description</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
No. of traffic and other violations filed	12,064	17,513	18,433
No. of traffic and other violations requiring court action	4,645	6,943	6,849
No. of criminal cases filed	1,253	1,419	1,719
No. of criminal trials	641	724	932

The current fiscal staff of two for the N/S Hilo and Puna Divisions is finding it difficult to prevent backlogs. Day-to-day requirements are precluding the timely handling of forms and office supply replenishments, trust account reconciliations, and financial records inventories.

The accounting procedures of the District Courts are being changed in response to findings by the Legislative Auditor and the Judiciary's Internal Auditor. The changes will allow the Judiciary to fulfill its fiduciary obligation to be accountable for funds collected in connection with court proceedings. The changes will substantially increase the quantity and complexity of the accounting work which must be performed.

The additions of the Account Clerk III position will allow separation of functional duties, thereby improving internal control to satisfy previous audit findings.

Without additional manpower, the third circuit court will be faced with mounting backlogs in the fiscal section, occurrence of overtime, procedural shortcuts which would compromise improvements in accountability, lower employee morale, higher employee turnover, and poor service to the public.

In addition to the positions recommended for the District Court of the Third Circuit, your Committee on Judiciary recommends that funds be provided for three personal computers, to be located (one each) in Hilo, Kona, and South Kohala District Court Offices. These computers will be used to automate the preparation of court calendars, a function which is currently being performed manually.

This will alleviate most of the repetitive manual work involved in preparation of court calendars, especially those due to continued cases. Automating calendaring will also facilitate case tracking and caseload analysis.

When not being used for case calendaring, the computers will be used as word processing workstations and electronic mail terminals.

Automating repetitive manual tasks will improve productivity by simultaneously reducing errors, increasing speed, and allowing precious human resources to be applied to other functions. The purchase of these personal computers to satisfy immediate needs is not expected to conflict with long term requirements for information systems in the Third Circuit.

JUD 201 Admin. Director Services

In consideration of your Committee's recommendation to provide positions and funds for a new family court in the Third Circuit, your Committee also recommends that funds in the amount of \$22,500 be provided for office space rental under the Administrative Director's budget.

Judiciary CIP

Carter Goble Associates of South Carolina has been hired by the Judiciary to develop a long term facilities master plan for the Judiciary to the year 2005. Because the consultant was not hired by the Judiciary far enough in advance to complete their report prior to convening of the 1988 legislative session, the Judiciary has asked Carter Goble to review two major capital improvement projects which have been identified as salient needs of the Judiciary: the Hilo Judicial Complex and the Family Court Center for Oahu. The Interim report which Carter Goble is presently working on will be sent to the Legislature at the end of February.

The purpose of the Hilo Judicial Complex project is to provide the Third Circuit in Hilo with adequate circuit, family and district court facilities. The Hilo State Office Building does not have adequate space to accommodate the entire facility needs of the Third Circuit.

The Hilo Judicial Complex is presently in the site selection and environmental impact study phase of the CIP process. The next phase that this project must go through is Land Acquisition and Design. Since a site has not been selected, the Legislature may be unable to appropriate land acquisition funds. The Judiciary has provided the Legislature with an estimate of \$2,000,000 for design work, and your Committee recommends that said sum be appropriated for fiscal year 1989.

The development of a Family Court Center was initiated in 1982. Increased staffing requirements due to workload demands and legislative mandates (Act 303 and House Resolution 632) have pushed the First Circuit beyond what can be accommodated in the State Judiciary Complex.

A centralized facility would improve the delivery of services for children and families who enter the Family Court system. Centralization would also increase coordination between the Family Court and other social service and legal agencies. The community will be better informed as to what services are offered and where these services can be found. Most importantly, the residential facility component will enable the Family Court to provide the critically needed range of services to youths requiring residential care. The program will be capable of providing services ranging from secure detention to shelter-type care.

The Family Court Center has completed the project development phase of the CIP process. The next step in the Capital Improvement Project process would be to have a site selection and environmental impact study prepared.

Your Committee recommends that \$100,000 be appropriated for a site selection and environmental impact study for the Family Court Center Complex in Fiscal Year 1989.

In addition to these two major Capital Improvements Projects, your Committee recommends appropriation of \$40,000 in fiscal year 1989 for design and construction of a documents office in the existing third circuit court facilities in Kona. Although it has been found necessary to start the filing of documents in Kona, no provisions are available for file space.

In summary, your Committee on Judiciary has amended this bill to carry out the aforementioned recommendations, including the addition of provisions as deemed necessary to further clarify and restrict the intent of specific appropriations.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2483, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 355-88 Judiciary on H.B. No. 2851

The purpose of this bill is (1) to require the Department of Human Services to offer periodic orientation and training to its employees who are responsible for making child abuse and neglect reports; and (2) to require the Department of the Attorney General to perform criminal history record checks on those employed in programs for children operated by the State or contracted for by the State.

A representative from the Department of the Attorney General testified that it would require \$3,000 to develop a plan to perform the criminal history record checks specified in the bill.

The bill has been amended to delete the sum of \$30,000 and replace it with the sum of \$3,000 as the appropriation for the Department of the Attorney General to develop the criminal history record check plan.

Upon further consideration, your Committee also amended the bill to include employees of agencies providing recreational or sports activities among those who are required to report suspected cases of child abuse or neglect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2851, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2851, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Peters, Yoshimura, Hemmings, Jones and Medeiros.

SCRep. 356-88 Judiciary on H.B. No. 3191

The purpose of this bill is to add a new chapter to the Hawaii Revised Statutes which mandates protective services for vulnerably disabled adults and provides a judicial mechanism for intervention in incidents of imminent harm.

Your Committee has reviewed the testimony on this bill which was presented to your Committee on Human Services as well as the proposed amendments and concurs with its approval of this measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3191, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 357-88 Judiciary on H.B. No. 3555

The purposes of this bill are to clarify the responsibilities of the State and the counties in connection with the computerized fingerprint identification system and to extend the period for expending and encumbering the appropriated sum until the close of business on June 30, 1989.

In 1987, \$4.5 million was appropriated for the establishment of a computerized fingerprint identification system within the Hawaii Criminal Justice Data Center in the Department of the Attorney General. This sum was to be expended over a two-year period. However, as reported out of the joint conference committee, the expenditure period was erroneously limited to the 1987-1988 fiscal year. Moreover, this bill clarifies that the State and not the counties shall provide for the management of the computerized fingerprint identification system. Finally, the bill broadens the matters within the control of the State for which the State must bear financial responsibility by deleting the word "prison."

Your Committee has received testimony of the Department of Attorney General in support of H.B. No. 3555.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3555 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 358-88 Judiciary on H.B. No. 3574

The purpose of this bill is to make an appropriation to the Department of the Attorney General to pay the balance due to the Washington, D.C. law firm of Nash, Railsback, and Plesser for its legal representation of the State in the case of United States v. Exxon Corp. The amount to be appropriated includes the balance necessary to pay the fee and the expenses which together total \$363,450.27 plus interest in the amount of \$86,043.52.

Your Committee heard testimony from a representative of the Department of the Attorney General. As explained in the testimony, the State had a contingency fee arrangement with the law firm of Nash, Railsback, and Plesser pursuant to which the State was to pay the firm, in the event of a recovery from the energy overcharge fund in Exxon, five percent of the gross amount recovered by the State and to reimburse the firm for all reasonable expenses incurred in connection with its representation of the State.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3574 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 359-88 Judiciary on H.B. No. 3558

The purpose of this bill is to increase the ceiling amount at which the Attorney General is authorized to informally adjust claims, to allow the Attorney General to refer claims to the Comptroller for investigation and informal resolution, and to make an appropriation for funds to be used for paying informally resolved claims and for contracting the necessary services in fiscal year 1988-1989.

Representatives from the Department of the Attorney General testified in support of the bill. The bill proposes to increase the ceiling amount from \$4,000 to \$10,000 at which the Attorney General is authorized to arbitrate, compromise or settle claims without a prior lawsuit, court approval, or subsequent legislative appropriation. The current statutory authorization of \$4,000 was established in 1969 and, according to testimony, is no longer adequate for the purpose of the statute.

As described by the testimony, the large amount of small informal tort claims, which primarily involve minor property damage and loss, diverts the time and resources of the Attorney General from litigation in matters such as personal injury and construction. The testimony urges that the Attorney General should be able to delegate the authority to settle small property damage and loss claims to the Comptroller but have the duty to review and approve awards for amounts more than \$2,000.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3558 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 360-88 Judiciary on H.B. No. 3346

The purpose of this bill is to appropriate the sum of \$397,588 for fiscal year 1988-1989 to finance the State Career Criminal Prosecution Program.

Since the program was enacted in 1979, there has been one budget increase for all counties, with an additional increase for the City and County of Honolulu given for the current biennium.

Your Committee has received testimony indicating that this appropriation would make funds available to career criminal prosecution programs on all islands. Programs on neighbor islands would especially benefit since they have not received an increase in several years.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3346 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 361-88 Judiciary 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 on Judiciary is in accord with the intent and purpose of H.B. No. 3496 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters, Yoshimura, Hemmings, Jones and Medeiros.

SCRep. 362-88 Judiciary on H.B. No. 3548

The purpose of this bill is to appropriate funds to be used to satisfy claims for the refund of overpaid taxes, judgments and settlements of claims against the State, and other miscellaneous claims.

Representatives from the Department of the Attorney General testified in support of the bill and answered various questions from your Committee about the specific cases receiving awards. The testimony requested an increased appropriation to pay the awards for the additional cases described which were settled or resolved after the bill was introduced.

Your Committee has amended the bill by increasing the appropriation in order to pay the awards for the additional cases identified in the testimony. Your Committee notes the progress made by the Department of the Attorney General since various amounts claimed against the State were reduced in the actual awards by a total of nearly one million dollars; however, your Committee is still concerned about the high amounts of the awards which the State must pay.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3548, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3548, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters, Yoshimura, Hemmings, Jones and Medeiros.

SCRep. 363-88 Judiciary on H.B. No. 55

The purpose of this bill, as received by your Committee, is to allow the Supreme Court to prescribe the costs and fees for documentary services in the State court system and to repeal the statutory provisions for such costs and fees.

Your Committee has amended the bill to provide that the court shall award to a landowner the reasonable attorney's fees, costs and expenses incurred by that landowner in obtaining a judgment to remedy the violation of any of the rights incidental to the ownership of land. Such incidental rights of land ownership include the right to be free from any encroachment by landowners of adjacent lands and the right to lateral and subjacent support of land by adjacent lands. This proposed provision will relieve a landowner of the financial burden from having to bring an action in court to remedy the infringement of such rights caused by others. The other provisions of the bill have been removed.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 55, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 55, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters, Yoshimura, Hemmings, Jones and Medeiros.

SCRep. 364-88 Labor and Public Employment on H.B. No. 3402

The purpose of this bill is to clarify and strengthen joint decision making in public sector collective bargaining and to improve election and representation proceedings under Chapter 89.

Specifically, this bill changes the unit designation for bargaining unit 10 under Section 89-6(a); modifies the showing of interest requirement to support a petition for decertification under 89-7; provides further guidelines for the conduct of elections under 89-7; and clarifies the scope of management rights under Section 89-9(d).

Your committee recognizes that the current designation of public employees in unit 10 as "non-professional" may be considered derogatory and offensive to public workers. Accordingly, the unit description for unit 10 has been amended to read, "institutional, health and correctional workers". No changes in bargaining unit composition is intended thereby.

We have also carefully reviewed the current procedures and standards established for decertification petitions and elections in the public sector. Under existing rules and regulations, the showing of interest requirement for any form of representation petition is 30%. This standard was developed at a time when decertification cases were infrequent and not carefully reviewed. Since the passage of Chapter 89 in 1970, a number of such proceedings have developed. We note that an election was recently directed by the Board even though more than 50% of the members of a bargaining unit have voted to ratify a new agreement under Section 89-10. We do not believe that such a direction of election is consistent with the principle of majority rule or with the desire for stable employee-employer relations indicated by a favorable vote for contract ratification. Accordingly, we have modified the showing of interest requirement to support a decertification petition and mandated that no election be directed by the Board at any time that a valid collective bargaining agreement is in force and effect. We also require the Board to verify that only valid and timely signatures are counted to support such petitions. Finally, to protect bargaining unit members from undue harassment and invasions of privacy, we have amended Section 89-7 to prohibit the disclosure of names and addresses to employee organizations.

Your committee has also reviewed the history of public sector collective bargaining and the contracts which have been negotiated under Section 89-9. To avoid any conflict which might otherwise arise between a literal reading of Section 89-9(d) and existing provisions of these contracts, we have amended that section.

Your committee has also amended the bill by making technical changes which have no substantive effect.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3402 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3402, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Horita, Jones and Medeiros.

SCRep. 365-88 Labor and Public Employment on H.B. No. 2998

The purpose of this bill is to increase the state income tax savings for National Guard and Reserve members. The bill increases the tax exemption for reserve military personnel from \$500 to \$1,500.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2998 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 366-88 Labor and Public Employment on H.B. No. 2529

The purpose of this bill is to permit credit union members to support their bids for public contracts with certificates of deposit, cashier's checks, or certified checks drawn on their credit union accounts.

Your Committee finds that a problem arises because credit unions do not issue cashier's checks or certified checks as a matter of policy, or certificates of deposit as a matter of law.

Under existing state law, credit unions may issue shares, share certificates, share draft accounts, and deposit certificates. Federal law, however, allows federally chartered credit unions to issue only shares, share certificates, and share draft accounts. All but four of Hawaii's 137 credit unions are federally chartered, and must comply with this restriction.

Your Committee finds that share certificates are in effect the same as certificates of deposit since both require a stated maturity date and a minimum balance requirement. Without a clear reference of "share certificate" in the bill, ambiguities may arise, such as the possibility that a credit union member's bid that is supported by a share certificate would be rejected since the term "share certificate" is not included in the bill.

As a result, your Committee has amended the bill to make reference to share certificates to prevent potential ambiguities.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2529, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 367-88 Labor and Public Employment on H.B. No. 3008

The purpose of this bill is to clarify Act 225, Session Laws of Hawaii 1987, which was enacted as a follow-up to Act 157, Session Laws of Hawaii 1986. The bill clarifies that the intent of Act 225 was not to deny the right of employees to receive proper compensation through established civil service procedures nor to deny their right to petition for appeals under section 77-4, Hawaii Revised Statutes.

In addition, the bill clarifies that Act 225 did not limit nor restrict the authority of Public Employees Compensation Appeals Board (PECAB). Further, Act 225 did not intend to limit in any way the rights of those who had already initiated appeals with PECAB at the time Act 225 became law.

Your Committee received testimony from representatives of the Department of Personnel Services and the Hawaii Government Employees Association supporting the intent of this bill.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3008 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 368-88 Labor and Public Employment on H.B. No. 2530

The purpose of this bill is to expand the definition of the term "depository" as used in section 38-1, Hawaii Revised Statutes, to include federally insured credit unions in the State of Hawaii.

Your Committee finds that this expansion of the term "depository" would allow public agencies to deposit their funds in a credit union.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2530 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 369-88 Labor and Public Employment on H.B. No. 3612

The purpose of this bill is to provide funding for fourteen employees of the Office of Community Services, who are currently assigned to various departments, the Judiciary, and the University of Hawaii.

The function of the Office of Community Services is to facilitate and enhance the development, delivery, and coordination of effective programs for the economically disadvantaged, immigrants, and refugees so they can achieve economic self-sufficiency.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3612 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 370-88 Labor and Public Employment on H.B. No. 3434

The purpose of this bill is to provide a special opportunity for employees who retired after June 30, 1984, but before July 1, 1987 with at least five years of credited service, excluding sick leave, to obtain "free" Health Fund benefits.

Act 252, Session Laws of Hawaii 1984, required employees who retired with fewer than ten years of service to pay for their medical plan premiums. Before Act 252, employees who retired with five years of service were eligible to receive "free" Health Fund benefits.

When Act 252 was enacted, many employees were not aware of its implications. To qualify for these benefits under the prior law, employees were required to file their retirement applications with the Employees' Retirement System Office on or before May 31, 1984.

Your Committee finds that this bill would remedy the resulting inequity caused to those who were not able to take advantage of the benefits afforded them at that time.

Your Committee has amended the bill to address concerns raised by representatives of the Hawaii Public Employees Health fund and the United Public Workers that the bill was ambiguous and needed clarification.

Your Committee has also made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3434, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 371-88 Labor and Public Employment on H.B. No. 2500

The purpose of this bill is to require employers with fifty or more employees and the state and county governments to provide employees who have been employed for at least fourteen consecutive weeks with a leave of up to eighteen weeks without pay for the birth of a child of the employee, the placement of a child with the employee for adoption or foster care, or providing care for the employee's child or parent who has a serious illness.

Representatives from the Department of Labor and Industrial Relations, Hawai'i Women's Political Caucus, and Working Women of Hawaii presented testimony in favor of this measure, citing the need to allow employees flexibility in their work schedule in order to care for the needs of their child or parent under certain circumstances. However, your Committee also received testimony from the Department of Personnel Services and the Chamber of Commerce opposing this measure.

Your Committee finds that Hawaii has a high percentage of families with both parents employed, as well as an increasing number of families headed by a single parent. Your Committee further finds that providing optional unpaid leave up to eighteen weeks to qualified employees will have a positive effect in the ability of many families to care for the needs of their children or parents.

However, your Committee recognizes the employers' reluctance and the department's concerns in implementing the provisions of this bill. Accordingly, your Committee has amended the bill to address such concerns by:

- (1) Clarifying who would be covered under this bill;
- (2) Adding enforcement provisions;
- (3) Deleting the section on maintenance of health benefits; and
- (4) Appropriating \$150,000 to implement this bill.

Other technical amendments have been made for the purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2500, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Horita, Jones and Medeiros.

SCRep. 372-88 Labor and Public Employment on H.B. No. 2392

The purpose of this bill is to grant permanent employment status for employees in offices which are funded wholly or in part by the Older American Act of 1965, Public Law 89-73.

Under this bill these employees will be converted to permanent status and will not be required to take the civil service examination and shall be entitled to all of the rights, benefits, and privileges (including seniority credit for service in the positions occupied, vacation, and sick leave credits) earned or accrued up to the effective date of this act. This measure is contingent on funds being appropriated for the positions affected.

Your Committee received supporting testimony from various county agencies and finds that the employment of personnel for the care of the elderly has been highly successful. Quoting low employee turnovers, outstanding work attendance and the willingness of employees to provide services beyond the employment requirements.

Upon consideration of the bill and the testimony received, your committee has amended the bill to extend the provision to include employees who are covered by the Domestic Volunteers Services Act of 1973, Public Law 93-113 and not to limit the coverage to populations of 100,000 - 250,000 but to extend the provision to all counties.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. 2392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2392, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 373-88 Labor and Public Employment on H.B. No. 2720

The purpose of this bill is to amend chapter 88, Hawaii Revised Statutes, to allow investigators of the Departments of the Attorney General or the Prosecuting Attorney who were hired after June 30, 1984 to become class A contributing members of the employee's retirement system.

Your Committee received testimony from a representative of the investigators of the Department of the Attorney General who stated that in 1984, investigators were split into contributing and noncontributing retirement systems. Currently, class A contributing investigators, who were hired before 1984, are provided certain benefits that are not available to class C noncontributing investigators who were hired after 1984 as follows:

(1) Retirement allowance that is computed on the basis of two and one-half per cent of the average final compensation for each year of service; and

(2) The option to retire after twenty-five years of service even if they have not reached age fifty-five without having their allowance reduced on account of retirement below age fifty-five.

Your Committee finds that although investigators belong to different retirement systems, they perform the same duties and functions. Further under the current system, if an investigator who was hired after June 30, 1984 is injured on the job, he or she will not enjoy the comparable disability retirement benefits and privileges afforded an investigator hired before June 30, 1984.

Your Committee finds that this bill will mitigate the discrepancy created by the split created in 1984, and ensure fair and equal treatment of investigators.

Your Committee has amended the bill by adding a definition of the term "investigator" to include investigators regularly employed by the Department of the Attorney General and the Department of the Prosecuting Attorney for clarification purposes.

Your Committee has also amended the bill by excluding all investigators as noncontributing class C members of the employee's retirement system. In addition, present and future investigators will be contributory members to eliminate inequities to those involved.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2720, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2720, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Horita, Jones and Medeiros.

SCRep. 374-88 Labor and Public Employment on H.B. No. 3404

The purpose of this bill is to allow the chief executives of the State and counties, the Board of Education, the Board of Regents, the Auditor, the Director of the Legislative Reference Bureau, the Ombudsman, and the Chief Justice, or their designated representatives to adjust the pay of excluded managerial employees to correct a long standing breach of sound merit principles of employment, under which employees who were incumbents when the Excluded Managerial Compensation Plan (EMCP) went into effect, are paid less than included employees who were or are subsequently promoted into the EMCP.

Your Committee heard and carefully considered the testimony presented on the bill and finds that under a sound application of the merit principles of employment, employees in identical classes and pay levels having pay differences, which results just because of the movement of one of these employees who was an employee included in a collective bargaining unit into an excluded managerial position, must be provided with an administrative mechanism to adjust the differences and to correct the inconsistent pay.

Your Committee recognizes the potential administrative difficulties that may be encountered by the respective personnel administrators of the civil service but believes that the existence of pay inequities must be addressed to maintain the soundness of the merit system.

Section 2 of the bill has been amended to include provisions authorizing adjustments to employee compensation without altering the basic structure of section 77-10, H. R. S. The amendment would authorize adjustments to be made in the event that pay inequities result simply from transfers or other movement from a position under a compensation plan to another position in a different compensation plan. The original proposed amendment was substantially changed primarily to maintain the basic structure of the laws on public personnel administration.

Your Committee also amended Section 3 of the bill to clarify the intent of the bill as well as to maintain the basic structure of section 89C-2, without changing the intent of the original bill.

Finally, Section 4 of the bill was amended to clarify the bill's intent on retroactive pay to limit such pay to only certain employees who are in fact entitled to such pay, and to delete references to adjustments to retirement benefits as the subject matter may not be encompassed by the title of this bill.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3404, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Horita, Jones, Marumoto and Medeiros.

SCRep. 375-88 Labor and Public Employment on H.B. No. 2448

The purpose of this bill is to provide legislative employees who are limited term salaried employees, employed for a term of at least three months and whose employment is at least one-half of a full time equivalent position with health benefits coverage under the Hawaii Public Employees Health Fund.

Representative James Shon, Chairman of the House Committee on Health, submitted testimony in favor of this measure, stating that the State provides health care benefits for other government employees and that capitol support staff should not be excluded. A representative of the National Association of Social Workers testified that the Legislature should act as a positive role model for other agencies, both private and public, by supporting this measure that would give parity to support staff not currently receiving such health coverage.

Your Committee has amended this bill to contain provisions to define the length of employment for legislative employees.

Your Committee has further amended the bill by deleting section (v) from the exclusionary provisions set forth in the definition of "employee", Section 87-1; as section (xi) of the inclusions fully explains the required amount of hours per week necessary in order to be covered under this section.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. 2448, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2448, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Horita, Jones, Marumoto and Medeiros.

SCRep. 376-88 Labor and Public Employment on H.B. No. 3105

The purpose of this bill is to amend section 326-33, Hawaii Revised Statutes, to provide for pension increases for patient employees at facilities caring for those afflicted with Hansen's disease.

Before 1983, the employee patient pay plan for those working at facilities caring for those afflicted with Hansen's disease was based on a percentage of the minimum wage which ranged from 53 to 70.5 per cent for six grades of work. Accordingly, retirement pensions for those people are based on differing wages.

As a result of Act 183, Session Laws of Hawaii 1983, the patients who have retired after 1983 are each receiving approximately \$500 per month. In contrast, the 85 or so people who retired before 1983 each receive an average pension of about \$280 per month.

Your Committee has amended the bill by appropriating \$250,000 to be expended by the Department of Health, for a pension increase for Hansen's disease patients who retired before 1983, thus fulfilling the true intent of the bill.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3105, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Horita, Jones, Marumoto and Medeiros.

SCRep. 377-88 Labor and Public Employment on H.B. No. 2436

The purpose of this bill is to increase the amount of money appropriated for gubernatorial transition activities from \$50,000 to \$250,000. The money used in this appropriation will be used for staffing the transition office and for other orientation and ceremonial activities.

Your Committee has amended the bill to provide that the Office of the Governor report to the Legislature its accounting of the funds spent and its plans for gubernatorial transition activities. Your Committee has further amended the bill to correct technical drafting errors.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2436, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Souki and Jones.

SCRep. 378-88 Labor and Public Employment on H.B. No. 2455

The purpose of this bill is to establish satellite state offices in the Pearlridge area, Kaneohe, and Hawaii Kai to deliver state government services to suburban and rural communities on Oahu.

Concerns were raised by representatives of the Office of the Governor and Common Cause/Hawaii who supported the intent of the bill, but felt further clarification and an assessment to determine the need for governmental services in rural and suburban areas were needed.

Your Committee has addressed these concerns by amending the bill to require a study be made by the Office of State Planning to assess the need for satellite government services in suburban and rural communities on Oahu. In addition, the initial sum of \$190,000 to establish satellite offices was reduced to \$50,000 to be expended by the Office of State Planning to conduct its assessment.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2455, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 379-88 Labor and Public Employment on H.B. No. 3250

The purpose of this bill is to include the classification and salary schedules of teachers as items of negotiations in collective bargaining.

Under present law, matters of classification and reclassification and salary ranges are not subjects of negotiations in collective bargaining. However, items of negotiations include the number of incremental and longevity steps, the amount of wages to be paid in each salary range and step, and movement between steps within salary ranges.

This bill amends chapter 89, H.R.S., by excluding classification and salary ranges of teachers from the provisions on excluded subjects of negotiations and by repealing present law on classification of teachers, salary ranges of teachers and teacher's salary schedules.

Your Committee, after due consideration of the bill and testimonies, finds that expanding the items of negotiation specifically for teachers, in contrast with other public employees, to include matters of classification and salary ranges, is an innovative and creative option designed to infuse flexibility in personnel administration in the unique and special field of education.

Your Committee recognizes that a similar bill was once vetoed by the Governor because the bill and its accompanying legislative committee reports failed to elaborate or provide a basis for this major departure from public personnel practices applicable to all other public employees.

In consideration of the Governor's stated concerns about the propriety of the bill, your Committee believes that it is prudent to set forth the Committee's basis for the recommended passage of this bill.

Teaching is an occupation that has often received special consideration and treatment because of its importance. The classification and pay of teachers, their salary schedules, vacation, sick leave and other employee benefits of teachers have historically been reviewed and separately treated from that of other public employees. Briefly, the classification of teachers is unique in the system of public personnel administration.

Article X of the State Constitution makes a special reference to public education.

The education of Hawaii's students, increasing the quality of educators, innovations in education directed to students and teachers, incentives to increase educational quality and environment, and other programs designed and intended specifically for education and educators have been consistently developed and maintained.

The intent of this bill is to continue that special treatment of teaching as a proud and enviable profession within the public sector and to provide a means of building a classification plan and salary schedule especially for teachers that has enough flexibility for the Board of Education and representatives of the teachers to create goals and incentives for teachers that will most likely sustain the quality of education in Hawaii.

The present salary schedule is inflexible and provides little incentives to acquire additional educational credits for a majority of teachers. 53 percent of the teachers have reached the sixth class in a seven class schedule. These teachers will not be able to reach the seventh class without attaining a doctorate degree.

A foreseeable change that this bill may bring is a change in the structure of the salary schedule, including built-in incentives based on educational credits earned, establishment of alternative means of classification of teachers, repricing of job classification, and other creative ways of providing incentives for delivering the kind of education to Hawaii's students that will best serve their special needs.

This bill will prevent the non-occurrence of change in the teacher's classification, a condition that has existed since 1969, when the teacher's classification was last changed by the legislature.

Carving out an exception for teachers to those items which are not subject to negotiation in collective bargaining is well supported not only by the current classification and pay system established specifically for teachers, but also by the many special programs established just for teachers.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H. B. No. 3250 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Horita, Jones, Marumoto and Medeiros.

SCRep. 380-88 Labor and Public Employment on H.B. No. 3420

The purpose of this bill is to establish a worker training trust fund to help create a well trained, flexible work force to meet the needs of businesses in Hawaii.

Under this bill, part of the employers' contributions, which would otherwise go directly to the federal fund, is retained in a state controlled fund that will help to create a skilled work force in Hawaii without increasing employer taxes. The bill proposes to impose a State reserve fund assessment by reducing employers' unemployment insurance taxes and creating a worker training trust fund from interest earned on such State reserve fund.

Representatives of the Department of Labor and Industrial Relations, ILWU Local 142, and United Public Workers testified in favor of the concept of a worker training fund, citing the need for more training programs to ensure that the State has a skilled labor pool to encourage economic development. Your Committee also received testimony from the Chamber of Commerce and Small Business Hawaii. Their testimony indicated that there may well be a need for additional training programs but that the bill presently under consideration may not be a workable solution to the problem.

Your Committee agrees that a skilled work force is an integral part of Hawaii's economic development and that job training programs to properly train workers and future workers to meet the needs of businesses are vital to the success of Hawaii's economic development plans.

Your Committee finds that a creative response is needed to provide the comprehensive and coordinated human resource training programs necessary to meet the employment needs of businesses and finds that a restructuring of the unemployment insurance contributions is a viable alternative. Under current law, all employer taxes paid into the unemployment insurance system compensate unemployment insurance claimants for being out of work. Moreover, such funds leave the State coffers and are put into the federal unemployment insurance trust fund. The Committee finds that retention of such funds, which might otherwise leave the state treasury, in the State would enhance Hawaii's economic development through the implementation of work skill enhancement and training programs.

Upon further consideration, your Committee has amended the bill by:

- (1) Providing that administrative costs shall be borne by the worker training trust fund;
- (2) Establishing the basic unemployment insurance contribution and reserve fund rates;
- (3) Requiring the Director of Finance to invest the monies in accordance with applicable state laws and rules
- (4) Requiring the Director of Labor and Industrial Relations to provide an annual report on the employment security reserve fund and the worker training trust fund to the legislature;
- (5) Providing that the provisions of the bill take effect no earlier than January 1, 1989;
- (6) Providing that the employment security reserve fund shall also be available for loans and financial assistance to employers where dislocation from the workforce may be prevented;
- (7) Providing that the worker training trust fund may also be available for use by the Department of Labor and Industrial Relations in its establishment programs; and
- (8) Clarifying what the adequate reserve fund level should be under Section 63 in light of current economic conditions.

Your Committee also is cognizant of the concerns expressed by the bill's opponents and has further amended the bill by deleting the provision which provided refunds to employers.

Other technical, nonsubstantive amendments have been made throughout the bill for purposes of clarity and style.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. 3420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3420, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Jones, Marumoto and Medeiros.

SCRep. 381-88 Labor and Public Employment on H.B. No. 3511

The purpose of this bill is to combine provisions relating to unlawful suspension, discharge, or discrimination of workers who have suffered injuries which are covered under the worker's compensation law into one chapter for uniformity in enforcement of these laws.

The laws prohibiting unlawful suspension, discharge, or discrimination of workers who are injured on the job are currently being enforced under provisions contained in chapters 378, H.R.S., on employment practices, which is administered by the enforcement division, and 386, H.R.S., on workers compensation, which is administered by the disability compensation division. Both divisions are located in the department of labor and industrial relations.

Your Committee, having heard and considered testimonies in support of the bill, concurs with the combining of the two separate provisions to ensure consistent and uniform application of unlawful suspensions, discharges, or discriminations of workers who are injured on the job.

Your Committee has amended the bill by amending Section 1 of the bill to retain the prohibited practice provisions covered by this bill in chapter 386, H. R. S. to be administered and enforced by the disability compensation division of the department of labor and industrial relations. Concurrently, Section 3 of the bill was amended to delete the same prohibited practices provisions from Chapter 378, H. R. S. Your Committee was informed that the enforcement division has a substantial backlog of cases involving prohibited employment practices and that some of the cases have not received the prompt attention that is necessary for effective enforcement of the labor laws, and that it would be more prudent to retain the enforcement of the prohibited practices provisions covered in this bill in the disability compensation division.

Your Committee has also amended Section 3 of the bill to prohibit the listed unlawful employment practices against any employee who has filed a bankruptcy petition. Under current law, the prohibition is limited to the employee who has filed a Chapter XIII petition in bankruptcy. The amendment extends the prohibition against the employee who files a Chapter VII petition in bankruptcy.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3511, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Horita, Jones, Marumoto and Medeiros.

SCRep. 382-88 Labor and Public Employment and Judiciary on H.B. No. 3062

The purpose of this bill is to provide for adjustments to the salaries of state judges. This bill would require that adjustments be made "by an amount equal to the percentage of such salary rate which corresponds to the overall average percentage of adjustments" made under federal law; provided, however, that this does not result in the diminution of an individual's salary. The bill further provides that the overall percentage of adjustments shall not exceed 4.8 per cent.

Your Committees received testimony in support of this bill from the Judiciary and from the President of the Hawaii Association of Plaintiffs Attorneys.

Your Committees on Labor and Public Employment and Judiciary are in accord with the intent and purpose of H.B. No. 3062 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Horita, Peters, Yoshimura, Hemmings, Jones, Marumoto and Medeiros.

SCRep. 383-88 Labor and Public Employment and Judiciary on H.B. No. 3376

The purpose of this bill is to bring the salaries of state district court judges into parity with certain executive salaries which were increased in 1986.

Your Committees note that salaries should be commensurate with responsibilities. This bill would change the effective date of the respective sections to January 1, 1989, and would increase the salaries of family district court judges and district court judges to \$65,000.

This bill also appropriates the nominal sum of \$1 for its implementation. Your Committees defer to your Committee on Finance regarding the sum to be ultimately appropriated.

Your Committees on Labor and Public Employment and Judiciary are in accord with the intent and purpose of H.B. No. 3376 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Horita, Peters, Takamine, Yoshimura, Hemmings, Jones, Marumoto and Medeiros.

SCRep. 384-88 Labor and Public Employment and Judiciary on H.B. No. 3377

The purpose of this bill is to provide district court judges with retirement benefits commensurate to their offices.

To this end this bill would amend the state retirement laws by including judges of the district court in the definition of a judge. Your committee heard testimony in support of this bill from a member of the judicial selection committee.

Your Committees on Labor and Public Employment and Judiciary are in accord with the intent and purpose of H.B. No. 3377 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Horita, Peters, Yoshimura, Hemmings, Jones, Marumoto and Medeiros.

SCRep. 385-88 Labor and Public Employment on H.B. No. 3585

The purpose of this bill is to increase penalties in the workers' compensation law to facilitate its compliance.

Your Committee received testimony from the Director of the Labor Department and concurs with his assessment that increased penalties will provide a greater deterrent to avoiding compliance with the workers' compensation law.

Your Committee has amended the bill on pages 1, 7, 8, 10, 11, and 12, by making Ramseyer formatting corrections which have no substantive effect.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3585, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 386-88 Labor and Public Employment on H.B. No. 3430

The purpose of this bill is to amend the public employees retirement system to include in the definition of sewer worker a wastewater collection system helper, and wastewater collection system supervisor. This bill allows service retirement without reduction for a public employee with at least 25 years of credited service, the last 5 years of which are credited as a sewer worker.

Your Committee finds from the testimonies presented by the Employees' Retirement System and the United Public Workers' that this measure changes the contributory plan option for retirement age and conforms to the changes made by the respective counties to the classification of sewer workers. H.B. 3430 will reflect these changes without adding or deleting any of the classifications of sewer workers defined in Act 230/78.

Your Committee finds after further review of testimonies that this bill will allow sewer workers in these classifications and who are also members of the noncontributory option plan the same benefit as the contributory plan member to retire after twenty five years of credited service.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B.3430 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 387-88 Labor and Public Employment on H.B. No. 3408

The purpose of this bill is to establish a civil rights commission to enforce the State's laws which prohibit discrimination on the basis of race, color, religion, age, sex, marital status, national origin, ancestry, physical handicap, or medical condition in employment, housing, or public accommodation.

Hawaii has numerous laws which prohibit discriminatory practices in areas of employment, housing, public accommodations, governmental services and related areas. To be effective, these laws must also include an enforcement arm with the capabilities to receive, initiate, investigate and prosecute to completion complaints of discrimination in all areas. The establishment of a civil rights commission armed with all of the tools necessary to enforce the anti-discrimination laws of the State will further insure that equal opportunity in all areas of the society will be preserved and protected.

Your Committee having heard and carefully considered the testimony presented in support of the bill concurs with the intent of the bill. Your Committee, however, has amended the bill to place the civil rights commission in the department of labor and industrial relations for administrative purposes. The bill in its amended form places the commission in the Governor's Office.

Additionally, a new section was included in the bill to request of from the department of labor and industrial relations a report on the establishment of the civil rights commission, the transition from separate administrative and enforcement agencies to a central agency, and the effect of the commission's establishment on uniformity in the enforcement of the State's discrimination laws.

To allow the department sufficient time to report back to the Legislature, your Committee has amended the effective date provision to July 1, 1989

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3408, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Cachola, Horita, Jones, Marumoto and Medeiros.

SCRep. 388-88 Labor and Public Employment on H.B. No. 2227

The purpose of this bill as received by your Committee is to increase the minimum sum at which contracts must be advertised and let out to public bid.

Your Committee received testimony from the President of the Hawaiian Collectors Association in support of the intent of this bill.

While in accordance with the intent of H.B. 2227 to update the statutes relating to public bidding, your Committee finds that this purpose would be better served by amending section 40-80.5 to provide that all contracts falling under this section are public contracts and are, therefore, subject to the competitive bidding requirements of chapter 103.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. 2227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2227, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Horita, Jones, Marumoto and Medeiros.

SCRep. 389-88 Committee on Labor and Public Employment on H.B. No. 3495

The purpose of the bill is to transfer the responsibility of reporting the financial status of the Special Unemployment Insurance Administration Fund from the Director of Finance to the director of labor.

Your Committee is in agreement that the Department of Labor and Industrial Relations, as the agency which maintains financial records relating to the Special UI Administration Fund, should more appropriately assume the responsibility of preparing and submitting the status report in accordance with Section 383-123.5, H.R.S.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3495 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Horita, Jones and Medeiros.

SCRep. 390-88 Labor and Public Employment on H.B. No. 3584

The purpose of this bill is to amend Section 383-141, H.R.S., to conform to changes in the Hawaii Penal Code relating to felony and misdemeanor theft.

Under the present law, an individual is charged with a Class C felony if the value of UI benefits obtained fraudulently is \$200 or more. This provision was consistent with the Hawaii Penal Code classification of felony theft until Act 314 (S.L.H. 1986) amended its provisions effective January 1, 1987, such that, to be considered a Class C felony, the value of property or services must exceed \$300.

Your Committee is in agreement that the Hawaii Employment Security Law should be amended to remain uniform with the Hawaii Penal Code which governs criminal offenses. If Section 383-141, H.R.S. is not amended, the existing \$200 standard for UI fraud prosecution would apply to only misdemeanor violations.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3584 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Horita, Jones and Medeiros.

SCRep. 391-88 Committe on Labor and Public Employment on H.B. No. 1756

The purpose of this bill is to provide for purchase of military service credits under the employees' retirement system.

This bill allows a member of the system who is not receiving a military pension to purchase up to two years of military service credit if the member has fifteen years of credited service in the system, three years of military service credit if the member has twenty years of credited service in the system, and up to four years of military service credits if the member has twenty-five years of credited service in the system.

Your Committee heard testimony from the Employees' Retirement System stating that this bill should provide for the purchase of military service credits for noncontributory plan members. Therefore your Committee has amended the bill to include noncontributory plan members.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. 1756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1756, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 392-88 Committee on Labor and Public Employment on H.B. No. 2439

The purpose of this bill is to repeal chapter 503 of the Hawaii Revised Statutes, an obsolete law relating to commissioners of deeds. No commissioner of deeds has been appointed since the original passage of the law in 1915. The function of these positions, as provided by that law, has been met satisfactorily by notaries public and members of the United States Consular Corps.

All appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property relating to the functions of commissioners of deeds will be transferred to the Office of the Lieutenant Governor.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2439 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 393-88 Labor and Public Employment on H.B. No. 3427

The purpose of this bill is to increase the monthly retirement allowance by an additional \$1 per month for each year of credited service for those pensioners with at least ten years of credited service who retired prior to July 1, 1982.

Representatives from the Coalition of Hawaii State-Counties Retirees Association and the Honolulu Police Veterans/Oldtimers Club strongly urged passage of this measure, citing the need for financial assistance to combat the steady erosion of the purchasing power of their pension resulting from inflation. It was also noted that prior to collective bargaining, it was the practice of the legislature to grant retirees the same increases that were granted to active employees. With the advent of collective bargaining, the retirees have had to request the legislature annually to make adjustments to their pensions.

Your Committee finds that the bill would provide a measure of financial relief to those pensioners who made government service their careers and is consistent with the Legislature's policy regarding Hawaii's retired public employees. Your Committee further notes that there may be a need to provide more equitable relief to those retirees who retired prior to July 1, 1965.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3427 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 394-88 Committee on Labor and Public Employment on H.B. No. 2033.

The purpose of this bill is to require the prompt payment of bills incurred by state agencies by reducing from forty-five to thirty days, the period after which a twelve per cent interest penalty would apply if payment for goods and services is not made.

Your Committee finds that it is the intent of this legislation to encourage departments and agencies in all three branches of state government to make bill payments expeditiously. At the same time, this bill permits state departments and agencies to perform proper and reasonable financial oversight activities designed to ensure that the state government receives the quality of goods and services to which it is entitled, and to ensure that public funds are spent in a prudent and responsible manner.

Your Committee has amended this bill by deleting the reference in section 2 of this bill to petty cash funds to offset possible inequity to the State.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2033, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2033, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 395-88 Labor and Public Employment on H.B. No. 2237

The purpose of this bill is to allow teachers whose hours are equal to one-half of a full-time equivalent position to be served by an exclusive collective bargaining unit representative.

Under present law, part-time employees who work less than twenty hours a week are excluded from collective bargaining. Thus, half-time teachers who work seventeen and one-half hours a week based on a thirty-five hour full-time work week are treated as excluded employees. However, other employees in the public sector who work twenty or more hours a week are included in the same bargaining unit as their full-time equivalent employees. The underlying reason is that the employee who works at least one-half or more of the hours of work of a full-time equivalent should be afforded the same collective bargaining rights as the full-time equivalent employee. Inasmuch as the half-time teachers work at least one-half or more of the hours of their full-time equivalent, your Committee believes that the half-time teachers should be included in collective bargaining in the same way as their full-time equivalent.

In the collective bargaining agreement, a memorandum of understanding between the Hawaii State Teachers Association and the State of Hawaii Board of Education stipulates that in the event half-time teachers are designated as members of Bargaining Unit 5, the association must negotiate over any cost items for the half-time teacher in accordance with Chapter 89, Hawaii Revised Statutes. Only after completion and ratification of any negotiations would appropriation measures be deemed necessary. In this regard, the bill was amended by removing the appropriation section.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2237, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 396-88 Labor and Public Employment on H.B. Nos. 2820; 2822; 2910 and 2911.

H.B. No. 2820 entitled: "MAKING AN APPROPRIATION FOR THE HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL TO PURCHASE VEHICLES."

The purpose of this bill is to appropriate from the general fund a grant-in-aid for the Hawaii County Economic Opportunity Council to purchase ten new vans to replace existing transportation vans. This will allow continuation of programs to transport disadvantaged elderly, handicapped and pre-school children to senior centers, hot meal sites, rehabilitation centers, adult day care and pre-school sites, shopping and to medical and other private and public facilities.

H.B. No. 2822 entitled: "MAKING AN APPROPRIATION FOR THE HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL TO PROVIDE CAMPUS-BASED DAY CARE SERVICES."

The purpose of this bill is to provide an appropriation from the general fund for the Hawaii County Economic Opportunity Council to continue the Child Development (Head-Start) Program at Hawaii Community College, University of Hawaii.

H.B. No. 2910 entitled: "MAKING AN APPROPRIATION FOR THE EMPLOYMENT TRAINING PROGRAM OF OPPORTUNITIES FOR THE RETARDED INCORPORATED."

The purpose of this bill is to provide an appropriation from the general fund for the Opportunities For The Retarded, Inc., to continue education, training, housing and employment opportunities for developmentally disabled and mentally retarded individuals.

H.B. No. 2911 entitled: "MAKING AN APPROPRIATION FOR THE HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL'S AGRICULTURE TRAINING PROGRAM."

The purpose of this bill is to provide an appropriation from the general fund for Hawaii County Economic Opportunity Council to assist the potentially capable and interested unemployed and low-income persons with opportunities to obtain permanent employment. The program provides training in the production of diversified farm crops and animal feed for export.

Your Committee on Labor and Public Employment is in accord with the intents and purposes of H.B. No.'s 2820, 2822, 2910, and 2911, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 397-88 Planning, Energy, and Environmental Protection on H.B. No. 3090

The purpose of this bill is to appropriate \$20,000, to be expended by the Department of Agriculture, for the improvement and expansion of the education and training program for structural pest control operators, in order that the proficiency of certified pest control operators be maintained.

The Cooperative Extension Service is responsible for training all pesticide applicators including farmers, nurserymen, researchers, and maintenance workers. Your Committee finds that in view of the large number of applicators to be certified or recertified, and the training requirements mandated by the pesticide applicator certification program, the Cooperative Extension Service of the University of Hawaii is unable to provide an adequate training program to all structural pest control operators due to budgetary constraints.

The Hawaii Pest Control Association, with the assistance of the Cooperative Extension Service and the Department of Agriculture, has in the past been instrumental in providing seminars and workshops to its membership. The involvement of the Hawaii Pest Control Association, at their own expense, has significantly relieved the workload placed on the Cooperative Extension Service, and a continuation of this role is desirable. The appropriation proposed in this bill will allow for the inclusion of more trainers who can meet the needs of the structural pest control industry, and will serve to defray the expenses that the industry has had to bear.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 3090 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 398-88 Agriculture and Higher Education and the Arts on H.B. No. 2185

The purpose of this bill is to create a new entomologist position, to be stationed on Kauai, to work on the fruit fly eradication project in conjunction with the United States Department of Agriculture.

One of the most promising agricultural industries in Hawaii is the growing of tropical fruits. There is tremendous world-wide demand for the tropical fruits that can be grown here. One estimate of the market for tropical fruit in the U.S. Mainland alone places it at \$15 billion and growing by 20% annually. One obstacle Hawaii farmers face in successfully marketing these products overseas is the presence of fruit flies here, which causes other states and nations to impose restrictions on the importation of Hawaiian agricultural products to protect their own crops against possible infestation. While various quarantine and treatment procedures have been developed for disinfecting fruits, none of these procedures are at once foolproof, economic, and appealing. If the fruit fly can be eradicated from Hawaii as it has been from some other areas around the world, the economic benefit to our State will be profound.

Your Committees received testimony in favor of this bill from the Hawaii Farm Bureau Federation and the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa.

The United States Department of Agriculture has an ongoing fruit fly eradication program on Kauai with the College of Tropical Agriculture and Human Resources as an active participant. Your Committees find that support of this work is of benefit to the State.

Your Committees have amended the bill to clarify that the new position is to be a permanent one. Other amendments have been made to correct technical drafting errors.

Your Committees on Agriculture and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2185, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2185, H.D. 1., and be referred to the Committee on Finance.

Signed by all members of the Committees except for Representative Oshiro.

SCRep. 399-88 Human Services on H.B. No. 3241

The purpose of this bill is to set a ceiling on the amount of non-willful public assistance overpayments collectible by the Department of Human Services.

Presently, excess overpayments due to administrative error can quickly mount in relation to the amount of the excess payment upon which it is based. A public assistance payment with an additional amount inadvertently included for one assistance period makes the whole amount considered to be an overpayment. Should similar payments continue undetected for a period of time because of oversight on the part of the recipient or the department, or both, the total overpayment can quickly accumulate, resulting in an overpayment vastly disproportionate to the amount of the excess payment itself. The public assistance recipient is held responsible in paying back the complete amount of the overpayment.

This bill remedies the inequitable burden that this may cause by limiting overpayment debt claimable by the department to an amount not to exceed the value of the excess payment.

Your Committee has amended this bill by limiting the scope of the measure to overpayments of General Assistance funds.

Your Committee on Human Services is in accord with the intent and purpose of H.B. 3241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3241, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 400-88 Transportation and Judiciary on H.B. No. 2093

The purpose of this bill is to transfer administrative responsibility of the motor vehicle inspection program from the counties to the State Director of Transportation. This bill also includes provisions for the transfer of county employees necessary for the administration of the inspection program to the Department of Transportation.

Currently the counties administer the motor vehicle safety inspection program. Because each county council is free to determine the amount of the fee to be paid for motor vehicle inspections within their respective counties, there exists inequities between the various counties over the costs of inspections.

Your Committees received favorable testimony from the State Department of Transportation, the Department of Finance of the City and County of Honolulu, and the Hawaii Automotive and Retail Gasoline Dealers Association.

The Department of Transportation supported amending this bill to allow the department to contract with the respective counties for the necessary administrative and enforcement services. The Department also indicated that it would need more time with which to adopt necessary rules and regulations in order to implement the purposes of this bill.

This bill has been amended by your Committees to require that motor vehicle inspection stations pay a fixed amount of the fee charged for inspections to the Department of Transportation. All funds collected by the Department from the fees shall be deposited into the highway special fund to be expended for administration and enforcement of the inspection program.

Your Committees have also amended this bill by requiring the Department of Transportation to contract with the counties for the necessary administrative and enforcement services. Therefore, your Committees have deleted sections 5 and 6, which would have made provisions for the transfer of personnel, supplies, and other peripherals necessary for the inspection program to the State.

Your Committees have further amended this bill by deleting section 4, which would have required the department to maintain and post a list of inspection stations at its office in each county.

Your Committees have amended this bill by deleting section 7, which would have appropriated funds to the Department of Transportation for the transfer of county personnel to the State for the inspection program.

Your Committees on Transportation and Judiciary are in accord with the intent and purpose of H.B. No. 2093, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2093, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hemmings and Jones.

SCRep. 401-88 Judiciary on H.B. No. 2278

The purpose of this bill is to continue the existence of the Hawaii Criminal Justice Commission, to clarify its statutory duties, and to provide funds for its operations in fiscal year 1988-1989.

Your Committee heard testimony describing the accomplishments and merits of the Hawaii Criminal Justice Commission ("Commission"). The Commission performs research projects and provides services to assist the crime prevention efforts of law enforcement agencies and communities throughout the State. The services which the Commission provides are recognized as a necessary component of an effective statewide criminal justice system. Your Committee commends the accomplishments of the Commission in its important role in crime prevention.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2278 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Cachola, Hayes, Peters, Shito, Yoshimura and Jones.

SCRep. 402-88 Housing and Community Development on H.B. No. 3649

The purpose of this bill is to make an appropriation to a Self-Help Housing Project in the County of Hawaii.

Representatives from the Building Industry Association of Hawaii and the Housing Finance and Development Corporation showed support for this measure; noting that Self-Help programs have demonstrated, in the past, to be a valuable asset to the community by providing affordable housing.

Your Committee has amended this measure by appropriating the sum of \$100,000 to a Self-Help Housing Corporation.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3649, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3649, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 403-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3238

The purpose of this bill is to establish a statewide trail and access system to be known as "na ala hele".

Your Committee has extensively amended H.B. No. 3238, including the following:

1. Eliminated the provision that a portion of the general fund be earmarked for the trail system;
2. Gave recognition to Hawaiian traditional access rights;
3. Replaced the formal commission with an advisory council;
4. Mandated that the Department of Land and Natural Resources inventory all trails throughout the state and publish the information;
5. Defined state responsibilities for administration of a trail system;
6. Provided for an appropriation of \$664,000 as requested by DLNR; and
7. Made non-substantive changes for the purpose of style and clarity.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3238, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Fukunaga, Hashimoto, Hiraki and Lee.

SCRep. 404-88 Consumer Protection and Commerce on H.B. No. 3159

The purpose of this bill is to make amendments to the Hawaii Business Corporation Act with regard to shareholder approval for a sale, lease, exchange, or other disposition of all or substantially all of the property and assets of a Hawaii corporation which is not in the regular course of business.

H.B. No. 3159 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill in long form so that a public hearing may be properly heard on its substantive content.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3159, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3159, H.D. 1.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 405-88 Consumer Protection and Commerce on H.B. No. 3160

The purpose of this bill is to add a new section to the Hawaii Business Corporation Act dealing with requirements relating to certain business combinations.

H.B. No. 3160 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill in long form so that a public hearing may be properly heard on its substantive content.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3160, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3160, H.D. 1.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 406-88 Consumer Protection and Commerce on H.B. No. 3277

The purpose of this bill is to amend the requirements qualifying salesmen and dealers to sell variable annuities.

H.B. 3277 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3277, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3277, H.D. 1.

Signed by all members of the Committee except for Representatives Peters and Jones.

SCRep. 407-88 Consumer Protection and Commerce on H.B. No. 3597

The purpose of this bill is to set filing fees and late penalties for certain items which are required to be filed with the insurance commission, to establish a procedure for a foreign insurer to change its name, and to make certain technical changes as a result of the recodification of the insurance code.

H.B. No. 3597 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3597, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3597, H.D. 1.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 408-88 Housing and Community Development on H.B.No. 2428

The purpose of this bill is to repeal Chapter 361, Hawaii Revised Statutes.

The Legislature finds that the Community Home Mortgage Program, established in 1967, has never been implemented. According to the Director of the Department of Budget and Finance, the functions of the Community Home Mortgage Program are assigned to the Housing Finance and Development Corporation. Since the responsibilities of the Community Home Mortgage Program is already functioning within the Housing Finance and Development Corporation, the Department of Budget and Finance has no objections to the repeal of Chapter 361, Hawaii Revised Statutes.

The Housing Finance and Development Corporation, like the Department of Budget and Finance, has no objections to the repeal of Chapter 361, Hawaii Revised Statutes. The Director of the Housing Finance and Development Corporation stated that, to date, the Community Home Mortgage Program has not been implemented, and future implementation is not foreseen.

The Housing Finance and Development Corporation further stated that the Hula Mae program, as well as the issuance of unused allocation of general obligation bonds, would provide low interest mortgages.

Your Committee on Housing and Community Development amended H.B. No. 2428 by changing "Hawaii Housing Authority" to "Housing Finance and Development Corporation." The Housing Finance and Development Corporation became the responsible agency in 1987.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2428, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 409-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2019

The purpose of this bill is to require that the Department of Business and Economic Development include an outreach component in any state program established to assist business, to make the available benefits known to that segment of the business community which the program was designed to promote.

The Legislature finds that many state and local governments throughout the United States have instituted programs to encourage business development. Through these programs many advantages and benefits, in the form of new job opportunities, vibrant economies, and increases in public works, have resulted for both the government and business communities.

Your Committee is in agreement that the business community as well as the State would benefit from the proposed outreach component.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2019 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 410-88 Housing and Community Development on H.B. No. 3448

The purpose of this bill is to require condominium projects developed under Chapter 206E, Hawaii Revised Statutes, to comply with the owner-occupant pre-sale notice requirement under Chapter 514A, Hawaii Revised Statutes.

Under Part VI of Chapter 514A developers are required to offer 50 percent of the units in a condominium project for sale to prospective owner-occupants for a period of 10 days and to publish a notice announcing the sale of these units.

Section 514A-108, exempts projects developed in accordance with Chapter 206E, from these requirements. Additionally, other chapters and sections of the statutes are also exempt from this provision.

The Hawaii Community Development Authority testified that the intent of the pre-sale requirement was to provide "first-time" and prospective owner-occupant purchasers with a reasonable opportunity to purchase a unit. This would place some restraint on the sale of the units to investors and speculative buyers. The Hawaii Community Development Authority also indicated that it appears the existing exemptions were intended to apply to projects developed under certain government sponsored housing programs.

The Hawaii Community Development Authority further testified that condominium projects in the Kakaako District, which are developed in accordance with Chapter 206E, should not be exempt from Section 514A-108 since these projects may include market priced units developed by private developers as well as government sponsored projects. Additionally, it was determined that the pre-sale requirements of Chapter 514A would not be onerous for government subsidized units or units which the private developer is required to set aside for low- or moderate-income families. The Hawaii Community Development Authority's current policies and practices already require that these units to be occupied by the owner.

Your Committee believes that the application pre-sale requirements to projects developed under Chapter 206E is a more equitable application of the law and consistent with the intent of the law. Your Committee agrees with the testimony that the exemption for such projects should be removed.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3448 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 411-88 Finance on H.B. No. 3514

The purpose of this bill is to incorporate specific clarifying language that would facilitate the administration of Act 344, Session Laws of Hawaii 1986, which provides a mechanism for adjusting the liquor tax rates.

This bill clarifies the status of the tax as a gallonage tax. The bill also increases the time period the Department of Taxation has to determine whether the tax rate should be adjusted from ninety days to one hundred eighty days.

Presently, the Department of Taxation is required to make a determination based on one hundred percent of the information required, without regard to whether permittees file all tax returns or completely list the necessary information on filed tax returns. As a result, the Department of Taxation had to initiate audits of those taxpayers who either had not filed certain tax returns or had filed incompletely.

Your Committee has made a substantive change in the bill providing that the Department of Taxation shall make its determination based upon information it receives from returns representing not less than ninety percent of the estimated sales volume by wine gallonage required to be filed for the six-month reporting period.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3514, H.D. 1, and be placed on the calendar for Third reading.

Signed by all members of the Committee.

SCRep. 412-88 Finance on H.B. No. 2038

The purpose of this bill is to establish an emergency and budget stabilization fund to maintain levels of programs determined to be essential to the public health, safety and welfare and to meet other financial situations of the State as set forth in the Act.

It is recognized that uncertainties of the future make it difficult to accurately project revenues upon which appropriations are made; and that fluctuations in economic conditions may cause financing problems. The emergency and budget stabilization fund will aid the State in meeting these uncertainties and fluctuations.

Your Committee is of the opinion that the emergency and budget stabilization fund will benefit the State by ensuring necessary programs are kept intact; and unforeseen emergencies of the State will not overburden the general fund balance.

Your Committee has amended this bill by:

1. including the transfer of \$50,000,000 from the general fund for fiscal year 1988-1989;
2. adding language which states that the interest earned from monies in the fund shall accumulate and become part of the fund;
3. clarifying the language within the bill to make clear that monies from the general fund balance are transferred into the emergency and budget stabilization fund.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2038, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2038, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 413-88 Finance on H.B. No. 3501

The purpose of this bill is to update the general law relating to the issuance of general obligation and revenue bonds of the State to reflect innovations in tax-exempt financing and changes in tax laws.

Parts I, II, III, and IV of Chapter 39, Hawaii Revised Statutes are repealed. Three new sections are added to Chapter 39, Hawaii Revised Statutes. The main thrust of this bill is to allow the issuance of variable or floating rate bonds. Variable or floating rate bonds have an interest rate which periodically changes to reflect the current market interest.

Under normal market conditions, these bonds are more favorable to the State than long-term financing. To make these bonds more attractive to the buyer, the bonds will be sold with a "put" option. This option will allow the buyer to trade these bonds in the secondary market. In the event remarketing fails, a support facility will be employed as an alternative means of paying the buyers who exercise their "put" option. The State has successfully used this type of financing for its special purpose revenue bonds and multi-housing program.

Another amendment is to remove the interest rate ceiling on the State's general obligation bonds. With the present interest rate ceiling, the State must pay a higher interest rate at earlier maturities to be competitive on the bond market. The overall effect to the State is an increased interest cost.

The bill also amends the time period for giving an official notice of sale. The present law requires a five day notice. Due to market volatility, there may be a risk of interest rate fluctuations within this five day period. The present bill proposes to change the notice period requirement to not less than twenty-four hours. This change would reduce the interest rate risks due to a notice period extended over several days.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3501 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

CRep. 414-88 Finance on H.B. No. 3512

The purpose of this bill is to comply with Section 235-2.5(c), Hawaii Revised Statutes, which adopts all of the provisions of the Internal Revenue Code section operative for State tax computation, as amended by Public Law 100-203, the Revenue Act of 1987.

The largest number of amendments were made to business tax provisions affecting accounting provisions. Most of these amendments have little impact on the Hawaii law. Adoption of these changes assures continued State conformity with federal income tax provisions and minimizes the taxpayer's burdens in complying with the Income Tax Law.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3512 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 415-88 Finance on H.B. No. 3518

The purpose of this bill is to clearly provide an exemption for producers producing tangible personal property later sold out of the State.

Presently, the general excise tax exemption granted by Section 237-29.5, Hawaii Revised Statutes, does not apply to the privilege of producing products sold for delivery outside the State or shipped or transported out of the State for the purchaser's or taxpayer's use or consumption in business. Deleting the reference to Section 237-13(2)(A), Hawaii Revised Statutes, will provide the exemption and will amend the statute to conform to the intent of the Department of Taxation and the Legislature in enacting Section 237-29.5, Hawaii Revised Statutes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3518 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 416-88 Finance on H.B. No. 3512

The purpose of this bill is twofold: first, to increase the penalty on failure to pay tax where any part of the underpayment is due to negligence or intentional disregard of rules from a maximum of ten percent to a maximum of twenty-five percent of the underpayment as determined by the Director of Taxation; and secondly, to decrease the period of paying the tax after filing the return from ninety (90) days to sixty (60) days after such filing and to increase the penalty for nonpayment within the period from ten percent to twenty percent.

The State Department of Taxation has consistently encountered problems collecting delinquent taxes and the desired correction of this problem. Under the present law, certain groups of taxpayers consistently file their tax returns on a timely basis, but fail to pay in full until a period of 90 days has passed. Corrective action is needed to deter this practice.

These amendments will give the enforcement branch of the Department of Taxation assistance in its efforts to enforce the statutory provisions, and would encourage taxpayers to pay their taxes within the statutory provision to avoid the penalty.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3521 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 417-88 Finance on H.B. No. 3522

The purpose of this bill is to amend the reporting dates of the estimate of total state personal income by the Council on Revenues.

Presently, Section 37-113, Hawaii Revised Statutes, requires the Council on Revenues to prepare an estimate of total personal income of the State of Hawaii for the Governor, Director of Finance, Chief Justice and the Legislature each July 15 and October 15. The new amendments will increase the reporting dates by 5 days respectively in order to allow the Council on Revenues sufficient time to submit their report on a timely basis.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3522 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 418-88 Finance on H.B. No. 3523

The purpose of this bill is to permit the setoff of state income tax refunds of those persons owing federal income tax.

Under present law, the State is not permitted to retain the state income tax refunds of those persons who owe a debt to the United States Treasurer. The present amendment provides for a mechanism for delinquent federal income taxes to be collected without impact on state tax revenues. This bill also reflects the State's efforts for increased cooperation with the Internal Revenue Service in the collection of delinquent income taxes. One benefit to the State through this cooperative effort is the State will receive information of delinquent taxpayers from the Internal Revenue Service.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3523 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 419-88 Finance on H.B. No. 3533

The purpose of this bill is to increase the statutory limitation on the sum amount of petty cash funds for a State agency to \$100,000.

The present limitation on the petty cash fund for a State agency is \$25,000. The enactment of Act 281, Session Laws of Hawaii 1985, requires that all payments less than \$100 be made from agency petty cash funds. As a result, some agencies are having a problem with the \$25,000 limitation.

The new limitation will not affect the amount of monies available to a department for its expenditures since the expenditure amounts are still subject to the amounts specified in appropriations.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3533 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 420-88 Finance on H.B. No. 2429

The purpose of this bill is to repeal Chapter 242, Hawaii Revised Statutes, which exempts from taxes and fees income from certain mortgage loans made before 1964.

Your Committee is in agreement with the Department of Taxation that this chapter should be repealed because it is obsolete.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2429 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 421-88 Finance on H.B. No. 3515

The purpose of this bill is to provide a general excise tax exemption for certain transactions between related entities and for common paymaster operations. This bill provides like treatment for such operations and transactions under the general excise tax and under the income tax.

Your Committee finds that it is the common practice of businesses to centralize cash requirements as well as managerial and administrative services in order to achieve economies of scale, function, or expertise. The general excise tax as it is presently structured imposes the four per cent tax on these centralized services which are reflected on the entities books as services provided and income received. Under the income tax, no tax is imposed upon such transactions, however, this is not true of the general excise tax. The following discussion explains this area.

In order to properly supervise subsidiaries, and to determine whether or not they are profitable, a parent corporation charges a subsidiary for managerial, administrative, legal, or accounting services provided to the subsidiary. For income tax purposes these charges appear on the corporate books. The subsidiary, in turn, reflects payments for such services to the parent, again this is reflected on the corporation books and on the income tax return. The Income Tax Law allows these transactions not to be taxed. This is not true of the general excise tax, where there is no similar provision for nontaxability. The result, is that due to income tax provisions and sound accounting principles, the corporation is charged general excise taxes on what are substantially book transactions, when in fact no money may have exchanged hands. The first half or subsection (a) of this bill takes care of this problem and exempts such transactions from the general excise tax.

The exemption includes the compensation of persons rendering services which are exempted and also exempts the overhead costs attributable to such services. Overhead costs should follow generally accepted accounting definitions and should include, but not be limited to, office rent, facilities, equipment costs, phone systems, utilities, fringe benefits, insurance or indemnity, support staff, compliance costs related to licensing or regulatory requirements, contracted services such as legal, accounting, advertising, and support services, and indirect expenses such as travel and entertainment, donations, dues, and subscriptions. Your Committee notes that the exemption should be even handedly administered by the Department of Taxation and not abused by those entities which may choose to exercise the exemption.

The second half of the bill recognizes another trap between the two tax laws -- the Income and General Excise Tax Laws. In this case there may be two or more related entities who choose one of the entities to do the payroll for all of the entities. This choice is made for sound business reasons and allows the best use of the expertise of the various entities. The nonpayroll entities in this situation will transmit to the common paymaster entity amounts to be disbursed. Included in these amounts will be employee wages and salary, payroll taxes, and employee benefits, which the common paymaster then distributes to the employees of all the related entities, the proper governments for taxes, and the proper entity for employee benefits. Under the Income Tax Law there is no tax placed on the common paymaster on the sums representing wages and salary, payroll taxes, and employee benefits; the general excise tax, however, does tax these amounts. The imposition of a tax in this area prevents businesses in Hawaii from undertaking a cost effective method of doing business.

Your Committee finds that the exemptions provided by this bill will assist the development of business in Hawaii and promote a positive business climate.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3515 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 422-88 Finance on H.B. No. 2390

The purpose of this bill is to expand the areas of scientific facilities as listed in Section 237-26(b), Hawaii Revised Statutes, by including agricultural, astronomical, biomedical, or any other scientific facility, for an exemption of certain scientific contracts with the United States.

Under the present law and for the purposes of section 237-26, Hawaii Revised Statutes, "scientific work" is limited to electronic, test range, aerospace, oceanographic, geophysical or other scientific facilities, to qualify for a general excise tax exemption. The exemption would include all of the gross proceeds derived by a contractor or subcontractor arising from the performance of any scientific work, under any contract entered into with the United States. With the present amendments, the exemption would include a broader range of scientific facilities.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2390 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 423-88 Finance on H.B. No. 2040

The purpose of this bill is to have a publication which integrates current knowledge about the ocean, noting present and future developments in human activity in the ocean. It would be a valuable educational tool, not only in schools but for all residents and visitors to Hawaii. The publication would enrich our understanding and appreciation of the complexity

of the ocean which surrounds Hawaii. It will enable the people of Hawaii to make well-informed decisions about the future uses of the ocean resources of our state.

Your Committee heard testimony from Dr. Rose Pfund, Associate Director of the University of Hawaii Sea Grant College Program. The University of Hawaii is in concurrence with the intent of H.B. No. 2040, H.D. 1, and supports the desire of the State Legislature. A copy of the feasibility study for a Hawaii Ocean-Book, prepared in response to H. R. 401 and H.C.R. 238 was submitted to the State Legislature in December 1987.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2040, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee

SCRep. 424-88 Planning, Energy and Environmental Protection on H.R. No. 26

The purpose of this resolution is to request the Department of Business and Economic Development, in cooperation with the appropriate agencies, to conduct a study to identify the needs of Pacific Rim countries with regards to their renewable energy potential. The study is also directed to include, but not be limited to, an assessment of the existing energy opportunities in Hawaii and specific recommendations for initiatives or strategies that the State should take to utilize and promote existing technology in this field.

Your Committee finds that Hawaii has become a leader in the Pacific Basin in the research, development, and utilization of renewable energy technologies; and that it would be in the best economic interest of the State to take an active role in exporting such technologies. Our efforts in biomass, geothermal, solar and wind energy research and development have drawn attention and admiration from our sister communities in the Pacific Rim and beyond. The proposed study would be a significant contribution in enhancing Hawaii's role in helping to meet the energy needs of the Pacific Rim countries.

Your Committee on Planning, Energy, and Environmental Protection concurs with the intent and purpose of H.R. NO. 26, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 425-88 Planning, Energy, and Environmental Protection on H.C.R. No. 23

The purpose of this concurrent resolution is to request the Department of Business and Economic Development, in cooperation with the appropriate agencies, to conduct a study to identify the needs of Pacific Rim countries with regards to their renewable energy potential. The study is also directed to include, but not be limited to, an assessment of the existing energy opportunities in Hawaii and specific recommendations for initiatives or strategies that the State should take to utilize and promote existing technology in this field.

Your Committee finds that Hawaii has become a leader in the Pacific Basin in the research, development, and utilization of renewable energy technologies; and that it would be in the best economic interest of the State to take an active role in exporting such technologies. Our efforts in biomass, geothermal, solar and wind energy research and development have drawn attention and admiration from our sister communities in the Pacific Rim and beyond. The proposed study would be a significant contribution in enhancing Hawaii's role in helping to meet the energy needs of the Pacific Rim countries.

Your Committee on Planning, Energy, and Environmental Protection concurs with the intent and purpose of H.C.R. No. 23, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 426-88 Ocean and Marine Resources and Intergovernmental Relations on H.R. No. 13

The purpose of this resolution is to support Congressional Bill H.R. 1260 which seeks to establish a program for an effective shared management role between the federal government and the coastal states over the Exclusive Economic Zone (EEZ).

Testimony in favor of the resolution, presented by the Office of State Planning, indicated that it may be more appropriate to state Hawaii's support of the principles embodied in the bill. They also suggested that the coastal states have an equitable share in the benefits (rents, royalties, or bonus payments) derived from the development of adjacent EEZ ocean resources.

The Chairman of the Council of State Governments/Western Legislative Conference's Committee on Economic Development and International Trade testified that the state's interests may be better served by a broader regulatory and revenue sharing framework than H.R. 1260 would establish. They also would like the resolution to reflect the general support for shared management, control and revenues of the EEZ by state and federal governments without any reference to specific congressional proposals.

Your Committee has adopted the recommendations of the testifiers by making the following amendments:

1) The title be amended by deleting the words "SUPPORT FOR CONGRESSIONAL BILL H.R. 1260 WHICH PROPOSES TO CREATE AN EFFECTIVE, SHARED MANAGEMENT MECHANISM". After the word "HAWAII'S", the following clause is added, "CONTINUED COMMITMENT AND GENERAL SUPPORT FOR THE CREATION OF AN EFFECTIVE SHARED MANAGEMENT, CONTROL AND REVENUE MECHANISM".

2) The addition of another WHEREAS clause before the last WHEREAS clause to read: "WHEREAS, the Hawaii State Legislature believes that affected coastal states have a right to share in the benefits derived from the development of adjacent EEZ ocean resources consistent with the associated risks, including an equitable share of any rents, royalties, or bonus payments; and".

3) The first "BE IT RESOLVED" clause to amend 1987 to 1988; the deletion of the words "Congressional Bill H.R. 1260, which seeks to establish" after the word "supports"; addition of the words "and an equitable share of any associated governmental revenues" after the word "Zone".

4) The last BE IT FURTHER RESOLVED clause include "Hawaii's State Lobbyist," after the word "Representative,".

Your Committees have also made technical, nonsubstantive amendments to the bill for the purpose of style and clarity.

Your Committees on Ocean and Marine Resources and Intergovernmental Relations concur with the intent and purpose of H.R. No. 13, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 13, H.D. 1.

Signed by all members of the Committee.

SCRep. 427-88 Ocean and Marine Resources and Intergovernmental Relations on H.C.R. No. 10

The purpose of this concurrent resolution is to support Congressional Bill H.R. 1260 which seeks to establish a program for an effective shared management role between the federal government and the coastal states over the Exclusive Economic Zone (EEZ).

Testimony in favor of the concurrent resolution, presented by the Office of State Planning, indicated that it may be more appropriate to state Hawaii's support of the principles embodied in the bill. They also suggested that the coastal states have an equitable share in the benefits (rents, royalties, or bonus payments) derived from the development of adjacent EEZ ocean resources.

The Chairman of the Council of State Governments/Western Legislative Conference's Committee on Economic Development and International Trade testified that the state's interests may be better served by a broader regulatory and revenue sharing framework than H.R. 1260 would establish. They also would like the resolution to reflect the general support for shared management, control and revenues of the EEZ by state and federal governments without any reference to specific congressional proposals.

Your Committee has adopted the recommendations of the testifiers by making the following amendments:

1) The title be amended by deleting the words, "SUPPORT FOR CONGRESSIONAL BILL H.R. 1260 WHICH PROPOSES TO CREATE AN EFFECTIVE, SHARED MANAGEMENT MECHANISM". After the word "HAWAII'S", the following clause is added, "CONTINUED COMMITMENT AND GENERAL SUPPORT FOR THE CREATION OF AN EFFECTIVE SHARED MANAGEMENT, CONTROL AND REVENUE MECHANISM".

2) The addition of another WHEREAS clause before the last WHEREAS clause to read: "WHEREAS, the Hawaii State Legislature believes that affected coastal states have a right to share in the benefits derived from the development of adjacent EEZ ocean resources consistent with the associated risks, including an equitable share of any rents, royalties, or bonus payments; and".

3) The first "BE IT RESOLVED" clause to amend 1987 to 1988; the deletion of the words "Congressional Bill H.R. 1260, which seeks to establish" after the word "supports"; addition of the words "and an equitable share of any associated governmental revenues" after the word "Zone".

4) The last BE IT FURTHER RESOLVED clause, include "Hawaii's State Lobbyist," after the word "Representatives,".

Your Committees have also made technical, nonsubstantive amendments to the bill for the purpose of style and clarity.

Your Committees on Ocean and Marine Resources and Intergovernmental Relations concur with the intent and purpose of H.C.R. No. 10, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 10, H.D. 1.

Signed by all members of the Committee.

SCRep. 428-88 Agriculture on H.R. No. 36

The purpose of this resolution is to support Hawaii's congressional delegation in their efforts to maintain support for the United States sugar industry.

Your Committee received favorable testimony on this resolution from the Hawaiian Sugar Planters Association, the Board of Agriculture, the College of Tropical Agriculture and Human Resources, and the Hawaiian Electric Company.

Your Committee finds that sugar growing is a vital component of Hawaii's agricultural economy, as well as the agricultural economy of our nation. The sugar industry is the third largest source of export income for Hawaii and provides thousands of jobs.

Your Committee also finds that international free trade of sugar is impossible under existing conditions because free trade cannot exist without fair trade.

Your Committee further finds that it is imperative that Hawaii's delegation to Congress know that Hawaii supports the continuation of sugar production in the United States through federal support.

Your Committee has made technical non-substantive amendments to the resolution for purpose of style and clarity.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 36, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 36, H.D. 1.

Signed by all members of the Committee.

SCRep. 429-88 Agriculture on H.C.R. No. 33

The purpose of this concurrent resolution is to support Hawaii's congressional delegation in their efforts to maintain support for the United States sugar industry.

Your Committee received favorable testimony on this resolution from the Hawaiian Sugar Planters Association, the Board of Agriculture, the College of Tropical Agriculture and Human Resources, and the Hawaiian Electric Company.

Your Committee finds that sugar growing is a vital component of Hawaii's agricultural economy, as well as the agricultural economy of our nation. The sugar industry is the third largest source of export income for Hawaii and provides thousands of jobs.

Your Committee also finds that international free trade of sugar is impossible under existing conditions because free trade cannot exist without fair trade.

Your Committee further finds that it is imperative that Hawaii's delegation to Congress know that Hawaii supports the continuation of sugar production in the United States through federal support.

Your Committee has made technical non-substantive amendments to the concurrent resolution for purpose of style and clarity.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 33, H.D. 1.

Signed by all members of the Committee.

SCRep. 430-88 Consumer Protection and Commerce on H.B. No. 2788

H.B. No. 2788 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2788, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2788, H.D. 1.

Signed by all members of the Committee except Representatives Bellinger, Metcalf, Peters, Shito, Takamine and Jones.

SCRep. 431-88 Consumer Protection and Commerce on H.B. No. 2785

H.B. No. 2785 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2785, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2785, H.D. 1.

Signed by all members of the Committee except Representatives Bellinger, Metcalf, Peters, Shito, Takamine and Jones.

SCRep. 432-88 Consumer Protection and Commerce on H.B. No. 3321

H.B. No. 3321 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3321, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3321, H.D. 1.

Signed by all members of the Committee except Representatives Bellinger, Metcalf, Peters, Shito, Takamine and Jones.

SCRep. 433-88 Intergovernmental Relations on S.B. No. 546

The purpose of this bill, as received by your Committee, is to repeal the special or local statutes setting forth the powers of particular counties, and to replace these provisions with grants of general powers which would have uniform operation in all counties of the State.

Your Committee finds that the general powers and limitations of county laws in the Hawaii Revised Statutes were enacted before the various counties had their own charters. As a result, many of these statutory provisions relate to matters that no longer exist and are antiquated in nature. In order to resolve this problem, your Committee finds that the time has come to review these laws to ensure uniformity so that all counties have similar general powers or limitations that supersede currently unnecessary provisions.

While in agreement with the intent of the bill, your Committee has adopted the recommendations of the Corporation Council of the City and County of Honolulu by amending Section 2 to limit the chapters which will be superseded by the provisions of this act to Chapters 61, 62, 64, 65, 66, 67, and 70 and excluding Chapters 63, 68, and 69, which were included in the original form of the bill.

Significant revisions to Section 3 of the bill to broaden the scope of the measure include the following:

- (1) Subsection (1) relating to organizational structures of county governments was added (Page 2, line 20);
- (2) Subsection (6) codifying existing county condemnation powers was added (Page 4, line 20);
- (3) Subsection (7) regarding county powers to regulate statutorily authorized business activities was added (Page 4, line 22);
- (4) Subsection (9) relating to the establishment of improvement or maintenance assessment districts was added (Page 5, line 5);
- (5) Subsection (12) relating to county powers to prevent or summarily remove nuisances was added (Page 5, line 19);
- (6) Subsection (13) which would allow the counties to enact ordinances for the general health, safety and welfare of the public was added (Page 6, line 4);
- (7) Subsection (14) relating to general county police powers was amended to allow penalties to be classified as misdemeanors, petty misdemeanors or other appropriate violations as defined by general laws (Page 6, line 12);
- (8) subsection (16) relating to property was amended to exclude the disposal of property for school purposes without the consent of the Superintendent (Page 7, line 11);
- (9) Subsection (17) which would allow the counties to prosecute offenses against the State was added (Page 7, line 17); and
- (10) Corresponding numerical changes to appropriate subsections to accommodate the above-described revisions were also made.

Your Committee has also made some technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Intergovernmental Relations is in accord with the intent and purpose of S.B. 546, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 546, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Jones.

SCRep. 434-88 Judiciary on H.B. No. 2433

The purpose of this bill is to add to the Penal Code a provision prohibiting the destruction and defacement of official notices and providing a penalty therefor and to repeal a similar provision which was previously a chapter pertaining to Public Proceedings and Records.

A representative from the Office of the Public Defender presented testimony in support of the bill. He suggested changing the term "maliciously" to "intentionally" in order to use the language already provided in the Penal Code to

define a state of mind. The Penal Code specifies four states of minds, and the state of mind denoted by the term "intentionally" most closely approximates the meaning conveyed by the term "maliciously."

Your Committee has amended the bill by changing the term "maliciously" to "intentionally" in order to describe a state of mind already provided in the Penal Code.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2433, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 435-88 Judiciary on H.B. No. 2115

The purpose of this bill, as received by your Committee, is to impose upon every person convicted of leaving an abandoned or derelict vehicle the mandatory penalty of a one-year suspension of that person's driver's license in addition to other criminal sanctions provided under law.

Your Committee heard testimony asserting that suspension of the driving privilege may be an inappropriate penalty for abandonment of a vehicle which is an offense unrelated to the exercise of the driving privilege. Your Committee believes, however, that the driving privilege does extend to responsible ownership of a motor vehicle and that license suspension is an appropriate sanction for the irresponsible behavior of vehicle abandonment.

Your Committee has amended the bill to make the penalty of a one-year driver's license suspension permissible instead of mandatory. Accordingly, the bill was also amended by removing proposed language which restricted suspension or reduction of the one-year driver's license suspension.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2115, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 436-88 Judiciary on H.B. No. 1009

The purpose of this bill is to add a new evidentiary rule that would ensure that children will be allowed to testify in criminal cases in which they may be called as witnesses and that their testimony will not be considered less credible because of their age.

Your Committee heard testimony in support of this bill from the Department of the Prosecuting Attorney of the City and County of Honolulu. The evidentiary rule proposed by this bill is based on the model act from the National Association of Attorneys General. The proposed rule would rectify the frequent situation in which a child is disqualified as a witness solely because of abstract inquiries into the child's understanding of truth and moral duty.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1009 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 437-88 Judiciary on H.B. No. 2003

The purpose of this bill is to confer upon the Center for International Commercial Dispute Resolution the legal authorities necessary to facilitate the resolution of various international commercial disputes by means other than international litigation.

The Center for International Commercial Dispute Resolution ("Center") is an independent nonprofit educational corporation. Arbitral tribunals or panels established by the Center conduct, administer and facilitate resolutions by such means as arbitration, mediation, conciliation. The bill would provide to the tribunals or 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 or panels would be further afforded limited subpoena powers to be enforced by the circuit court. Your Committee notes that this bill is not intended to grant the Center any exclusive legal authorities.

Your Committee heard testimony in support of this bill from a representative of the Judiciary and from members of the Center's Board of Governors. It was asserted in the testimony that development of independent dispute resolution services would help to expand Hawaii's leadership role in the Pacific Region.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2003 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 438-88 Judiciary on H.B. No. 2113

The purpose of this bill is to impose upon every person convicted of negligent homicide, in either the first and second degree, the mandatory penalty of a one-year suspension of the driver's license of that person in addition to other criminal sanctions provided under law.

Your Committee has received testimony in support of this bill. The testimony emphasized that suspending the driving privilege for one year, in addition to other criminal sanctions, is an appropriate penalty when negligent use of this privilege caused another person's death, especially when death resulted from driving under the influence of intoxicating liquor.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2113 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 439-88 Consumer Protection and Commerce on H.B. No. 2353

The purpose of this bill is to allow industrial loan companies to charge to a borrower insurance premiums described in Regulation Z. The insurance would provide industrial loan companies with an alternative to filing a UCC-1 Statement and would provide companies with some protection against losses where the collateral can not be located or where the collateral is protected from repossession when a debtor goes into bankruptcy.

Your Committee received testimony favorable to this bill and no testimony in opposition.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2353 and recommends that it pass Second Reading and be placed in the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters and Jones.

SCRep. 440-88 Consumer Protection and Commerce on H.B. No. 3305

The purpose of this bill is to repeal Chapter 423, Hawaii Revised Statutes, and regulate providers of prepaid dental insurance plans by requiring that they register with the Department of Commerce and Consumer Affairs. The bill would also provide the Director of Commerce and Consumer Affairs with certain powers and duties to effectuate the purpose of this bill, including the power to establish reserve requirements if deemed necessary by the Director.

It is the intent of your Committee that these powers and duties be narrowly construed to accomplish the purposes of registration and stand-by reserve requirements only. Your Committee does not intend for this bill to enable broad-scale regulation of Dental Service Organizations.

Your Committee received testimony in support of this bill from the Hawaii Dental Association.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3305 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Bellinger, Peters and Jones.

SCRep. 441-88 Consumer Protection and Commerce on H.B. No. 2354

The purpose of this bill is to allow industrial loan companies to use recent real property tax assessments for the purpose of valuing residential properties if certain conditions are met.

Your Committee received testimony that this bill would, in some cases, reduce the costs which a consumer would incur in trying to get a loan by saving on the cost of appraisals. Your Committee also received testimony that county tax assessors are qualified appraisers and that in the vast majority of cases the tax assessed values are less than appraisals. This conservative valuation would provide an adequate safeguard for sound lending.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2354, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bellinger, Peters and Jones.

SCRep. 442-88 Consumer Protection and Commerce on H.B. No. 3265 (Majority)

The purpose of this bill is to recognize intrapacific banking companies and would allow such companies to establish, acquire or merge with Hawaii depository institutions. The bill provides that this activity would be permissible only for intrapacific banking companies in a reciprocal region which allows the same or less restricted activity for Hawaii depository institutions. The intrapacific reciprocal region would consist of Guam, American Samoa, Federated State of Micronesia, Republic of Palau, Commonwealth of the Northern Marianas and the Republic of the Marshall Islands so long as they remain U.S. dollar based economies.

Your Committee received testimony that this bill would promote Hawaii's interest within the Pacific by creating an environment conducive to banking to and from the intrapacific region. Your committee received no testimony in opposition to this bill. Testimony was offered by the Commissioner of Financial Institutions suggesting several changes to the bill. These changes were with respect to the definition of "control", a reference to Chapter 405D, the burden to request hearings, and a requirement for intrapacific banks taking deposits in this State to be insured by the FDIC, in addition to rewording some of the language in the bill. Your committee concurs with these changes and has accordingly amended the bill.

Additionally your Committee has amended the bill, as suggested by testimony from a Hawaii bank, in certain technical and non-substantive areas for purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3265, as amended herein, and recommends that it pass Second Reading in the form as attached hereto as H.B. No. 3265, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 443-88 Consumer Protection and Commerce and Judiciary on H.B. No. 2339

The purpose of this bill is to amend the statutes pertaining to telephone solicitation to protect the public from the intrusion and harassment which can result from the use of automatic announcing or automatic dialing-announcing devices to initiate telephone solicitation calls.

Testimony indicated that the Public Utilities Commission presently has a tariff which prohibits this practice. However, the penalty for violation of this tariff is the discontinuance of telephone service. The Office of Consumer Protection testified that this penalty does not provide sufficient deterrence and recommended additional penalties.

Your Committees agree with the recommendation of the Office of Consumer Protection and has accordingly amended the bill to apply the penalties provided in the statutes for improper telephone solicitation to the use of these devices. This amendment also makes it clear that the penalty section applies to all persons engaging in business as a solicitor in violation of sections 445-181 to 445-185.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 2339, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2339, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Peters and Jones.

SCRep. 444-88 Housing and Community Development on H.B. No. 3561

The purpose of this housekeeping measure is to amend Section 237-29, Hawaii Revised Statutes, by replacing references to "Section 359G-15" with "Section 201E-205" and by replacing the term "Hawaii housing authority" with "housing finance and development corporation."

Act 337 of 1987, transferred certain functions of the Hawaii Housing Authority to the Housing Finance and Development Corporation. This Act established Chapter 201E to govern the Housing Finance and Development Corporation and at the same time repealed Chapter 359G in its entirety. The housekeeping amendments proposed in this bill are for the purpose of consistency with Act 337.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3561, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3561, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 445-88 Housing and Community Development on H.B. No. 3451

The purpose of this bill is to exempt the Housing Finance and Development Corporation from Section 171-50, Hawaii Revised Statutes, which relates to the exchange of public land for private land.

The present scarcity of State lands suitable for residential development creates a need for land exchanges which could provide a viable means to acquire suitable lands. Since timing is a crucial part of development, the ability to expeditiously act to acquire the land could determine the success of a project.

Presently, the Housing Finance and Development Corporation must meet certain requirements which could result in a delay of one year, thus increasing the cost of development. This bill proposes to streamline the process of land exchange for the Housing Finance and Development Corporation; making the exchange of land procedures consistent with the sale of Housing Finance and Development Corporation lands.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3451 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 446-88 Housing and Community Development on H.B. No. 3560

The purpose of this bill is to substitute the definition of "housing finance and development corporation" for "hawaii housing authority" and to substitute "corporation" for "authority" whenever it appears in Chapters 516, and 519, Hawaii Revised Statutes.

The Executive Director of the Housing Finance and Development Corporation stated that although Act 337 of 1987 states that Chapters 111, 516, and 519, Hawaii Revised Statutes, are to be amended by substituting the words "housing finance and development corporation" wherever the words "hawaii housing authority" appears, it was pointed out by the Revisor of Statutes that the definition of "authority" in Chapter 516 has to be deleted, replaced with the definition of "corporation." Additionally, the term "authority" must be replaced with "corporation," thus amending various sections in the Hawaii Revised Statutes for the purpose of consistency with Act 337 of 1987.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3560 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 447-88 Housing and Community Development on H.B. No. 3562

The purpose of this bill is to set forth, in the Hawaii Revised Statutes, what the Housing Finance and Development Corporation was legally authorized to do.

In 1987, Act 24 was to establish a Rental Housing Revolving Fund, while Act 64 was to delete existing government assisted rental housing projects from qualifying for general exise tax exemptions.

However, Act 337 of 1987, specifically provides that any amendment made by an act of the Regular Session of 1987 to a provision of the Hawaii Revised Statutes administered by the Hawaii Housing Authority which is reenacted and made applicable to the Housing Development and Finance Corporation by the new chapter in Section 15 of this Act, shall be an amendment to the new chapter. It was assumed that the provisions of Act 24 and Act 64 would be incorporated into the new chapter. These two Acts were not incorporated into Act 201E; because the Revisor of Statutes believes that he does not have the authority to interpret law.

Upon the advice of the Attorney General's Office, the Executive Director of the Housing Finance and Development Corporation believes that H.B. No. 3562 will provide the means to avoid unnecessary controversy with regard to Housing Finance and Development Corporation's legal authority to carry out the provisions set forth in the two Acts.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3562 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 448-88 Human Services on H.B. No. 2734

The purpose of this bill is to amend Section 346-14, Hawaii Revised Statutes, in order to extend medical care under the federal optional medical assistance program to various client groups.

Your Committee finds that this bill will maximize the medical care available to low income pregnant women, children, homeless persons and aliens under optional medical assistance programs available from the federal government.

Your Committee notes that H.B. No. 3123 proposes a similar measure to include elderly persons as eligible for optional medical assistance from the federal government. The testimony presented in support of both bills were substantially similar to one another.

Your Committee therefore finds that in the interest of convenience and efficiency, this bill is amended by incorporating the provisions of H.B. No. 3123.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2734, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 449-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2364

The purpose of this bill is to designate Kamao Point State Historical Park a historic site, to be administered by the Department of Land and Natural Resources.

Your Committee received written testimony from the Friends of Keolonahihi (dba Friends of Kamao Point, Inc.) requesting that the name of Kamao Point be changed to PUU HONUA O KEOLONAHIHI -- STATE HISTORIC COMPLEX.

Your Committee has amended this bill by changing the name Kamao Point State Park to PUU HONUA O KEOLONAHIHI -- STATE HISTORIC COMPLEX.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2364, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 450-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3481

The purpose of this administration bill is to 1) remove public trails from the definition of public highways; 2) clarify that public trails are under State jurisdiction unless created by or dedicated to a particular county; and 3) clarify jurisdiction of trails under the Board of Land and Natural Resources.

Recent judicial decisions (e.g. Santos v. Perreira, 2 Haw. App. 387 (1981)) have confused both the status of trails and dedication requirements. The current statute fails to address public trails and by implication makes them county highways contrary to prior law and to historical treatment. The current statute also fails to distinguish trails under the Department of Land and Natural Resources from vehicular highways under the Department of Transportation. The proposed legislation remedies these problems.

Your Committee has amended this bill to provide clarifying language which will assure that trails established by the Highways Act of 1892 or thereafter will be vested as a public right-of-way. Also, we added wording to define how state trails may be discontinued.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3481, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 451-88 Finance on H.B. No. 839

The purpose of this bill is to comply with Article VII, Section 6, of the Constitution of the State of Hawaii which requires that, whenever the state general fund balance at the close of each of two successive fiscal years exceeds five per cent of general fund revenues for each of the two fiscal years, the legislature shall provide for a tax refund or a tax credit to the taxpayers of the State in the next regular session.

Your Committee has approved a tax credit in the amount of \$1.00 to qualified resident taxpayers of the State. The amount of the credit shall reduce the tax liability of the taxpayers for the 1988 taxable year. If the tax credit exceeds the amount of tax due, or if there is no tax due, the excess amount of the credit shall be paid to the qualified taxpayer. The amount of the credit shall be multiplied by the number of qualified exemptions for the taxable year.

Your Committee has amended this bill by deleting the year "1987" on line 13, page 2 to "1988" in order to implement this tax credit in the 1988-89 fiscal year.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 839, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 839, H.D. 1.

Signed by all members of the Committee.

SCRep. 452-88 Judiciary on H.B. No. 284

The purpose of this bill is to amend the Constitution of the State of Hawaii to extend the length of the regular session of the Legislature from sixty days to eighty days.

Currently, the Constitution states that the regular session shall be limited to a period of sixty days with a recess for not less than five days.

Your Committee received testimony in support of the amendment to the State Constitution from the Yacht Harbor Towers Association of Apartment Owners and the Hawaii Leasehold Equity Coalition. Due to the volume of bills

introduced each legislative session and the complexity of the issues, the extension would allow sufficient time to consider proposed legislation and allow for more effective public participation in the legislative process.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 284 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Peters, Yoshimura, Hemmings, Jones and Medeiros.

SCRep. 453-88 Judiciary on H.B. No. 3347

The purpose of this bill is to amend Chapter 327 of the Hawaii Revised Statutes to incorporate amendments made to the Uniform Anatomical Gift Act by the Uniform Laws Commissioners.

H.B. 3347 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Judiciary is in accord with the purpose and intent of H.B. No. 3347, as amended herein, and recommends that it be recommitted to the Committee on Judiciary for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3347, H.D. 1.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 454-88 Judiciary on H.B. No. 2654

The purpose of this bill is establish a media ombudsman's office.

H. B. No. 2654 was introduced as a short-form or vehicle bill which contained a general purpose without specific details. Your Committee has amended the bill to provide the substantive contents of the bill so that a public hearing may be meaningfully held on its contents.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2654, as amended herein, and recommends that it be recommitted to the Committee on Judiciary, for the purpose of holding a public hearing thereon, in the form attached hereto as H. B. No. 2654, H.D. 1.

Signed by all members of the Committee except Representatives Yoshimura and Jones.

SCRep. 455-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 240

The purpose of this bill is to direct the Attorney General to take appropriate action, including, instituting legal proceedings to determine whether the State, the county, a private entity or person is responsible for the maintenance of drainageways where responsibility is in dispute or maintenance is not being performed.

H.B. No. 240 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 240, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development and Hawaiian Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 240, H.D. 1.

Signed by all members of the Committee except Representatives D. Ige, Fukunaga, Isbell, Kanoho, Lee, O'Kieffe and Pfeil.

SCRep. 456-88 Health on H.B. No. 2797

The purpose of this bill is to provide authority to the Department of Health to implement the requirements of the Asbestos Hazard Emergency Response Act of 1986 (AHERA), Public Law 99-519. Under AHERA, the State is to establish an accreditation plan covering inspectors, management planners, and persons who design or carry out removal of materials containing asbestos from school buildings. This bill is also intended to authorize the Department of Health to require accreditation when the inspection, planning, and design or removal of materials containing asbestos is from any public or private building.

Your Committee heard testimony from the Department of Health who explained that this bill would give the State the authority to set up a state plan for the accreditation of the specially trained personnel referred to above to conduct inspections for asbestos, develop asbestos management plans, and to design asbestos abatement projects in Hawaii's schools and possibly in public buildings at a later date.

Your Committee has made two minor amendments to this bill at the suggestion of the Department of Health. We have deleted the word "required" from Section 5 of this bill and in the same Section of this bill we have corrected the HRS citation from Section 321-11(26) to Section 321-13(a)(1) which gives the Department rule-making authority for various occupations related to public health or safety.

Your Committee on Health is in accord with the intent and purpose of H.B. 2797, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2797, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives M. Ige, Metcalf, Peters and Cavasso.

SCRep. 457-88 Judiciary on H.B. No. 3342

The purpose of this bill is to require persons sentenced for driving under the influence of intoxicating liquor to make restitution to the police department of the respective counties for the cost of blood tests.

Your Committee finds that the cost of administering blood tests increases annually, and that police department budgets are burdened by those costs. This bill will more justly place the costs on the offender rather than on the State.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3342 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 458-88 Judiciary on H.B. No. 2004

The purpose of this bill, as received by your Committee, is to provide a definition of "abuse" for the Penal Code provision pertaining to abuse of family and household members, to instruct the Family Court to establish guidelines for disposition of cases under this penal code provision, and to provide funding for domestic violence programs statewide for the fiscal year 1988-1989.

Your Committee heard testimony supporting the intent of the bill and including suggestions of language for use in defining "abuse." Your Committee believes that the definition of "abuse" proposed in the bill best serves the objectives of the penal code provision. In the bill, the described elements of "abuse" reflect a general intent standard. This standard would avoid the unnecessary burden upon abuse victims of proving the defendant's specific intent to commit certain acts of abuse.

Furthermore, your Committee believes that it is necessary to preserve in the definition of "abuse" the description of abuse by extreme emotional distress. Abuse by extreme emotional distress is just as much an intolerable offense and cause of disruption to the family unit as are physical forms of abuse. The definition in the Penal Code provision should not prevent the prosecution of cases which, absent evidence of physical abuse, can establish the elements of abuse by extreme emotional distress. The description of abuse by extreme emotional distress uses the language from the definition of "extreme psychological abuse" in Chapter 586, Hawaii Revised Statutes, relating to domestic abuse protective orders.

Your Committee has amended the bill by changing the evidentiary standard for arrests with or without warrants from "reasonable grounds" to "probable cause." "Probable cause" is the standard mandated by the Hawaii and federal Constitutions.

Your Committee has also amended the bill by removing the section relating to funding of family violence programs statewide in fiscal year 1988-1989. Such funding has already been proposed in an appropriation bill which your Committee has heard separately. The request for general program funding is not appropriate in this bill in which the other provisions relate only to the penal code provisions for domestic abuse.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2004, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 459-88 Judiciary on H.B. No. 2242

The purpose of this bill is to require mandatory minimum sentences for persons convicted of causing the death or serious bodily injury of a person who is sixty years of age or older; blind, a paraplegic or quadriplegic; or eight years of age or younger while committing or attempting to commit a felony. For those persons convicted of such crime, minimum terms of imprisonment are provided for the following offenses:

- (1) For murder in the second degree - fifteen years;
- (2) For a class A felony - six years, eight months;
- (3) For a class B felony - three years, four months; and

(4) For a class C felony - one year, eight months.

Your Committee finds that mandating harsher punishment for crimes committed against victims who are less able to protect themselves will afford a greater measure of protection for these groups.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2242 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 460-88 Judiciary on H.B. No. 2273

The purpose of this bill is to designate the hibiscus, also known as the Pua Aloalo, as the official State flower.

Your Committee received testimony from the Department of Land and Natural Resources in favor of the bill but suggesting that Hibiscus brackenridgei A. Gray be the species selected as the State flower. Your Committee finds that Hibiscus brackenridgei the best choice of the many species of hibiscus because it has showy flowers and was historically found on most of the main Hawaiian Islands, even though it is now almost extinct in the wild. It can be cultivated by cuttings, seeds, and air layers and was apparently used by the Hawaiians because of its tough, fibrous bark.

Your Committee has therefore inserted the common and scientific names of this choice, underlining the scientific name and citing the author (A. Gray) to reflect scientific nomenclatural practice.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2273, H.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 461-88 Judiciary on H.B. No. 2244

The purpose of this bill is to amend or repeal various provisions of the Hawaii Revised Statutes for the purpose of correcting errors, clarifying language, correcting references, and deleting obsolete or unnecessary provisions.

H.B. No. 2244 is a short form or vehicle bill. The Committee amended the bill by incorporating the text of H.B. No. 2131 into H.B. No. 2244, and deleting section 23 pursuant to testimony submitted by the Department of Taxation. The changes made by section 23 of the bill as received would have substantive effects beyond the scope of the title of this bill, and thus are not appropriate for inclusion in this bill.

L 1987, Act 209, section 1, amended section 11-72, and, in so doing, inadvertently changed the phrase in paragraph (4)(B), "in the event that a party's proportion of votes cast exceeds" to "in that event that a party's proportion of votes cast exceed". Pursuant to section 23G-15, the revisor of statutes has made the appropriate changes as indicated by the bracketing of the word "the" and by changing the word "exceed" back to "exceeds". The section is amended by deleting the brackets to ratify the actions of the revisor.

Section 11-213(a), concerns primary and special primary elections. The first sentence in subsection (a) originally referred to primary and special primary elections, but L 1987, Act 369, section 1(11) dropped the second "primary" so that the sentence now refers to primary and special elections. Since special elections differ from special primary elections and are covered in section 11-213(b), section 11-213(a) should be corrected. The revisor, pursuant to section 23G-15, has made the correction and indicated the change by inserting the word "primary" in brackets. The section is amended by deleting the brackets to ratify the actions of the revisor.

Section 11-216 was partially amended by L 1987, Act 369, section 1(13). The prefatory language of section 1(13) stated that subsections (c) and (f) were amended. When subsection (f) was set out, however, it was erroneously labeled subsection (d), although the actual text was that of subsection (f). The revisor, pursuant to section 23G-15, has corrected this typographical error, and has indicated the change by bracketing. This subsection is amended by deleting the brackets to ratify the actions of the revisor.

Section 26-9(c) refers to a board by its obsolete title. Under L 1983, Act 155, section 2, the board of registration of professional engineers, architects, and surveyors became the board of registration of professional engineers, architects, surveyors, and landscape architects. Section 26-9(c) is amended to reflect this change.

Section 46-4(a) concerns county zoning. The second to the last paragraph originally stated that this section is not to be construed to "limit or repeal" the counties' powers. L 1987, Act 109, section 2, through an apparent clerical error, changed "repeal" to "appeal". The use of the word "appeal" makes no sense in this context. Pursuant to section 23G-15, the revisor has changed "appeal" back to "repeal", as indicated by brackets. Section 46-4(a) is amended by deleting the brackets to ratify the actions of the revisor.

Section 46-4(d) contains a reference to elderly persons as defined in section 359-52. L 1987, Act 354, section 2, repealed part III of chapter 359, which contained section 359-52, with the result that section 46-4(d) now contains a reference to a nonexistent section. Act 354, section 2, also enacted a new section, 359G-71, which contains the definition,

but was moved to another chapter by L 1987, Act 337, section 23. The section has been codified by the revisor as section 201E-230. Section 46-4(d) is amended to reflect the correct statutory reference.

Section 46-15.4(a) contains a reference to section 445-91. That section was repealed by L 1987, Act 333, section 8. Section 46-15.4 is amended to delete the reference to the repealed section.

Section 53-84(3)(E) refers to the word "council" as used in section 53-16(e). Section 53-16(e), however, does not refer to "council", but refers to "members". The original version of section 53-84(3)(E), as enacted in L 1974, Act 123, section 2, also refers to "members". The change of the word "members" to "council" appears to have been a clerical error. The revisor, pursuant to section 23G-15, has corrected this error, as indicated by brackets, to replace "council" with "members". Section 53-84 is amended by deleting the brackets to ratify the actions of the revisor, and to make other nonsubstantive changes to conform to appropriate drafting style.

Section 92-24(4) refers to the fund authorized by section 416-97. Chapter 416 was repealed by L 1987, Act 135, section 208. As a result, section 92-24(4) refers to a section which no longer exists. Section 415-128 is the current reference to the same fund originally created by section 416-97. Section 92-24 is amended to reflect the appropriate reference.

Section 92-28 contains references to provisions that have been repealed. Chapter 6 was repealed by L 1976, Act 104, section 4; L 1980, Act 293, section 6; and L 1981, Act 135, section 2. Chapter 28, part III, was repealed by L 1983, Act 78, section 2, and current provisions are located in chapter 846, part II, pursuant to the same Act. Chapter 434 is repealed effective July 1, 1988, under L 1987, Act 347, section 1. Chapter 443A was repealed by L 1987, Act 191, section 4. Section 92-28 is amended to reflect these changes.

Section 104-1 contains numbered definitions, two of which refer to "subsection (6)". Both of these references are changed to "paragraph (6)" to conform to appropriate drafting style.

Section 134-7(c)(2) refers to individuals who have been committed under sections 333-42.5 and 333-43.5. Those sections were repealed by L 1987, Act 341, sections 3 and 4. Section 134-7 should be amended to delete these references.

Section 174C-5(11) refers to the department of planning and economic development. L 1987, Act 336, section 3, changed the department's name to the department of business and economic development. Section 174C-5 is amended to reflect this change. Technical nonsubstantive changes have also been made.

Section 201E-2 contains a definition of "eligible developer" that refers to chapter 421G. This chapter was repealed by L 1987, Act 105, section 2. The current reference, as established by the same Act and as numbered by the revisor under section 23G-15 is chapter 421H. Section 201E-2 is amended to reflect this change.

Section 201E-3 refers to the department of planning and economic development. L 1987, Act 336, section 3, changed this agency's name to the department of business and economic development. Section 201E-3 is amended to reflect this change.

Section 201E-161(a), enacted by L 1987, Act 337, section 15, contains two sets of paragraphs numbered (1) and (2). The use of two sets of numbered paragraphs in one subsection is ambiguous and may lead to confusion because a reference to "subsection (a)(1)" could be to either of two different provisions. Section 201E-161(a) has been divided into two separate subsections.

Section 208-4 refers to the members of the board of planning and economic development, as constituted in section 26-18. However, L 1983, Act 239, section 2, abolished that board. Section 208-4 is amended to reflect this change.

Section 209E-2 contains references to the department of planning and economic development. L 1987, Act 336, section 3, changed the department's name to the department of business and economic development. Section 209E-2 is amended to reflect this change.

As enacted by L 1987, Act 336, section 4(5), section 226-55(12) referred to sections 226-57 "an" 226-58. The word "an" is a clerical misspelling of the word "and". Under the authority of section 23G-15, the revisor has changed "an" to "and" as indicated by brackets. The statute is amended by deleting the brackets to ratify the actions of the revisor, and to make other corrections to conform to accepted drafting style.

Section 235-4 refers to professional corporations incorporated under chapter 416 which was the general corporation law. L 1985, Act 259, section 1, enacted a new chapter, 415A, for professional corporations. As professional corporations are no longer formed under chapter 416, which was repealed by L 1987, Act 135, section 208, section 235-4 is amended to include the reference to chapter 415A. The reference to chapter 416 is retained in recognition of professional corporations which were validly incorporated under chapter 416 before chapter 415A took effect.

Section 235-55.8 contains a reference to the department of social services and housing. The department was divided in 1987, and the social services component was renamed the department of human services by L 1987, Act 339, section 2. Section 235-55.8 is amended to reflect this change.

Section 235-110.7 refers to capital goods excise tax credits. As enacted by L 1987, Act 239, section 1(1), section 235-110.7(a) refers to the year in which the credit is "property" claimed. The correct phrase should be "properly" claimed. Pursuant to section 23G-15, the revisor has changed the typographical error "property" to "properly", as indicated by the brackets. Other technical and nonsubstantive changes have been made. This section is amended by deleting the brackets to ratify the actions of the revisor.

Sections 304-66.2 and 304-66.4 concern the need for medical residents needed by correctional facilities and rural communities. The sections contain a reference to the department of social services and housing. That designation is obsolete as that agency has been divided and renamed by L 1987, Act 338, which created the department of corrections, and L 1987, Act 339, which changed the "department of social services and housing" to the "department of human services". Pursuant to L 1987, Act 338, the agency having jurisdiction over correctional facilities is now the department of corrections. Sections 304-66.2 and 304-66.4 are amended to change "department of social services and housing" to "department of corrections".

Section 321-11.2 originally consisted of three sections in L 1986, Act 328. Pursuant to section 23G-15, the revisor consolidated them into one section composed of three subsections, all of which are indicated by brackets. Section 321-11.2 also refers to the department of social services and housing, which has been divided and renamed under L 1987, Acts 338 and 339. The correct reference here is now to the department of human services. Finally, the last word in subsection (b) was originally "part". As part of the consolidation, the revisor changed the term to "section" and indicated the change through the use of brackets. This section is amended to reflect the change of "department of social services and housing" to "department of human services", of "part" to "section", and to add subsection references, and to ratify the actions of the revisor by deleting the brackets.

Sections 321D-1 and 333F-13 refer to the department of social services and housing, the former title of the department of human services. The department of social services and housing was divided in 1987, and the social services component was renamed the department of human services by L 1987, Act 339, section 2. Sections 321D-1 and 333F-13 are amended to change "department of social services and housing" to "department of human services".

Section 338-21(a)(1) as enacted by L 1987, Act 100, section 2, referred to the marriage of the natural "parent" with each other. The correct term should be "parents". Pursuant to section 23G-15, the revisor has changed "parent" to "parents" as indicated by the brackets. This section is amended by deleting the brackets to ratify the revisor's actions.

Section 347D-1 refers to the department of social services and housing, the former title of the department of human services. The department of social services and housing was divided in 1987, and the social services component was renamed the department of human services by L 1987, Act 339, section 2. Section 347D-1 is amended to reflect this change.

Section 350-1 refers to children who are victims of, among other things, rape and sodomy. Those terms are not currently in use under Hawaii's penal code as they were replaced by the term "sexual assault", by L 1986, Act 314, sections 56 and 57. Section 350-1 is amended to conform to the language currently in use.

Section 351-84(c) as proposed by S.B. No. 592-86, S.D. 1, H.D. 1, contained a clause pertaining to disbursement of moneys to a judgment creditor. Page 5 of the draft, at subsection (c), began: "The commission shall disburse to a judgment creditor for the purposes of satisfying a judgment moneys from the special account if" certain requirements were met. However, C.D. 1 of the bill changed the grammatical structure of the phrase to "Moneys remaining after disbursement under subsection (b) shall be disbursed to a judgment creditor, for the purpose of satisfying a judgment, moneys from the special account if" the specified requirements are met. This language was enacted by L 1986, Act 155, section 1. The repetition of "moneys" is confusing, grammatically awkward, and the revisor of statutes has indicated through the use of brackets and a note that the second reference to the word "moneys" should be deleted. Section 351-84(c) is amended to delete the unnecessary term.

Section 353-11.5(a) refers to sections 353-47, which was repealed by L 1987, Act 338, section 3(2). The current reference is section 353-29, established by the same Act. Section 353-11.5 is amended to reflect this change.

Section 353-22.6 refers to work furlough moneys earned pursuant to section 353-22.5. Section 353-22.5 was repealed by L 1987, Act 338, section 3(2). The new section referring to work furloughs is section 353-17 enacted by the same Act. Section 353-22.6 is amended to reflect the current reference.

Section 353-62(a) refers to the Hawaii paroling authority. L 1987, Act 338, section 5, dropped the word "paroled" from paragraph (5) so that instead of having supervisory power over paroled individuals, the authority has that power over all individuals. This section is amended to restore the word "paroled".

Section 353D-4, which relates to the offender family service center, refers to the director of social services. The department of social services and housing has been divided into the department of human services and the department of corrections by L 1987, Acts 338 and 339. The appropriate reference in section 353D-4 should be to the director of corrections, and this section is amended to reflect that change.

Section 392-5(21), as established in L 1987, Act 345, section 4, originally referred to a supported work "component" under a new section which was ultimately codified by the revisor of statutes as section 346-205. However, the actual phrase used by section 346-205 is "subcomponent". Pursuant to section 23G-15, the revisor substituted "subcomponent" for "component", and indicated the change by the use of brackets. The section is amended by deleting the brackets to ratify the actions of the revisor.

Section 394-9 refers to the "department of planning and economic development" which was changed by L 1987, Act 336, section 3, to be the "department of business and economic development". Section 394-9 is amended to reflect the department's present title.

The title to section 403-65 originally read "Directors meetings; examination of reports." The word "of" was inadvertently dropped from L 1987, Act 103, section 1. The title to section 403-65 is amended to include this word, because the section concerns the examination by bank directors of reports concerning certain loans and investments and does not concern examinations.

As originally enacted by L 1931, Act 177, section 56, section 403-94, restricted bank loans made to officers and other enumerated personnel of the bank, and to certain companies in which officers or directors had an interest. The language restricting loans made to officers and other personnel of the bank was omitted by L 1987, Act 104, section 1. The omission appears to have been inadvertent as there is no reference to this change in the committee reports, and the deletion was not accomplished in the bill by bracketing, but by simple omission. Section 403-94 is amended to include the omitted phrase.

Section 403-196.5(4) refers to priority of unsecured claims in the event of a bank liquidation or insolvency. The paragraph states that certain claims of controlling persons are not entitled to priority "under this subsection". The term is changed to "paragraph" to conform to accepted drafting style.

Section 415-5(d) was amended by L 1987, Act 135, section 3. The amendment consisted of removing the words "defense of" and substituting the word "defending". In so doing, a clause appears to have been dropped inadvertently. Pursuant to section 23G-15, the revisor has restored the language and indicated the change by the use of brackets. This section is amended by deleting the brackets to ratify the actions of the revisor in restoring the omitted clause, and to make a grammatical correction.

In amending section 415B-7, L 1987, Act 135, section 135, inadvertently omitted a clause in the introductory paragraph. Pursuant to section 23G-15, the revisor has restored the clause and indicated the change by the use of brackets. The section is amended by deleting the brackets to ratify the actions of the revisor.

L 1987, Act 135, section 169, inadvertently omitted a phrase in amending section 415B-92(1). Pursuant to section 23G-15, the revisor has restored the language and indicated the change by the use of brackets. The section is amended by deleting the brackets to ratify the actions of the revisor.

L 1987, Act 135, section 172, inadvertently omitted a phrase in amending section 415B-96. Pursuant to section 23G-15, the revisor has restored the language and indicated the change by the use of brackets. The section is amended by deleting the brackets to ratify the actions of the revisor. Additionally, the word "theretofore" was accidentally changed to "therefore". This too is restored, as it is the appropriate term in that context.

L 1987, Act 135, section 180, inadvertently omitted three phrases in amending section 415B-108. Pursuant to section 23G-15, the revisor has restored the language and indicated the change by the use of brackets. The section is amended by deleting the brackets to ratify the actions of the revisor.

L 1987, Act 135, section 201, inadvertently omitted the word "of" in amending section 415B-155. Pursuant to section 23G-15, the revisor has restored the language and indicated the change by the use of brackets. The section is amended by deleting the brackets to ratify the actions of the revisor.

L 1987, Act 135, section 203, inadvertently omitted a phrase in amending section 415B-157. Pursuant to section 23G-15, the revisor has restored the language and indicated the change by the use of brackets. The section is amended by deleting the brackets to ratify the actions of the revisor.

Section 421H-1(2), refers to certain types of corporations "organized as a nonprofit corporation under sections 416-19 and 416-26". Chapter 416 was repealed by L 1987, Act 135, section 208. Nonprofit corporations are now organized under chapter 415B, as enacted by L 1985, Act 270, section 1. The section is amended to add a reference to chapter 415B. The reference to chapter 416 is retained to apply to nonprofit corporations incorporated prior to the effective date of chapter 415B.

Section 425-12(b) refers to the fund authorized by section 416-97. Chapter 416 was repealed by L 1987, Act 135, section 208. Section 415-128 is the current reference to the same fund originally created by section 416-97. Section 425-12(b) is amended to reflect the current reference.

Section 425-22 refers to the fund authorized by section 416-97. Chapter 416 was repealed by L 1987, Act 135, section 208. Section 415-128 is the current reference to the same fund originally created by section 416-97. Section 425-22 is amended to reflect the current reference.

Section 444-16.5 referred to wages, "as defined in section 104-1(5)". That section was amended by L 1987, Act 288, section 2, and as a result, the definition of wages was renumbered as section 104-1(6). Pursuant to section 23G-15, the revisor has made the appropriate change in section 444-16.5 so that it refers to the correct provision. Section 444-16.5 is reenacted to ratify the actions of the revisor.

Section 478-9 states that certain federal provisions are inapplicable to the State "by the terms on this Act". The word "Act" was included as part of the renumbering of and amendments made to the section by L 1986, Act 137, section 1. As used in the text of a statutory section, however, the term is ambiguous as after the merger into the larger codification of the Hawaii Revised Statutes, specific acts are no longer demarcated. Accordingly, the term "section" states more clearly what is being referred to. Section 478-9 is amended to substitute the word "section".

L 1987, Act 274, section 5, inadvertently omitted one word from the original text, and substituted another, in two separate places when amending section 480-14. As enacted, subsection (a) referred to recovery of "the action damages" rather than "actual" damages, and the last part of subsection (d) referred to the distribution of damages "of" the indirect purchasers, rather than "to" them. Pursuant to section 23G-15, the revisor has restored the original language, and indicated the change by the use of brackets. Subsections 480-14(a) and (d) are amended by deleting the brackets to ratify the actions of the revisor.

Section 482-3 refers to names of corporations or partnerships registered in accordance with, among others, chapters 416 and 418. Chapters 416 and 418 were repealed by L 1987, Act 135, section 208. Business corporations are now organized under chapter 415, nonprofit corporations under chapter 415A, and foreign corporations under chapter 415B. Section 482-3 is amended to include references to the new provisions, although the reference to chapters 416 and 418 are retained in recognition of corporations previously organized.

Prior to 1987, section 485-2 concerned the commissioner of securities, administrative rules, deputies, and the filling of vacancies. L 1987, Act 373, section 1, deleted provisions relating to all subjects other than the commissioner of securities. However, the title of the section was not amended to reflect the restricted scope of the section. The title is amended to reflect the changes to the text of the section by reading simply "Commissioner of securities".

In amending section 502-17(a), L 1987, Act 303, section 1, inadvertently changed an "or" to an "of" so that the phrase "ahupuaa or ili" read "ahupuaa of ili". Pursuant to section 23G-15, the revisor has restored the word "or" and indicated the change by the use of brackets. The section is amended by deleting the brackets to ratify the actions of the revisor.

Section 560:2-105.5 refers to passing title to certain real property when a person dies without a will. As originally enacted by L 1987, Act 307, section 1, the section referred to the "decendent's" interest in the property. That word should read "decendent's", meaning the one who has died, rather than "decendent's", meaning an offspring. Pursuant to section 23G-15, the revisor has changed the word back to "decendent's" and indicated the change by the use of brackets. The section is amended by deleting the brackets to ratify the actions of the revisor.

Sections 586-10.5 and 588-4 refer to the department of social services and housing. L 1987, Act 339, renamed the pertinent part of the department the department of human services. These sections are amended to reflect this change.

Section 607-5 contains a reference to chapter 333. That chapter was repealed by L 1987, Act 341, section 3. Section 607-5 is amended to delete the reference.

Section 710-1077 was amended by L 1987, Act 176, section 3. In so doing, a phrase was inadvertently dropped from subsection (1)(i). The omission appears unintentional as it was not accomplished in the bill by bracketing. The phrase was simply omitted. Section 710-1077(1)(i) is amended to restore the correct wording.

Section 804 refers to the right of criminal defendants to bail. An amendment to this section by L 1987, Act 139, section 4, states that a defendant who has filed a "writ or certiorari" be "detain" unless certain circumstances occur. The appropriate language should be "writ of certiorari" and "detained". Pursuant to section 23G-15, the revisor has made the appropriate changes: "detained" has been corrected, and "of" inserted in the same sentence. Section 804-4 is amended to ratify the actions of the revisor.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2244, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 462-88 Judiciary on H.B. No. 2274

The purpose of this bill is to designate the nene, also known as the Hawaiian goose, as the official State bird.

Your Committee received testimony from the Department of Land and Natural Resources, The Wildlife Society, and the Sportsmen's Council of Hawaii in favor of this bill.

Your Committee finds that the nene has long been considered by many to be the State bird and this bill will provide the needed establishment as such.

Your Committee has amended this bill by underlining the scientific name, Branta sandwicensis, to conform it to accepted scientific practice.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2274, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2274, H.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 463-88 Judiciary on H.B. No. 2373

The purpose of this bill is to add a new section to Chapter 802 that would require the Judiciary to establish a yearly mandatory continuing legal education program for court-appointed attorneys.

In testimony before your Committee, the Judiciary raised concerns over the funding of such a program. Your Committee finds, however, that the responsibility of compensation for furtherance of one's legal education appropriately rests with the Bar. This bill will help insure that court-appointed attorneys remain qualified to meet the needs of their clients.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2373 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 464-88 Judiciary on H.B. No. 2396

The purpose of this bill is to delete the requirement that a minor obtain a permit from the appropriate county chief of police to carry a rifle or shotgun in order to engage in hunting. This bill further permits persons to transport firearms to firearm training or instruction, organized firearm exhibits, and local police stations.

Your Committee has received testimony indicating that requiring minors to obtain permits to carry guns in order to hunt is unnecessary, as the sport of hunting is not limited to the use of guns. Your Committee has further received testimony indicating that the current law governing transportation of firearms creates a trap for the unwary citizen engaged in an otherwise legal activity.

Your Committee finds that strict interpretation of the existing law makes it illegal for firearms to be transported to hunter safety classes or firearm instruction classes, both of which promote the safe use of firearms. Moreover, transportation of firearms to the police station as required in order to register them is likewise illegal. Hence, the latter part of this bill makes it legal to transport guns for purposes of instruction and registration, both of which are socially desirable.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2396 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yoshimura and Jones.

SCRep. 465-88 Judiciary on H.B. No. 2430

The purpose of this bill is to broaden the definition of "fugitives from justice" to include fugitives from justice of countries other than the United States for purposes of regulating the ownership or possession of firearms, ammunition, or dangerous weapons.

Your Committee has received favorable testimony indicating that under the current law, it is lawful for a fugitive from justice of another country to possess firearms in the State of Hawaii. This measure will enable law enforcement agencies to end this unacceptable situation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2430 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yoshimura and Jones.

SCRep. 466-88 Judiciary on H.B. No. 2437

The purpose of this bill is to require the Legislative Reference Bureau to furnish to the Legislature at least once a year, not later than twenty days before the beginning of each regular session, a list of the most recent Attorney General opinions. Current law requires that such list be provided not less than four times a year. This bill also makes references to the Attorney General gender neutral.

Your Committee has received testimony from the Legislative Reference Bureau indicating that the number of Attorney General opinions fluctuates from year to year, and that sometimes the small number of opinions does not warrant provision of a list of opinions as often as presently required.

Your Committee has made a non-substantive amendment to this bill to correct a technical drafting error.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2437, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2437, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 467-88 Judiciary on H.B. No. 3635

The purpose of this bill is to add to the Penal Code a definition of "falsely endorse" in relation to a written instrument, meaning to endorse without the authority of the maker or drawer of a written instrument, and to include false endorsing within the offenses of forgery.

Your Committee finds that currently, if a stolen check is cashed, the person who cashes the check must falsely endorse it. However, current law does not include false endorsements as a method of forging a written instrument. Therefore, the offense must be pursued as a theft and the penalties therefore depend on the amount stolen. This bill will provide higher

penalties for falsely endorsing written instruments by including it within forgery which will not vary with the amount for which the check was written.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3635 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yoshimura and Jones.

SCRep. 468-88 Judiciary on H.B. No. 3573

The purpose of this bill is to revise schedules I, II and III of the Uniform Controlled Substance Act to conform with the schedules provided in federal regulations, and to require practitioners to write and spell out the amounts of the drug prescribed.

Your Committee has received favorable testimony indicating that the proposed amendments will make prescriptions harder to alter to obtain larger amounts of medication.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3573 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yoshimura and Jones.

SCRep. 469-88 Judiciary on H.B. No. 3553

The purpose of this bill is to mandate that a person extradited to Hawaii pay the costs of the extradition unless the court finds the person is indigent.

Your Committee received testimony in favor of this measure from the State Attorney General. The Office of Public Defender was concerned that the payment of costs was mandatory and suggested the bill be amended to make the payment discretionary.

Upon further consideration, your Committee has amended the bill to reflect the concerns of the Public Defender by making the payment discretionary upon court order thereby allowing the court to consider all factors concerning the person's departure from the jurisdiction.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3553, H.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 470-88 Judiciary on H.B. No. 3552

The purpose of this bill is to make the Director of Corrections an ex officio voting member of the Criminal Justice Data Interagency Board and to authorize the members of the Board to designate substitute representatives to attend meetings in their place.

Your Committee has received favorable testimony indicating that the creation of a new Department of Corrections apart from the Department of Social Services has necessitated the inclusion of the Director of Corrections as an ex officio member. Testimony also indicates that allowing the designation of substitute members of the same department assures the presence of a quorum at Board meetings.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3552 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yoshimura and Jones.

SCRep. 471-88 Judiciary on H.B. No. 3551

The purpose of this bill is to increase the membership of the Juvenile Justice Interagency Board by including the Directors of the Departments of Health and Human Services and by providing that all members participate as voting members.

Your Committee has received favorable testimony from the agencies involved indicating that juveniles often have multifaceted problems that overlap the jurisdictions of the various agencies involved.

Your Committee finds that incorporating input from the Departments of Health and Human Services will enhance the ability of the juvenile justice system to provide coordinated services.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3551 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yoshimura and Jones.

SCRep. 472-88 Judiciary on H.B. No. 3375

The purpose of this bill is to substitute educational, vocational, substance abuse, or psychological counseling for the currently mandated fine and jail sentences for prostitution offenses.

Your Committee received testimony in favor of this measure from the Office of the Public Defender. However, the Honolulu Police Department objected to removing the mandated fines and jail sentences.

Upon further consideration, your Committee amended the bill to replace the mandatory sentencing and provide mandatory counseling for first-time offenders. Your Committee finds that such counseling will be beneficial particularly since many prostitutes are known to have substance abuse problems which may in certain instances be a major factor in continued prostitution.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3375, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 473-88 Judiciary on H.B. No. 3357

The purpose of this bill is to make criminal the act of excessive acceleration or "quick start" of a vehicle done in a manner likely to draw the attention of any person present.

Your Committee finds that operating a vehicle in such a manner is related to drag racing on highways and is likely to cause a driver to lose control of the car. This bill will allow police officers to cite offenders without requiring that the vehicle exceed the speed limit or that there be other persons present.

Your Committee has amended this bill by deleting the criminal penalty provision and providing for civil penalty.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 3357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3357, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 474-88 Judiciary on H.B. No. 3208

The purpose of this bill is to require that any person who distributes any handbill, leaflet or other item to persons on a public street or sidewalk, carry or provide a container or receptacle to collect or discard such items. The receptacle must be able to hold no less than five pounds of material. Further, the distributor must at least every twenty minutes retrieve any of the distributed items which have been discarded within twenty-five yards on the same side of the street or sidewalk as the handbill distributor.

Your Committee has received favorable testimony indicating that litter is a problem, especially in a resort destination. Additionally, your Committee has received testimony indicating concern regarding the imposition of criminal sanctions for violations, and recommending that such sanctions be omitted.

Your Committee has amended this bill by deleting the criminal penalty and providing for a fine of not more than \$1,000 for each violation and by providing that the trash container be able to hold at least five pounds of material.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3208, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 475-88 Judiciary on H.B. No. 3155

The purpose of this bill is to permit the court to order any party and minor child involved in custody proceedings to attend counseling, parenting classes, or any type of educational activity that the court deems appropriate to meet the best interests of the child.

Your Committee has received testimony from the Family Court of the First Circuit indicating that the number of single parent households is increasing, and that divorce disrupts the child-rearing functions and obligations of parents and creates a stressful situation for the child.

Your Committee finds that these problems are avoidable by making parents aware of the impact of divorce on children through appropriate educational and counseling programs.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 3155 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 476-88 Judiciary on H.B. No. 3154

The purpose of this bill is to allow jurors who are excused, excused for cause, or summoned but not called into the courtroom, to be returned to the juror pool to await reassignment to another trial conducting voir dire that same day.

Your Committee has received testimony from the Judiciary indicating that the one day/one trial system enacted in 1987 will increase the number of potential jurors needed from the approximately 9,000 per year currently needed to approximately 36,000 jurors per year, a fourfold increase. Allowing excused jurors to be returned to the juror pool will provide for more efficient juror utilization and minimize the cost of juror fees.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3154 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 477-88 Judiciary on H.B. No. 3060

The purpose of this bill is to provide an effective and efficient system of collecting parking fines from visitors who lease or rent motor vehicles in Hawaii.

Currently, the rental and leasing companies have been paying the fines assessed administratively but with the rise in cost of those fines it has become an expensive burden on these companies. This bill would provide that the lessee of the motor vehicle is responsible for any parking citation which is issued on that motor vehicle.

Your Committee received testimony in favor of this bill from "CATRALA", Car and Truck Renting and Leasing Association - Hawaii Chapter.

Upon further consideration, your Committee has amended the bill to require the lessor to provide the address of the lessee to the court and to allow the court to charge the lessor an administrative fee of not more than \$2.00 per citation in lieu of obtaining the address.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3060, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Peters, Takamine, Yoshimura and Jones.

SCRep. 478-88 Judiciary on H.B. No. 2920

The purpose of this bill is to make privileged the communications between college or university researchers and human subjects.

Your Committee has received testimony from the Social Science Research Institute of the University of Hawaii indicating that information provided to researchers is often given with the understanding that such information remain confidential. Your Committee finds that researchers must be able to assure their subjects of confidentiality if they are to be able to continue their research. This bill will provide the protections necessary for both research subjects and researchers.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2920 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 479-88 Judiciary on H.B. No. 2829

The purpose of this bill is to criminally penalize those who unscrupulously make unauthorized duplicate keys. This bill is necessary to ensure the security of Hawaii residents, especially those residents living in condominiums.

Your Committee received favorable testimony in favor of the bill from representatives from the Association of Apartment Owners of Liliha Square and the Honolulu Police Department.

Your Committee finds that civil action against an unprincipled locksmith who make unauthorized duplicate keys would have no effect if the locksmith is judgment proof. In addition, it is costly and inconvenient to replace locks and issue new keys when unauthorized duplicate keys are made. Thus, this bill is necessary to provide stiffer penalties to those who wrongfully make unauthorized duplicate keys.

Your Committee has made amendments based on the recommendations by the Association of Apartment Owners of Liliha Square to add a definition of "unauthorized duplicate key" to mean any key duplicated from another key stamped with the words "do not duplicate" without permission of the owner of the locks or premises which the original key operates.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2839, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2839, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 480-88 Judiciary on H.B. No. 2616

The purpose of this bill is to add a new rule to Article IX of the Hawaii Rules of Evidence. The proposed rule provides that any matter required to be supported by a sworn declaration, verification, certificate, statement, oath, or affidavit may be supported by an unsworn declaration, certificate, verification, or statement, so long as it is subscribed by the maker as true under penalty of perjury.

Your Committee finds that notarization by a Notary Public is often impractical, given the time constraints imposed on legal proceedings. The alternative of submitting a sworn declaration imposes a greater level of trustworthiness on the declarant, as the penalty for false swearing on a declaration is perjury, a felony, while the penalty for false swearing upon an affidavit is a misdemeanor or less. Further, the language of the proposed rule substantially tracks that of the federal statute 28 U.S.C. Section 1746 (1976) which allows matters to be supported by unsworn declarations.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2616 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 481-88 Judiciary on H.B. No. 2764

The purpose of this bill is to reclassify the offense of promoting child abuse in the first degree, which is currently a class B felony, as a class A felony.

Your Committee finds that victims of child abuse are the least able to defend themselves, and the resulting emotional scars increase the likelihood of further contact with the criminal justice system, therefore warranting a more severe punishment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2764 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 482-88 Consumer Protection and Commerce on H.B. No. 3609

The purpose of this bill is to encourage companies providing essential utility and regulated transport service to Hawaii customers to obtain their services, supplies, and equipment by competitive procurement practices to the greatest extent practicable. Procurements from affiliated interests are to be discouraged unless they are clearly shown to be in furtherance of the interests of the public.

This bill requires any regulated utility company to file a verified copy of any written contract or agreement and a verified summary of any unwritten contract or agreement, with an affiliated interest, together with firm quotations provided by at least two suppliers other than affiliated interests, or a verified statement that quotations could not be obtained, or proof satisfactory to the Commission that the cost to the affiliated interest is reasonable.

The bill provides that a contract with any affiliated interest shall not be valid or effective unless and until the contract has been received or reviewed by the Commission. The bill further provides that the Commission shall be provided ample opportunity to review each contract or agreement and accompanying documentation and that no affirmative action is required by the Commission.

The bill further provides that for existing contracts or agreements, in any proceeding involving rates or practices of any public utility, any payment or compensation to an affiliated interest may be excluded from the accounts of the public utility unless the public utility establishes the reasonableness of the payment or compensation with clear and convincing evidence that the cost to the affiliated interest is in accord with the price charged the utility.

The bill gives the Commission continuing supervisory control over contracts and agreements, and any modifications and amendments, with affiliated interests so far as necessary to protect and promote the public interest. Furthermore every contract or agreement shall be expressly conditioned upon the reserved power of the Commission to take appropriate ratemaking actions in order to protect and promote the public interest. The bill would give the Commission authority to issue a summary order directing the public utility to cease and desist from making any payments or otherwise giving effect to any contract or agreement which has not been received for the Commission's review.

The provisions of this bill would not apply to any transaction of less than \$10,000 but multiple payments under a contract would be added together for the purpose of this limit.

Your Committee received strong testimony in support of this administration bill from the Department of Commerce and Consumer Affairs and testimony against this bill by all of the major public utilities. The Public Utilities Commission's view was that this bill was unnecessary, as they already had authority to conduct the sort of review contemplated in the bill. Your Committee has decided that, whether or not the Public Utilities Commission believes that the powers provided by this bill already exist, a statement of the public policy, by the legislature against inappropriate dealings by public utilities with their affiliated interests, is extremely desirable and agrees with the Department of Commerce and Consumer Affairs and the administration in that regard.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3609 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bellinger and Peters.

SCRep. 483-88 Consumer Protection and Commerce on H.B. No. 3338

The purpose of this bill is to make it clear that, in construing section 480-2, the courts in Hawaii must give consideration to, but are not bound to follow, rules, regulations and decisions of the federal courts.

Your Committee received testimony that there are now some Hawaii Court decisions which deal with section 480-2. Additionally more recent federal decisions reduce the value of provisions similar to section 480-2 to the consumer.

Your Committee is in accord with the intent and purpose of H.B. No. 3338 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bellinger and Peters.

SCRep. 484-88 Consumer Protection and Commerce on H.B. No. 3292

The purpose of this bill is to allow corporate trustees to increase the rates of compensation for trust services for trust agreements which do not specify a specific rate of compensation. The bill separates the compensation of corporate trustees from individual trustees.

Your Committee received testimony that individual trustees are able to charge through all the expenses of administering the trust directly to that trust. Corporate trustees have not been able to accurately allocate administrative expenses and thus have been forced to elect the one tenth of one percent on principal for expenses as provided by statute. Your Committee also received testimony that this rate has not been increased since 1951 although administrative expenses have risen dramatically since then.

Upon the recommendation of the Department of Commerce and Consumer Affairs your Committee has amended this bill to require judicial permission before a corporate trustee or a corporate trustee and individual trustee as co-trustees can be compensated for special services. Your Committee has also made technical, non-substantive amendments to the bill for purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3292, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 485-88 Consumer Protection and Commerce on H.B. No. 2521

The purpose of this bill is to increase the possible penalty, under Section 269-28, Hawaii Revised Statutes, imposed by the Public Utilities Commission from \$1,000 per violation to \$25,000 per day of violation. The original penalty was set seventy-five years ago and your committee believes this increase is appropriate, should the Public Utilities Commission ever need to impose a penalty.

Your Committee received testimony against this bill from utility companies. The Public Utilities Commission favored this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2521 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 486-88 Health on H.B. No. 3190

The purpose of this bill is to change the date by which a plan must be in place governing the Department of Health's approval of the issuance of any permits, certificates, or licenses for new community health facilities involving group living by eight or fewer residents in community facilities licensed by the State as provided for under Section 321-15.6 or in an intermediate care facility/mental retardation-community (ICF/MR-C) from after July 1, 1988 to January 1, 1989. Your Committee has changed the purpose of the bill by eliminating the deadline on the issuance of new permits, certificates and licenses for such facilities in conformance with the plan.

Your Committee heard testimony from the Department of Health, the Commission on the Handicapped, the State Planning Council on Developmental Disabilities, and Parents and Advocates of Waimano. There was lengthy discussion about a related bill, H.B. 2383, which establishes a Dispersal Review Council. Several testifiers stated that the establishment of such a Council, which will ensure that living facilities for persons who are developmentally disabled, elderly, handicapped, mentally ill or are totally disabled are dispersed throughout the State, eliminates the need for the deadline established in subsection (b) of this bill. Your Committee concurs, and has therefore amended this bill by deleting subsection (b).

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3190, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Metcalf and Peters.

SCRep. 487-88 Health on H.B. No. 3465

The purpose of this bill is to exempt public health nurses' case records without physicians' direct notations from the medical record retention requirement.

Your Committee received testimony in support of this bill from the Department of Health and the Department of Accounting and General Services.

The Department of Health stated that long term retention of case records without physicians' notations is not necessary as only a very small percentage of discharged cases are readmitted to Public Health Nursing services. They felt that the need to refer to discharged records for non-clinical purposes was minimal. Records would still be retained for those cases with acute or chronic medical diagnosis requiring intrusive treatments except for tuberculosis.

The exemption of these records would alleviate the massive record storage problem and would better enable the Department to manage its records.

Your Committee on Health is in accord with the intent and purpose of H.B. 3465 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Metcalf and Peters.

SCRep. 488-88 Health on H.B. No. 3464 (Majority)

The purpose of this bill is to remove the mandate that the State provide and pay for the initial training leading to certification of adult residential care home (ARCH) operators. The other amendments to the statute have been made for clarification purposes.

Your Committee received testimony in support of this bill from the Department of Health and the Department of Land Utilization.

The Parents and Advocates of Waimano testified in opposition to this bill as they felt that the removal of the mandate might reduce the quality of care which would be provided to the residents of such care homes. They were also concerned with the original language in the bill that would allow an unlimited number of unrelated persons to reside in a licensed adult residential home.

The Department of Health testified that the training necessary to ensure quality of care can be assured through the Administrative Rules governing the licensure of ARCH facilities. They felt that the mandate was no longer justified. The training was originally mandated as a means to encourage the development of more care homes; the number of such homes has substantially increased in the meantime.

Your Committee has amended the bill in the following ways:

(1) In Section 2 of this bill, amending Section 321-15.6(c), Hawaii Revised Statutes, we have added the word "shall" to the phrase "adopt rules" to emphasize the rule-making authority that the Department of Health has in their general supervision of adult residential care home operators.

(2) In Section 2 of this bill, amending Section 321-15.6(b)(2), Hawaii Revised Statutes, we have changed the definition of a developmentally disabled person to read a "person with developmental disabilities", rather than a person "suffering from" developmental disabilities since this is a less value-laden usage.

(3) In the same subsection and paragraph as above, we have added language explaining the two categories of adult residential care homes as licensed by the Department of Health: Type I allowing group living by five or fewer unrelated persons, and Type II allowing six or more persons.

Your Committee on Health is in accord with the intent and purpose of H.B. 3464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3464, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Metcalf and Peters.
(Representative Ribellia did not concur.)

SCRep. 489-88 Health on H.B. No. 3463

The purpose of this bill is to make technical changes in Part IV of Chapter 321, Hawaii Revised Statutes, by replacing the term "crippled children" with "children with special health needs".

Your Committee finds that the term "crippled" has been considered archaic for some time since most children served by the program are not crippled. In 1986, the authorizing federal Title V legislation was amended to remove all references to "crippled children" replacing it with a more general term "children with special health care needs". The newly suggested term would conform it to federal statute and has been utilized nationally for this target population.

Your Committee received testimony supporting this bill from the Department of Health.

Your Committee on Health is in accord with the intent and purpose of H.B. 3463 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Metcalf and Peters.

SCRep. 490-88 Health on H.B. No. 3460

The purpose of this bill is to clarify an ambiguous legal status at the end of the time allowed for patients' involuntary commitment at a mental health facility or when the dangerousness criteria, necessary for involuntary commitment, no longer prevails but the patient wishes to remain voluntarily. This bill ensures that persons who are entitled to receive notice that the court order is expiring and the patient is being discharged will not receive a misleading notice, but rather one which states that the patient has already signed in voluntarily (if this is the case).

Your Committee heard testimony from the Hawaii Chapter of the National Association of Social Workers and the Department of Health explaining that the notice of discharge, as it is currently worded without reference to whether or not the patient has voluntarily committed himself, has caused confusion and even anguish to the families of patients. Many times both the patient and the family are in agreement that after the 48 hours of involuntary treatment the patient is often not ready to be discharged, yet a notice arrives announcing the discharge. This bill will ensure that the notification explains that the patient has voluntarily agreed to further hospitalization (again, if this is the case). Your Committee urges the Department of Health to incorporate such a notification immediately without waiting for the proposed amendment to take effect. This would be simple to initiate and would serve to clear up any ambiguities for the patients and their families.

Your Committee has made amendments to the bill as suggested by the Family Court with the concurrence of the Department of Health. One of their amendments addresses Section 334-60.6 Period of Detention which was not included in the original bill. This Section has become Section 1 of the bill and the subsequent sections have been re-numbered. The new language clarifies that a facility is not precluded from accepting any patient for involuntary hospitalization.

In Section 334-60.7, Notice of intent to discharge, there is new language which clarifies the intent of the bill.

In Section 334-60.2, Discharge from custody, the language is again clarified, and a new paragraph is added at the end, identical with that in Section 334-60.6, explaining that nothing in the section precludes the facility from accepting a patient voluntarily after his period of commitment has expired.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3460, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3460, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Metcalf and Peters.

SCRep. 491-88 Health on H.B. No. 3459

The purpose of this bill is to make the collection of vital statistics at birthing centers in the state more applicable to current practice by assigning specific responsibilities to appropriate members of the birthing centers' staff. This bill will

legitimate current medical practice in that the hospital personnel actually complete and file the birth certificates and the birth attendant only signs the certificate.

Your Committee received testimony in support of this bill from the Department of Health and the Kapiolani Medical Center for Women and Children.

Testimony by the Department of Health reflected that this amendment would improve the completeness and reliability of medical data recorded on birth certificates and would also assist the State in demonstrating that they are meeting the obligatory federal requirements relating to the redesigned birth certificate forms.

Your Committee is amending the bill as suggested by the Department of Health as follows:

(1) The underlined portion of Section 338-5, from page 1, lines 11-14, and page 2, lines 1-3 are being deleted. The Department felt that the administrative complications of this procedure seem unworkable in the hospital setting and would far outweigh any improved data that would be generated.

(2) Additional language was added to Section 338-5 to ensure the quality of data and to clearly authorize hospitals to release records for such monitoring.

Your Committee on Health is in accord with the intent and purpose of H.B. 3459, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3459, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Metcalf and Peters.

SCRep. 492-88 Human Services on H.B. No. 3581

The purpose of this bill is to amend Chapter 354, Hawaii Revised Statutes, by replacing all references to the Department of Social Services and Housing and Director of Social Services and Housing with the Department of Corrections and Director of Corrections, respectively.

In order to insure that the appropriate agency is given its proper responsibilities, your Committee finds that current references in Chapter 354, Hawaii Revised Statutes, need clarification.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3581 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 493-88 Human Services on H.B. No. 3576

The purpose of this bill is to amend Section 353-2, Hawaii Revised Statutes, in order to exempt the Department of Corrections from the requirement of publication or public hearings pursuant to Chapter 91.

Current statutes require the Department to hold public hearings concerning rules which relate to the management of facilities, inmates, employees, and the internal controls and policies of the department. Your Committee finds that the application of the rules do not affect the general public and that because internal management rules are revised so often, the time and cost to follow Chapter 91 would hinder good management.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3576 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 494-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3196

The purpose of this bill is to establish a venture capital information center to promote the development and exploitation of inventions and new products.

Your Committee heard testimony from the Department of Business and Economic Development expressing concern over confidentiality relating to venture capitalists.

Recognizing that a requirement for detailed reporting could compromise the effectiveness of the Venture Capital Information Center, your Committee has amended the bill by removing the requirement for reporting. We feel that to be effective the Venture Capital Information Center must protect the confidentiality of information provided by clients of the Center.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3196, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except.

SCRep. 495-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2706

The purpose of this act is to correct a reference to the Molokai County Farm Bureau to read Molokai Farm Bureau.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2706 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 496-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3476

The purpose of this bill is to include aquaculture activities among the purposes for which public land can be leased.

Your Committee heard supporting testimony from the Department of Land and Natural Resources, and made two non-substantive changes.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3476, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 497-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3158

The purpose of this bill is to change the composition of the State Board of Geographic Names by adding representation from the Office of Hawaiian Affairs.

Your Committee heard testimony from the Department of Land and Natural Resources, the Department of Business and Economic Development and the Office of State Planning.

Your Committee has adopted recommendations to place the State Board of Geographic Names in the Office of State Planning, add the Director of the Office of State Planning to the Board, and to delete language providing for the Director of the Department of Business and Economic Development to be a member of the Board.

Your Committee also changed all references to members to make them gender-neutral.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3158, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 498-88 Planning, Energy and Environmental Protection on H.B. No. 2990

The purpose of this bill is to establish variable shoreline setbacks depending upon a property's state land use designation and to add penalty provisions to Section 205A-43, Hawaii Revised Statutes.

Chapter 205A, Coastal Zone Management, explicitly states that it is of paramount importance to preserve and protect this state's valuable coastal resources. As such, the Legislature has established special controls on developments within the area along the shoreline to avoid permanent losses of valuable resources and the foreclosure of management options. Your Committee finds that if the state doesn't take steps to protect the shoreline setback areas from development encroachment, then these resources may be developed and lost to the public as a beneficial asset of the state. Furthermore, unique places that tourists come to see may be gone and their interest in returning lost.

This bill would expand the setbacks along shorelines abutting rural districts to fifty feet and those abutting agricultural and conservation districts to three hundred feet.

Under Part III of Chapter 205A, public development is not restricted in the shoreline setback area. Private development is regulated in the shoreline setback area by the various counties. Private boating facilities, drainage facilities, and other needed coastal development may be allowed in the shoreline setback area by county permit. Otherwise, except in cases where development can be shown to be in the public interest or in cases of hardship as described in Section 205A-46(b), private development is prohibited in the shoreline setback area.

Your Committee feels that the passage of this bill will clearly show the residents of this state and the nation, that this body cares about the future of Hawaii, its unique natural resources and the legacy that Hawaii will carry into the coming century.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 2990 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 499-88 Planning, Energy and Environmental Protection on H.B. No. 2531

The purpose of this bill is to amend Section 195-9, Hawaii Revised Statutes, to clarify that the natural area reserve fund is to be used to implement the broader purposes of Chapter 195, and not solely for the heritage program. The bill also specifies that the fund shall consist of moneys received from any public or private source, shall be held separate and apart from all other moneys, funds, and accounts in the State treasury, and shall be credited with the investment earnings generated by the fund.

Your Committee finds that the present language of Chapter 195 limits the use of the natural area reserve fund to the heritage program, narrowly defined as a natural resource inventory data base of rare plants, animals, and natural ecosystems in the State. This bill broadens the permitted uses to include management needs as well as the identification and establishment of new reserves.

Your Committee further finds that by establishing a clearly separate accounting system for the natural area reserve fund, contributions from private donors will be encouraged.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 2351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2351, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 500-88 Planning, Energy and Environmental Protection on H.B. No. 2719

The purpose of this bill is to clarify existing law by authorizing the Department of Land and Natural Resources to promulgate rules regulating the transplantation of endangered plant species, an allowable activity under section 195D-2, Hawaii Revised Statutes. These clarifications would also conform Hawaii's law with federal statutes regarding endangered species.

Your Committee finds that transplantation allows businessmen and environmentalists to work together toward a mutually beneficial goal. Through careful transplanting and propagation, endangered plant sanctuaries could be financed and maintained by private industry. This would allow industry to proceed with development projects and at the same time help increase the numbers of endangered plant species.

Your Committee further finds that under this bill, control over the regulation of the transplantation and propagation will remain with the Department of Land and Natural Resources under its forestry division. The State would still have final control through its regulation power and set the conditions under which transplanting would be permitted.

Your Committee has amended the bill by changing the word "transplanting" to "transplantation" on page 1, line 13, for purposes of style and clarity.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 2719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2719, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 501-88 Planning, Energy and Environmental Protection on H.B. No. 2991

The purpose of this bill is to prohibit, as a form of litter, the mass release of ten or more lighter-than-air, helium filled balloons into the atmosphere.

Your Committee finds that these balloons, upon deflation, land on beaches or drift out to sea, constituting another form of marine pollution, often harmful to wildlife. In fact, your Committee received oral testimony that scientists have found the remains of balloons inside turtles and seals in the State, thus confirming the inherent danger involved in the mass release of balloons.

Your Committee received testimony favoring the intent of the bill from representatives from the Department of Health, the Sierra Club, the Conservation Council, and the Environmental Center.

Your Committee has amended the bill to include the recommendations made by the Department of Health to state that the release of ten or more helium-filled balloons is a prohibited act. Other nonsubstantive revisions for purposes of style and clarity were also made.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 2991, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2991, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 502-88 Planning, Energy and Environmental Protection on H.B. No. 3457

The purpose of this bill is to clarify ambiguous language and make housekeeping amendments to the used oil provision within Chapter 342, Hawaii Revised Statutes.

Your Committee finds that Act 236, Session Laws of Hawaii, 1987, which was enacted by the legislature to address the used oil disposal problems of the state, is sound and of good intent, however, some of the terms are confusing and not defined.

Testimonies presented indicated that stringent controls are in effect for "used oil" and that these controls are just. However, under federal regulations, when recycled oil has met the standards of "specification fuel" it is considered the equivalent of virgin oil. As such, your Committee feels that such oil should not be regulated under the same stringent permitting and record keeping requirements of used oil not otherwise considered the equivalent of virgin oil.

Your Committee has made several amendments to this bill to clearly identify those who are regulated and those general requirements which are being imposed to monitor and to assure the safe disposal of the used oil generated in Hawaii:

(1) Under Section 342-81, Definitions, the word "used" has been deleted from "Recycled used oil" so that it is made clear that "used oil" and "specification fuel" are subsets of the term "recycled oil".

(2) Section 342-81.2, Permit required, has been renumbered as Section 342-82. Under this section the term "specification fuel" has been deleted. Additional sentences have been added to cover persons who generate and burn their own specification fuel and to specifically exempt persons who deal solely with specification fuel from the permit requirement under this section. Section 342-82, Exemption, has been deleted since the new Section 342-82, Permit required, now clearly identifies those persons exempt from the permit requirement.

(3) A new paragraph (d) has been included in Section 342-83, Prohibited acts, in order to control the movement of used oil and make it illegal to falsely declare used oil as specification fuel in any transaction or use.

(4) Section 342-85, Recordkeeping, sampling and testing requirements, has been changed to clearly state the requirements which used oil handlers must meet.

Your Committee has further amended this bill for purposes of style and clarity.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 3457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3457, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 503-88 Planning, Energy and Environmental Protection on H.B. No. 3458

The purpose of this bill is to allow any county to promulgate its own laws, ordinances, rules, and regulations for the purpose of regulating the design, construction, and operation of wastewater systems.

Your Committee is in agreement with representatives of the Department of Health who stated that there are currently no statutory provisions allowing any county to administer its own laws, ordinances, rules, and regulations on the design, construction, and operation of sewerage and wastewater treatment facilities. This bill would allow the counties to regulate sewerage and wastewater treatment facilities regardless of whether state funds were available to assist the beginning of the program.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 3458 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 504-88 Human Services on H.B. No. 3484

The purpose of this bill is to amend Sections 346-151 and 346-152, Hawaii Revised Statutes, in order to increase the affordability, availability and quality of child care.

Although it is important to provide protection to children in child care facilities through regulatory standards, your Committee feels that these standards must be practical and reasonable. H.B. No. 3484 addresses the acute need of child care by increasing by one child the maximum number of children allowed in a family care home and group child care home. Furthermore, this bill provides minor adjustments to the law by exempting short term programs, like vacation bible schools, from the general licensing requirements. Finally, H.B. No. 3484 will include an adoptive relationship as the same consideration for exemption that's accorded relationships based on blood or marriage.

Your Committee has made the following amendments to H.B. No. 3484:

1. Section 346-151 Hawaii Revised Statutes, is amended by amending the definition of "family child care home" to mean a private family home at which care is provided for a maximum of six children instead of five.

2. Section 346-151, Hawaii Revised Statutes, is amended by amending the definition of "group child care home" to mean a facility at which care is provided for seven to twelve children.

3. Section 346-152, Hawaii Revised Statutes, is amended by:

- (a) Adding "or adoption" as a consideration for exemption.
- (b) Replacing "3 hours a day but not more than 2 times a week;" with "six hours a week;" in order to exempt services that are more informal in nature.
- (c) Replacing "another department;" with "the department of education to avoid the potential of duplicate licensure.
- (d) replacing "of eligible pupils in public and private schools through age seventeen," with "development for children," for clarity and conciseness.
- (e) Adding "Programs for children four years and older which operate for no more than two consecutive calendar weeks in a three month period." in order to explicitly exempt short term programs.

4. Replacing the name "Department of Social Services and Housing" with "Department of Human Services" throughout Sections 346-151 to 346-177, Hawaii Revised Statutes.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3484 H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 505-88 Housing and Community Development and Consumer Protection and Commerce on H.B. No. 3324

The purpose of this bill is to amend Section 667-5.5, Hawaii Revised Statutes, by granting cooperative housing projects equal rights which are granted condominiums in relationship to foreclosures of units.

Land, in Hawaii, is a scarce and valuable commodity which most people do not or are unable to have. A few landowners recognized a housing shortage and began to construct condominiums and cooperative housing projects.

These multi-family dwellings have become a valuable aspect of the housing community. Most people purchase units in the same fashion as they purchase homes by borrowing money from financial institutions.

If these people fail to meet the agreement in their mortgage, these financial institutions could begin foreclosure proceedings against the borrower.

This bill proposes to grant cooperative housing projects the same rights guaranteed condominiums, by requiring financial institutions to notify the respective board of directors of foreclosure proceedings.

Your Committees have amended this bill by requiring that foreclosure notices be sent to the board of directors of the association of apartment owners of the condominium or the board of directors of the cooperative housing unit.

Your Committees on Housing and Community Development and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 3324, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3324, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 506-88 Housing and Community Development on H.B. No. 2096

The purpose of this bill is to amend Section 26-18, subsection (b), Hawaii Revised Statutes, by eliminating the Aloha Tower Development Corporation.

The Department of Business and Economic Development stated that they neither oppose nor support this bill because of pending litigation. The Aloha Tower Development Corporation requested a Summary Judgement from the courts which was scheduled to be delivered on February 22, 1988. However, this Summary Judgement was postponed to a future undesignated date.

It is the judgement of your Committee that this bill proceed through the legislative process until such time a judgement can be reached; thus allowing the legislature to examine all possibilities available when such judgement is delivered.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 2096 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 507-88 Housing and Community Development on H.B. No. 3450

The purpose of this bill is to correct and clarify Section 201E-204 and Section 201E-212, Hawaii Revised Statutes.

This bill amends Section 201E-204, Hawaii Revised Statutes, by deleting all references to the word, "chapter" and replacing it with the word, "part". Section 201E-204 is further amended by deleting references to "elderly persons".

This bill also amends Section 201E-212, Hawaii Revised Statutes, by adding the phrase, "may develop or" to allow the Housing Finance and Development Corporation more flexibility in the development of housing projects.

This bill was amended to correct certain typographic, technical, and stylistic errors; no substantive changes were made.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3450, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 508-88 Ocean and Marine Resources on H.B. No. 3479

The purpose of this bill is to amend Section 188-40, Hawaii Revised Statutes (HRS) to repeal the prohibition on the sale, or the offering for sale, or the possession by any peddler or dealer in fish of any slipper lobster of less than one pound in weight.

Your Committee heard testimony from the Department of Land and Natural Resources (DLNR) in support of this bill. Testimony indicated that by transferring the regulation of slipper lobster from the statutes to administrative rule, the DLNR will be better able to manage this fishery resource since the slipper lobster will be regulated together with the spiny lobster.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3479 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Fukunaga, Isbell and O'Kieffe.

SCRep. 509-88 Housing and Community Development on H.B. No. 3559

The purpose of this measure is to allow the Housing Finance and Development Corporation to repurchase a housing unit which has a construction defect and which was developed under the provisions of Chapter 201E, Hawaii Revised Statutes, regardless of whether or not the owner wishes to transfer the property.

This measure will provide several important benefits to both the housing consumer and the Housing Finance and Development Corporation:

- 1) it sets up a mechanism for speedy repair of damaged units to mitigate damage;
- 2) it enables the Housing Finance and Development Corporation to avoid lawsuits and accompanying legal costs;
- 3) it limits or controls contingent liability on past, present and future developments;
- 4) it precludes a homeowner from making a profit from the award of damages. (Under current law, a homeowner is able to pocket damages intended for the repair of a home without actually making repairs to the unit.); and
- 5) it prevents a dwelling unit with a known construction defect from being sold in "as is" condition to another buyer.

The Housing Finance and Development Corporation, in testimony presented to this Committee, stated that they were in strong support of this measure. However, they also expressed a concern that all defects cannot be remedied. For example, structural damage to a home may be the result of an undetected underground stream flowing through the property. In this case, it may be more feasible to repurchase the unit without subsequently expending large amounts of money to mitigate the problem.

On the other hand, there may be instances in which damage to the units are minimal and can therefore be repaired within a relatively short time period. In these cases, it may be preferable for the Housing Finance and Development Corporation to enter into an agreement to relocate the owner and to rent the unit from the owner during the period that repairs are being performed, rather than to repurchase the unit. The rent to be paid to the owner would not exceed the owner's mortgage payments.

Your Committee has therefore amended this bill by amending subsection (e) to address the concerns expressed by the Housing Finance and Development Corporation. Your Committee has further amended this bill to correct technical drafting errors.

Your Committee on Housing and Community Development is in accord with the intent and purpose of H.B. No. 3559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3559, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 510-88 Transportation and Health on H.B. No. 3543

The purpose of this bill is to transfer authority to approve blood alcohol test procedures from the Department of Transportation to the Department of Health.

Your Committees have found that the Department of Transportation does not have the technical expertise to evaluate and approve the instrument or the procedures to be used in the blood alcohol test. The Department of Transportation relies on the evaluation of the National Highway Traffic Safety Administration Conforming Products List to approve testing devices, and the approval of the Department of Health on testing procedures. Transferring authority to approve blood testing procedures and devices to the Department of Health would eliminate duplication of services.

Your Committees received favorable testimony from the Department of Transportation and the Department of Health on this bill.

Your Committees on Transportation and Health are in accord with the intent and purpose of H.B. No. 3543 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 511-88 Transportation and Ocean and Marine Resources on H.B. No. 3544 (Majority)

The purpose of this bill is to reduce the abuse of small boat harbors rules regarding the ownership and transfers of ownership of vessels.

Currently, a person may obtain a commercial permit on one day, incorporate and transfer the permits to the corporation on the next day, and sell the corporation, along with the boat and permits to someone else on the following day. Your Committees find that by requiring a three-year minimum length of time of commercial operation before allowing business transfers, the number of persons who incorporate solely to gain profit on the sale of berths will be reduced, and eventually eliminated.

In addition, the existing law allows for lease agreements to be made in place of the ownership of a vessel. The intent of this law was to allow those who could not afford to buy a boat the opportunity to lease one and obtain a mooring permit from the Department of Transportation. It appears that almost every existing lease was obtained in order to bypass the waiting lists for berths in small boat harbors. Your Committees believe that limiting leases of vessels to no more than twelve months will reduce the abuse of this provision of the small boat harbors rules of this State.

Your Committees received favorable testimony from the Department of Transportation on this bill.

Your Committees have made minor, nonsubstantive amendments to this bill.

Your Committees on Transportation and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 3544, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3544, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.
(Representative Souki did not concur.)

SCRep. 512-88 Agriculture on H.B. No. 3587

The purpose of this bill is to amend Section 164-1 of the Hawaii Revised Statutes to add the Department of Health to the State agencies represented on the Governor's Agriculture Coordinating Committee.

Your Committee finds that there is an increased amount of concern about pesticide contamination of food, feed, air, and water and their potential impact on the public health and the environment. As a result, there has been a great demand for the enforcement of rules on pesticide use, the monitoring of pesticide residues, and the disposal of pesticides.

Your Committee also finds that since its establishment, the Governor's Agriculture Coordinating Committee has proven to be most effective in coordinating systematic planning, priority setting, and action implementation for Hawaiian agriculture.

Your Committee further finds the State Department of Health has specific responsibilities for agricultural products and for other areas upon which agricultural practices may impact. Health issues have become more prominent in the food and agriculture arenas; therefore, it is appropriate for the Department of Health to be represented on the Governor's Agriculture Coordinating Committee.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3587 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 513-88 Agriculture and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 3493

The purposes of this bill are to: (1) clarify that aquaculture is included among the purposes for which agricultural park leases may be issued; (2) provide that agricultural park lessees need not derive the major portion of income from the premises if it is fully utilized; (3) provide that transfer, assignment, or sublease of an agricultural park lease shall be to qualified applicants; (4) provide applicant preference status to veterans with honorable discharge; and (5) provide that agricultural park leases issued by the Board of Agriculture on public lands set aside for that purpose shall not require prior approval by the Board of Land and Natural Resources.

Your Committees received testimony from the Board of Agriculture in favor of this bill. Testimony indicated that the provisions of this bill are based on comments received by the Board in public hearings on administrative rules for the agricultural park program.

Your Committees have amended this bill to clarify the qualifications required of applicants for leases.

Your Committees have also corrected a technical drafting error.

Your Committees on Agriculture and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 3493, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3493, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 514-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2974

The purpose of this bill is to provide a means by which existing tenants of state lands on revocable permits can obtain financing to improve their leased premises and at the same time stabilize the term of their tenancies.

Your Committee finds that the stabilization of existing tenancies of revocable permittees through a general law is to be preferred over handling the problem on a case-by-case basis. Your Committee finds, however, that the details of how proposals are treated contained in the bill, as received, are possible now under existing laws through powers granted to the board of land and natural resources. Your Committee has therefore amended the bill in the following respects:

(1) Deleted the adjective "specified" describing "areas" on line 14 of page 1 and deleted the provisions relating to the notice for and treatment of proposals;

(2) Added to the definition of permittee, "an association of such persons who intend jointly to obtain mortgage financing to develop their lands";

(3) Modified the language of subsection (b) to require the board of land and natural resources to actively solicit and advertise for proposals by existing permittees to submit development plans; and

(4) Added a new subsection (c) to require the board to report back to the legislature at the 1989 Regular Session on the results of its solicitations with recommendations on the proposals received.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs, is in accord with the intent and purpose of H.B. No. 2974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2974, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 515-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 240

The purpose of this bill is to mandate that the Attorney General take such action as may be necessary to determine who is responsible for the inspection and maintenance of drainageways and watercourses in the state.

Your Committee heard testimony from the Department of Land and Natural Resources and from the City & County of Honolulu, Department of Public Works, and from many individuals, on this measure and on H.B. No. 3202, RELATING TO POWERS, DUTIES, AND JURISDICTION OF THE BOARD. The testimony on H.B. No. 3202 was most pertinent to the flooding problems faced by our residents. That issue is now addressed by H.B. No. 240, H.D. 1.

It is apparent that no agency of government wants to accept responsibility for maintaining streams and drainageways for the purpose of preventing flooding. The State Department of Land and Natural Resources testified that flood control activities have never been part of its responsibility and that it is not equipped to address the problem. The City and County accepts responsibility for maintenance of streams and drainageways which are deeded to the county, but denies responsibility for natural streams or for drainageways for which it has not accepted jurisdiction.

Land owners testified that serious damage and potential life threatening conditions resulted from the New Year's Day storm, and that controlling or correcting the situation is beyond their capabilities.

Your Committee has heard and weighed all testimony. We recognize an extremely serious problem and the vital necessity of defining areas of responsibility to protect lives and property. We believe that the determination of basic responsibility is a province of the courts.

Therefore, we believe it appropriate to have the Attorney General study the situation and bring whatever action is necessary to clarify grey areas and resolve gaps in responsibility.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 240, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 516-88 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 2710

The purpose of this bill is to amend the present law to make it clear that water developed subsequent to the first stage of the Molokai Irrigation Project shall not be subject to any prior right of use.

Your Committee heard testimony from the Department of Land and Natural Resources and from the Department of Hawaiian Home Lands. The agencies have taken strong and opposing positions on the initial language, but are in accord on the proposed amendments.

Your Committee has amended the bill by deleting all reference to the "first stage" of the project. This will remove the ambiguity as to what is and is not included in the "first stage", and that is the issue that has been the bone of contention.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2710, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 517-88 Judiciary and Consumer Protection and Commerce on H.B. No. 2522

The purpose of this bill is to require a recorded release of a mortgage upon full satisfaction of the mortgage and discharge of the related debt and provides for the filing of a court action to obtain such release when requested by any party in interest and not provided within the given time period.

Your Committees heard testimony in favor of this bill. Testimony indicated that some lending institutions fail to provide timely releases of mortgages which are fully satisfied. The numerous incidences of this failure have caused a considerable backlog in the processing of real estate transactions which require release of the mortgage. Furthermore, title to many Hawaii properties is clouded by mortgage releases which are left off the record. The bill's provisions would help to protect homeowners with mortgage loans from such problems.

The bill was amended to correct certain typographic, technical, and stylistic errors; no substantive changes were made.

Your Committees on Judiciary and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2522, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2522, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 518-88 Judiciary on H.B. No. 2452

The purpose of this bill is to amend Section 61-1, Hawaii Revised Statutes, to include Kaula within the boundaries of the County of Kauai.

Kaula, located about 20 miles southwest of Niihau, has a land area of 256 acres, and has been set aside under Governor's Executive Order No. 173 for the United States of America. Title to the island is vested in the United States of America with the State of Hawaii possessing a reversionary interest.

Your Committee received testimony indicating that Kauai has long considered Kaula under its jurisdiction and has acted accordingly. Kaula is represented as part of Kauai under the real property tax maps, zoning maps, the federal Coastal Zone Management Act, and geological survey maps of the U.S. Department of the Interior. Also, there is a strong perception by the residents of Kauai that Kaula has historically been a part of Kauai County.

Your Committee therefore finds that the inclusion of the island of Kaula within the boundaries of Kauai County is appropriate.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2452 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 519-88 Judiciary on H.B. No. 3554

The purpose of this bill is to enable contested cases under the Hawaii Administrative Procedure Act to be dismissed for the same reasons that would warrant dismissal in a civil action.

Your Committee has received testimony from the Department of the Attorney General indicating that contested cases are sometimes abandoned, creating situations that would otherwise amount to default.

Your Committee finds that the proposed amendment would not diminish the opportunity to contest an administrative decision. However, by providing for dismissals, and using the same standards as for dismissal in civil law, substantial case law analysis will be available as a resource to guide administrative agencies in resolving these cases which otherwise might never be closed.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3554 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yoshimura and Jones.

SCRep. 520-88 Judiciary on H.B. No. 2173

The purpose of this bill is to make the definition of "intentionally" gender neutral and to make the detonation or placing of illegal explosive devices an intentional act.

Your Committee has received testimony supporting the amendments that make the language of the statute gender neutral. However, testimony unanimously recommended that proposed subsection (d) relating to explosive devices be removed from this bill as it creates a constitutionally impermissible presumption that such an offense under this subsection is intentional. Moreover, the subject of illegal explosives would be more appropriately treated elsewhere in the Hawaii Revised Statutes.

Upon further consideration, your Committee has amended this bill by deleting proposed subsection (d); by inserting the entire section on "States of Mind" with gender neutral changes; and by making nonsubstantive changes for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 2173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2173, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 521-88 Judiciary on H.B. No. 69

The purpose of this bill is to provide a privilege of confidentiality to victims of crimes for their thoughts and feelings which are communicated to a victim counselor.

Your Committee finds that crime victims often suffer emotional and psychological injuries more serious than the obvious physical injuries. The success of counseling increases when victims are assured the confidentiality of their thoughts and feelings.

Your Committee heard testimony in support of the bill from the Victim/Witness Kokua Services of the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of Health, the Department of Human Services, and the Sex Abuse Treatment Center.

Your Committee has amended the bill to conform its provisions to the provisions of the model statute for victim/counselor privileged communications prepared by the American Bar Association and the National Association of Attorneys General. The counselor-victim privilege is created as a new chapter to the Hawaii Revised Statutes rather than a new rule of evidence. Your Committee also has restricted the coverage of the privilege to victims of sexual assault, family violence, child abuse, and neglect. The bill previously proposed that the privilege apply to all crime victims making the privilege overbroad in the Committee's view. The amendments also include a waiver provision which would apply if the victim partially discloses the confidential communication during court testimony or if the victim brings a lawsuit against the victim counselor or the employing agency for malpractice.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 69, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 69, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 522-88 Judiciary on H.B. No. 1921

The purpose of this bill is to exempt from tort liability any person who gives shelter or support to a minor child known by the person to have left the custodial parent's home without consent.

Your Committee has received favorable testimony indicating that the number of runaway children in Hawaii is increasing and that many of these children are subject to imminent risk of abuse and harm. Moreover, while the Hawaii Revised Statutes provides for child protective services, many runaways do not fall within the jurisdiction of these services and are therefore not within the child protective service system. Hence, any individual who assists or aids a runaway child is providing a valuable social and humanitarian service, and should be protected from tort liability.

Upon further consideration, your Committee has amended this bill to provide a good-faith requirement that the person providing assistance to a runaway child reasonably believe that the best interests of the child will be served by providing shelter and support. Your Committee has also made nonsubstantive changes for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1921, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Takamine, Yoshimura and Jones.

SCRep. 523-88 Judiciary on H.B. No. 3364

The purpose of this bill is to repeal Chapter 663A of the Hawaii Revised Statutes relating to civil liability for shoplifting.

Your Committee finds that civil penalties aid merchants in recovering actual damages as well as civil damages and litigation costs. Your Committee further finds that while there have been no abuses by merchants in pursuing civil remedies, some confusion has resulted on the part of the offender in differentiating between the criminal and civil cases and remedies.

Therefore, upon further consideration, your Committee has withdrawn the repeal of Chapter 663A. Instead your Committee has amended this bill by adding a Subsection to Section 663A-2 to require that an owner wait until any criminal action has been completed before commencing civil action including making a written demand.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3364, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yoshimura and Jones.

SCRep. 524-88 Judiciary on H.B. No. 3550

The purpose of this bill is to transfer the staff and functions of the State Law Enforcement Planning Agency (SLEPA) to the Department of the Attorney General and to "sunset" SLEPA. Former SLEPA employees will remain exempt from civil service requirements.

Your Committee has received favorable testimony from the Attorney General indicating that SLEPA is presently only administered by the Department of the Attorney General and relies on the Department for operating funds.

Your Committee finds that by placing SLEPA functions and staff within the Department, the Attorney General will be better able to coordinate and carry out the Department's criminal justice responsibilities.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3550 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 525-88 Judiciary on H.B. No. 3630

The purpose of this bill is to provide a plan that allows attorneys to practice law in specialties which are certified by the State. Such a plan will assist in the delivery of legal services to the public by improving access to appropriate legal services and by identifying and improving the quality and competency of legal services.

Your Committee heard testimony presenting differing views on this bill from representatives of the Hawaii State Bar Association, the Department of the Attorney General, and the Judiciary. Your Committee acknowledges that the Judiciary and the Legislature have concurrent authority to regulate the legal profession. The Legislature has consistently deferred to the Judiciary to develop guidelines for the specialization of attorneys, but the Judiciary has not yet developed such guidelines. Your Committee believes that further delay would not serve the public's best interest. Your Committee further believes that frivolous claims would be reduced by better regulation of the legal profession, in particular, the specialization of its members.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3630 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 526-88 Human Services and Judiciary on H.B. No. 3570

The purpose of this bill is 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) to clarify the role of public attorneys in what has traditionally been a private matter between spouses; and 4) repeal the provisions concerning court trustees except for special court trustees.

Testimony in support of this bill was submitted by the State Attorney General and The Judiciary. The Judiciary submitted testimony recommending amendments to the bill as to automatic income assignments. Both the Child Support Enforcement Agency and the Family Support Division of the Corporation Council expressed their agreement with the recommended changes of which your Committees have adopted.

Your Committees find that presently, out-of-state support orders must go through the lengthy and cumbersome "registration" process before any support can be collected. This allows an obligor in Hawaii to relitigate collateral matters, such as custody and visitation, before the child support enforcement agency can begin to collect support. This amendment will streamline procedures for initiation of out-of-state originated support orders by permitting automatic income assignment orders to be entered without waiting for registration to be completed.

Your Committees also find that immediate income assignments are the most effective method of enforcing child support obligations and ensuring that support payments are timely made and received. However, existing law allows the obligor to first become delinquent before an assignment order is entered. This bill should dramatically reduce the delinquency rate by providing that, henceforth, all support orders shall be accompanied by an income assignment order.

Your Committees also find it necessary to clarify the role of public attorneys in support matters. Amendments are offered to make it clear that government attorneys provided for the enforcement of child support obligations are not representing private individuals and private causes of action in order to preclude the possibility that private individuals may demand child support enforcement agency attorneys to represent them in custody disputes, property settlements, and other matters not directly connected with support enforcement. Thus, the present laws have been amended to make it clear that government attorneys represent the Child Support Enforcement Agency and complements the provisions of chapter 576D, Hawaii Revised Statutes, which grants the Agency standing to obtain and enforce child support orders through the courts.

Your Committees further find that this bill abolishes the provisions concerning court trustees except for the special court trustees in section 571-51.5, Hawaii Revised Statutes.

Your Committees have adopted the recommendations of the State Attorney General and The Judiciary by amending Sections 2 and 6 in order to provide for support payment to spouses to be left under the administration of the Office of the Chief Clerk of the First Circuit in addition to other recommendations presented by The Judiciary. Technical, nonsubstantive changes have also been made for purposes of clarity and style.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 3570, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3570, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 527-88 Human Services on H.B. No. 3483

The purpose of this bill is to amend Section 346-29.5, Hawaii Revised Statutes, waiving the lien provision for home property lived on by an assistance household.

Current state law requires the Department to obtain liens on home property lived on. However, federal regulations prohibit liens as long as the property is a home property lived on by the assistance household. The regulations are based on the principle that families need shelter and should not be required to have their home attached during a period of temporary dependency on public aid.

Your Committee has amended this bill by underscoring the word "of" on page 6, line 14.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3483 H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 528-88 Human Services on H.B. No. 3300

The purpose of this bill is to allow enforcement of judgments, orders, or decrees for the payment of child support against employee pension plans whether or not the plan had been joined as a party to the proceeding. Under current law it is extremely difficult for the obligee to gain access to private pension plans, especially when the obligor is self-employed.

The bill will allow enforcement by a writ of execution without prior court approval, until five years after the child reaches the age of majority, for amounts that are not more than ten years overdue on the date of application for the writ. The bill provides for the contents of the application for the writ of execution and provides for time for return of a writ pursuant to which a levy is made.

Your Committee received favorable testimony on this bill along with the suggestion that the new section to be enacted by this bill be placed in Chapter 651 Hawaii Revised Statutes. Your Committee agrees with this suggestion and has amended the bill accordingly.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3300, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3300, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 529-88 Judiciary on H.B. No. 114

The purpose of this bill is to strengthen the laws against possession with intent to distribute dangerous drugs, harmful drugs, marijuana, or schedule V drugs (as listed in Chapter 329 of the Hawaii Revised Statutes) by providing strong sanctions against those who commit any of these acts on the premises of any school.

Your Committee received testimony in support of this measure from the Honolulu Police Department and the Department of Education, indicating that a large and growing drug problem exists in our schools and that strong measures are urgently needed to combat it.

Your Committee finds that this bill will provide a needed tool with which this problem can be alleviated.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 114 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 530-88 Judiciary on H.B. No. 3556

The purpose of this bill is to amend chapter 846, Hawaii Revised Statutes, to conform with current practices.

This chapter presently contains outdated provisions which apply to the system of mandatory registration practiced under martial law during the Second World War.

H.B. No. 3556 would delete the now inappropriate sections of this chapter, and would also make available information collected pursuant to this chapter for law enforcement purposes.

Your Committee received testimony in support of this bill from the Office of the Attorney General.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3556 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 531-88 Judiciary on H.B. No. 3057

The purpose of this bill, as received by your Committee, is to include restitution of the State's expenses of prosecution and incarceration as one of the Court's possible dispositions of a convicted defendant.

Your Committee finds that the bill gives to the Court the discretion to order restitution for State expenses of prosecution and incarceration. The bill further provides that restitution will be ordered in an amount which the defendant can afford to pay, and that the pre-sentence diagnosis and report shall include an analysis of the economic status and capacity of the defendant.

Your Committee has amended the bill so that restitution for expenses of prosecution and incarceration is a disposition available only for convictions of defendants for felonies which are business and commercial frauds under Chapter 708, Part VII, offenses affecting occupations under Chapter 708, Part VIII, computer crimes under Chapter 708, Part IX, offenses related to drugs and intoxicating compounds under Chapter 712, Part IV, and organized crime offenses under Chapter 842 of the Hawaii Revised Statutes. Your Committee has further amended the bill to provide for reparation as well as restitution for State expenses for prosecution and incarceration. Your Committee has also made technical, nonsubstantive amendments to the bill for form and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3057, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3057, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Jones.

SCRep. 532-88 Judiciary on H.B. No. 3163

The purpose of this bill is to bring Hawaii law regarding the issue of reapportionment into conformity with Federal Law.

Accordingly, this bill would amend section 25-2 by deleting language which provides that reapportionment be based on the number of registered voters.

Your Committee is in agreement with recent court findings that the proper basis for reapportionment is the overall population count.

Your Committee received testimony in support of this bill from the Office of the Lieutenant Governor, Common Cause of Hawaii, and the League of Women Voters.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3163 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 533-88 Judiciary on H.B. No. 2906

The purpose of this bill is to promote the fair applications of our laws in conformity with the right to procedural due process as guaranteed in our constitution.

At present, Hawaii's laws do not require that aliens be informed that entering a plea of guilty or no contest may result in deportation or denial of naturalization. This bill would add a new chapter to the Hawaii Revised Statutes to provide that the court be required to notify the alien defendant of the consequences which such pleas may have on his or her immigration status.

The bill further provides that failure to provide the alien defendant with this information will result in a vacation of judgment. The defendant will then be permitted to enter a plea of not guilty.

Your Committee received testimony in support of this bill from the American Civil Liberties Union and the Lawyers for the People of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2906 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 534-88 Judiciary on H.B. No. 3351

The purpose of this bill is to add meth-amphetamine to the list of dangerous drugs measured by weight. Current law lists meth-amphetamine as a dangerous drug but lists it with those drugs which are measured by dosage units or pills.

Your Committee received testimony from the State Attorney General, and the prosecutors and police chiefs from all four counties in favor of this bill, pointing out that the incidence of this drug has been on the rise in sale, use, and possession as "crank", "ice", or "crystal".

Because meth-amphetamine is a drug commonly found in capsule or tablet form and used for medical prescriptions, your Committee has amended the bill to add "non-prescription" meth-amphetamine to the list of drugs measured by weight. Your Committee has further amended this bill by changing "meth-amphetamine" to "methamphetamine" to reflect current scientific nomenclature and by providing a neutral gender reference.

Your Committee finds that this bill will make enforcement of possession of methamphetamine more efficient and will help limit its use as a street drug.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3351, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 535-88 Judiciary on H.B. No. 3347

The purpose of this bill is to repeal Chapter 327 of the Hawaii Revised Statutes. The further purpose of this bill is to reenact the Uniform Anatomical Gift Act and incorporate the amendments of the Uniform Laws Commissioners.

The Uniform Anatomical Gift Act was originally promulgated in 1968 and adopted in Hawaii in 1969. The Uniform Anatomical Gift Act provided that any adult person has the power to donate his or her own body upon death to a medical facility or to a physician to be used for medical purposes, including research and organ transplants. The 1987 amendments enacted by the Uniform Laws Commissioners retains the basic provisions of the 1968 Act, but with several improvements.

A person exercises his power over his or her body by executing a "document of gift" requiring attestation by witnesses. This bill would eliminate the need for witnesses.

This bill also addresses the anxiety among medical attendants by explicitly stating that they may rely on the document of gift as a valid authorization.

Further, this bill permits the taking of organs where there is no document of consent or without the consent of a relative empowered to provide consent, provided that a coroner or medical examiner has a specific organ request and that reasonable efforts to locate donor objections from the medical record and to ascertain whether there are objections by anyone entitled to object.

Moreover, this bill will require hospitals to request every incoming patient to consider making a document of gift.

Finally, this bill permits the execution of a document that forbids the taking of all or specific organs, or restricts the taking to certain hospitals or physicians, and provides that the sale of organs is expressly forbidden.

Your Committee has received favorable testimony regarding this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3347, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 536-88 Judiciary on H.B. No. 3567

The purpose of this bill is to extend coverage under the State Tort Liability Act to the parents of state employees while the employees are minors.

At present, the provisions of chapter 662, HRS, do apply to employees of the state who are minors. It is not clear, however, that these provisions also apply to their parents. Furthermore, section 577-3, HRS, provides that parents are liable for the actions of their minor children.

In testimony before your Committee the Attorney General stated that, "if the protection afforded state employees by the State Tort Liability Act were not available to parents of minor state employees, this result would essentially defeat the purpose for which the State Tort Liability Act coverage was conferred on their minor children."

Your Committee received testimony in support of this bill from the Offices of the Attorney General and the Superintendent of Education.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3567 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 537-88 Judiciary on H.B. No. 2997

The purpose of this bill is to provide in Section 710-1077(c), Hawaii Revised Statutes, a maximum period of imprisonment for civil contempt consisting of the contemnor's refusal to perform an act ordered by the court which the contemnor has the power to perform.

Your Committee finds that Section 710-1077(c) is silent as to the maximum period of imprisonment and could be construed as allowing indefinite imprisonment. Your Committee believes that the possibility of indefinite imprisonment is too severe, but that the refusal to act in compliance with a court order is serious enough to warrant a higher maximum period than the bill's proposed maximum period of eighteen months.

Your Committee has accordingly amended the bill by changing the maximum period from eighteen months to sixty months which is five years.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2997, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2997, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.