

STANDING COMMITTEE REPORTS

SCRep. 1-92 Finance on H.B. No. 3528

The purpose of this bill is to improve dental health on Maui.

H.B. No. 3528 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 Finance is in accord with the intent and purpose of H.B. No. 3528, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3528, H.D. 1.

Signed by all members of the Committee.

SCRep. 2-92 Human Services on H.B. No. 3860

The purpose of this bill is to:

- (1) Appropriate monies for expenditure by the Department of Human Services to ensure the continuation of securing federal matching funds for the Medicaid Program; and
- (2) Enable the provision of Medicaid payments to qualified recipients for the remainder of fiscal year 1991-1992.

Testimony in strong support of this bill was submitted by the Department of Human Services; the Hawaii Medical Association; the Kalihi-Palama Health Clinic; the St. Francis Medical Center; Catholic Community Services; the Honolulu Community Action Program, Inc.; the Single Parent Advocacy Network; the Hawaii Long Term Care Association; the Committee on Welfare Concerns; the Healthcare Association; the National Association of Social Workers, Hawaii Chapter; Kokua Kalihi Valley Comprehensive Family Services; the National Association of Retired Federal Employees; the Founders Group of the Kokua Council for Senior Citizens of Hawaii; the Mental Health Association; the Hawaii Association for Home Care; Medicaid recipients; and others.

Your Committee understands that the Medicaid Program has been experiencing escalating costs, primarily due to the following:

- (1) An increase in the Medicaid recipient population;
- (2) Higher utilization of health care services;
- (3) Adoption of federal service mandates (including OBRA adjustments);
- (4) Medicaid eligibility expansions;
- (5) A reduction of federal Medicaid matching funds;
- (6) Payment rates reconsideration; and
- (7) Double digit health care inflation rates.

Without the emergency appropriations sought by this measure, the Medicaid Program will make its last health care payment to providers on February 14, 1992, and thereafter will not be able to fulfill its fiscal obligation to provide health care services to Medicaid recipients.

In addition, your Committee understands that this measure is recommended by the Governor for immediate passage in accordance with Article VII, Section 9, of the Constitution of the State of Hawaii.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3860 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 3-92 Education and Transportation on H.B. No. 2313

The purpose of the bill is to delete the:

- (1) Time restriction when the Department of Education (DOE) motor vehicle driver education and training program may be conducted; and
- (2) Age limitation for which applicants may enroll in the program.

Your Committees received testimony from the DOE, the Hawaii State Teachers Association, and the Hawaii Association of Safety and Traffic Educators who supported the intent of the measure to allow greater flexibility for the driver education and training program.

Your Committees have amended the bill by reinstating the age stipulation for which applicants may enroll in the program.

Your Committees on Education and Transportation are in accord with the intent and purpose of H.B. No. 2313, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2313, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 4-92**Finance on H.B. No. 72**

The purpose of this bill, as received by your Committee, is to amend various provisions of chapter 42, Hawaii Revised Statutes, relating to grants, subsidies, and purchases of service.

Your Committee has amended the bill by deleting the substance and inserting therefore new material, the purpose of which is to authorize funds for the expenses of the Legislature up to June 30, 1993, and also for the expenses of the legislative support agencies during the 1992-1993 fiscal year.

SENATE AND HOUSE OF REPRESENTATIVES

Your Committee approves the sum of \$4,802,459 for the Senate and the sum of \$6,264,763 for the House of Representatives. 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 \$2,556,006 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.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$2,221,705 for the Legislative Reference Bureau.

OMBUDSMAN

Your Committee approves the appropriation of \$711,508 for the Office of the Ombudsman.

LEGISLATIVE INFORMATION SYSTEM

Your Committee approves the appropriation of \$500,000 to the Senate and \$500,000 to the House of Representatives for the purpose of defraying the expenses of the legislative information system, known as "SHADO". Your Committee finds that these amounts are necessary to meet equipment, consultant, supplies, and other related expenses.

LAPSE OF FUNDS

Appropriations under this bill are subject to lapse on June 30, 1993.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 72, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 72, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho and Marumoto.

SCRep. 5-92**Housing on H.B. No. 3353**

The purpose of this bill is to authorize the issuance of revenue bonds for the purpose of financing and refinancing the purchase of Queen Emma Gardens Apartments by the Housing Finance and Development Corporation.

H.B. No. 3353 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 properly be held on its substantive provisions. Without the amendment providing the substantive contents, members of the public cannot be duly apprised, in advance of the hearing, as to what the bill specifically purports to do and the specific means by which it intends to achieve the desired results. Thus, a hearing on a short-form bill may not be helpful, and a notice thereof could be less meaningful.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3353, as amended herein, and recommends that it be recommitted to the Committee on Housing, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3353, H.D. 1.

Signed by all members of the Committee.

SCRep. 6-92**Judiciary on H.B. No. 3003**

The purpose of this bill is to generate significant savings of court and law enforcement resources in terms of cost and time.

Formal extradition proceedings are currently used to return absconding parolees, probationers and bailees to the demanding state at great expense.

If enacted, this bill would provide for the immediate return to the demanding state, without the requirement of a governor's warrant, of a fugitive who has previously signed a waiver of extradition as a condition of probation, parole, bail, or other release, and who is properly identified by fingerprints and photograph, making extradition proceedings unnecessary.

Testimony in support of this measure was submitted by the Judiciary, Department of the Attorney General, the Hawaii Paroling Authority, the Prosecuting Attorney and Police Department of the City and County of Honolulu, the Prosecuting Attorney of the County of Kauai, and the Police Department of the County of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3003 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 Cachola and Ward.

SCRep. 7-92**Judiciary on H.B. No. 2929**

The purpose of this bill is to appropriate funds to upgrade the telecommunications system of the Honolulu Police Department.

The present communications system is overloaded, cumbersome to operate, does not permit field units to communicate with each other, and provides poor coverage in valleys and high rise areas. There also are insufficient non-interfering frequencies available in the present communications band.

Testimony in support of this measure was submitted by the Department of the Attorney General, the State of Hawaii Organization of Police Officers, and the Prosecutors and Police Chiefs of the City and County of Honolulu, and the counties of Hawaii, Kauai, and Maui.

For purposes of continued discussion, your Committee has amended this bill by inserting the sum of \$1 for each of the appropriated amounts.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2929, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 8-92**Agriculture on H.B. No. 2366**

The purpose of this bill is to re-establish the Molokai Irrigation System Water Users Advisory Board, which was terminated on June 6, 1991 under the sunset provision of Act 48, Session Laws of Hawaii 1990. This bill would:

- (1) Appropriate an unspecified amount for fiscal year 1992-1993 to carry out the purpose of the bill; and
- (2) Restore the useful purpose of the advisory board by establishing a five-member board appointed by the Governor.

Representatives from the Department of Agriculture and the Molokai Farm Bureau submitted testimony in support of this bill. Testimony indicated that the board would greatly improve the level of communication between the system users and the DOA.

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

- (1) Inserted the sum of \$5,000 to carry out the purpose of the bill;
- (2) Broadened the make up of the advisory board to include named designees of the listed organizations so that there would be a continuance of representation when the terms of the organization's officers and the advisory board's membership do not coincide;
- (3) Inserted a new Section to identify the expending agency; and
- (4) Made technical, nonsubstantive amendments to the bill for purpose of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2366, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 9-92**Agriculture on H.B. No. 2367**

The purpose of this bill is to provide support services and facilities to meet the growing needs of Molokai's expanding agriculture industry. This bill would:

- (1) Appropriate \$389,000 for fiscal year 1992-1993 for personnel, operational, and equipment costs for the Molokai extension program; and
- (2) Authorize the issuance of general obligation bonds for \$200,000 and appropriate the same sum for fiscal years 1991-1992 and 1992-1993 for the construction of: a shade house, a chemical storage facility, and security fencing.

Representatives from the College of Tropical Agriculture and Human Resources (CTAHR) and the Molokai Farm Bureau submitted testimony in support of this bill. The testimony indicated that:

- (1) Historically, pineapple and cattle were Molokai's only significant agricultural outputs. Today, Molokai is the State's leading producer for sweet corn, string beans, sweet potatoes, bell peppers, and watermelons. Tomatoes and dryland taro production increases are also underway;
- (2) Molokai is the only island without a regular experiment station; and
- (3) Farmers on Molokai are demanding "site-specific research" to develop technologies and agricultural practices that can be transferred and applied specifically to Molokai's environment and soils.

Your Committee finds that the two agricultural extension agents servicing both Molokai and Lanai are overburdened with responsibilities and that the required research and extension education activities on Molokai are inadequate.

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

- (1) Authorized the University of Hawaii to establish and allocate the six permanent positions to the Molokai extension program of the CTAHR;
- (2) Raised the general obligation bond authority from \$200,000 to \$300,000 and the same sum to be appropriated for fiscal year 1992-1993 to cover the revised costs for the identified construction projects as follows: (a) \$105,000 for a shade house; (b) \$160,000 for a chemical storage facility; and (c) \$35,000 for security fencing; and
- (3) Made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2367, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 10-92**Agriculture on H.B. No. 2368**

The purpose of this bill is to expand the cooperative extension services provided to the Lanai community. This bill would appropriate funds for personnel, operational, and equipment costs to meet the needs of the community.

Representatives from the College of Tropical Agriculture and Human Resources (CTAHR) and two individuals from Lanai submitted testimony in support of this bill. Testimony indicated that:

- (1) Extension services are provided intermittently through the Maui County Cooperative Extension Service and the Agriculture Research Center; and
- (2) Educational programs of the Cooperative Extension Service will help to build leadership competencies, community communication, strategic planning, and team building skills in the community to meet changes brought on by the transition from a pineapple plantation community to that of a tourist service oriented community.

Your Committee finds that a full-time Extension position will help to bridge the gap in Lanai's changing social and economic environment. Upon further consideration, your Committee has made the following amendments to this bill:

- (1) Authorized the University of Hawaii to establish and allocate the two permanent positions to the Lanai Extension program of the CTAHR; and
- (2) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2368, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 11-92**Agriculture on H.B. No. 2387**

The purpose of this bill is to prevent the brown tree snake (BTS) found in Guam from establishing itself in Hawaii. This bill would appropriate an unspecified amount for fiscal year 1992-1993 for suppressing, controlling, and eradicating the BTS in Hawaii.

Representatives from the Department of Agriculture (DOA), the Hawaiian Electric Company, the National Audubon Society, the Environmental Center, and an individual submitted testimony in support of this bill. The testimony indicated that:

- (1) The probability of BTS movements from Guam to Hawaii will continue to be high as long as the BTS population remains high on Guam (the population of BTS in some parts of Guam total 30,000 per square mile);
- (2) The BTS must never be allowed to establish itself in Hawaii. The adverse impact of this species on the Island of Guam is well-documented in terms of socio-economic and ecological problems and costs;
- (3) The DOA has implemented an action plan to prevent the introduction and establishment of BTS in Hawaii; and
- (4) The United States Congress has appropriated \$100,000 to prevent the introduction of the BTS in Hawaii, but additional funds are needed to support the prevention activities on the Island of Guam to keep the snake from reaching Hawaii.

Upon further consideration, your Committee has made the following amendments to this bill:

- (1) Inserted the sum of \$150,000 for fiscal year 1992-1993 for the purpose of preventing the establishment of the BTS in Hawaii; and
- (2) Made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2387, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 12-92**Agriculture on H.B. No. 2554**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to support the Hawaii State Farm Fair and Pesticide Program for farmers.

The Hawaii State Farm Fair is held annually to showcase the State's diversified agricultural industry and to educate Hawaii's urban oriented population about Hawaiian grown agricultural products and agricultural industry and what the products and industry means to the economy of the State and the social well being of the people. Last year, the Fair attracted 155,914 people.

The Pesticide Program is a continuing educational training program for farmers administered by the Hawaii Farm Bureau Federation (HFBBF). It is an informational and training program on available pesticides, its uses, application methods, and safety. The HFBBF trained 2,091 farmers statewide in 1991.

The State has provided funding for both of these activities in the past.

Representatives from the College of Tropical Agriculture and Human Resources; the Governor's Agriculture Coordinating Committee, and the HFBBF submitted testimony in support of the bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2554 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 13-92**Agriculture on H.B. No. 2553**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to:

- (1) Conduct research on pest management programs and post-harvest treatments for tropical cut flowers and foliage; and
- (2) Implement plant quarantine procedures for growers and shippers exporting cut flowers and foliage grown in Hawaii.

Tropical cut flowers and foliage exported from Hawaii were valued at \$33.7 million in 1990. The industry, however, suffers from problems of shipment rejections by states and foreign countries (principally, California and Japan) because of live pests (such as mealybugs, scales, ants, and whiteflies) found on the flowers and foliage. With each shipment rejection, the growers and shippers not only lose the value of the sales but are subjected to fines, revocation of shipping permits for repeated offense, and potential loss of markets.

Representatives from the College of Tropical Agriculture and Human Resources (CTAHR), the Governor's Agriculture Coordinating Committee (GACC), and the Hawaii Farm Bureau Federation submitted testimony in support of the bill. Their testimony indicated that the research will:

- (1) Develop a systems approach to quarantine security consisting of: (a) preharvest pesticide management programs that will refine successful field treatment techniques such as those used on anthuriums or develop new methods for bird of paradise, dendrobium, heliconia, flowering ginger, protea, ti leaf and others; and (b) postharvest treatment program adopting or refining heat and chemical treatment methods and other approaches to heat sensitive flowers and foliage; and
- (2) Develop quarantine procedures certified by the U.S. Department of Agriculture's Animal and Plant Health Inspection Service so that the procedures can be implemented by the prequalified growers and shippers.

Upon further consideration, your Committee has amended this measure to clarify that the GACC expend the appropriated funds for the CTAHR.

Your Committee on Agriculture 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 hereto as H.B. No. 2553, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 14-92

Agriculture on H.B. No. 2548

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for research projects at the Low Elevation Extension Demonstration Farm on Maui.

Representatives from the College of Tropical Agriculture and Human Resources (CTAHR), the Governor's Agriculture Coordinating Committee (GACC), and the Hawaii Farm Bureau Federation (HFBBF) submitted testimony in support of this bill. The testimony indicated that:

- (1) The research and demonstration program at the farm will be carried out in cooperation with Hawaiian Commercial and Sugar Company who provided five acres of land for the farm;
- (2) The basic infrastructure is in place so that minimal demonstration could be started. The plans for demonstration include endemic trees of Hawaii, landscape ornamentals, fruit trees, dryland taro, tropical flowers and foliage, turf, and forage; and
- (3) To reach its potential, the farm must start building its operational infrastructure (tractor, truck, and supply). It also needs the service of an agricultural technician.

Your Committee believes that the Low Elevation Demonstration Farm has unlimited potential. This farm will enable county agents to perform "hands-on" demonstrations and conduct field days for the benefit of the farmers.

Upon further consideration, your Committee has made the following amendments to this bill:

- (1) Authorized the University of Hawaii to establish one full-time, permanent agricultural research technician IV position to be allocated to the Low Elevation Demonstration Farm program for CTAHR; and
- (2) Clarified that the GACC expend the appropriated funds for the CTAHR.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2548, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2548, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 15-92

Agriculture on H.B. No. 2545

The purpose of this bill is to provide funds to continue research to solve the crop loss problems caused by the tomato spotted wilt virus (TSWV). The appropriated funds would be used to develop varieties of lettuce and tomato resistant to the virus.

Representatives from the College of Tropical Agriculture and Human Resources (CTAHR), the Governor's Agriculture Coordinating Committee (GACC), and the Hawaii Farm Bureau Federation submitted testimony in support of the bill. The testimony indicated that:

- (1) The TSWV has an extremely wide plant-host range affecting the production of lettuce, tomato, pepper, and chrysanthemum. Lettuce and tomato are the most seriously impacted crops in Hawaii (marketing statistics in 1990 show a production decline of 73 percent for lettuce and 47 percent for tomato because of the virus infestations); and
- (2) The field research trials show the research team is about to solve the TSWV problem with tomatoes and has completed its first cross between TSWV resistant lettuce varieties and commercial varieties of lettuce.

With success so close in solving the problem, your Committee believes that the State's past research investments on this problem should be continued to achieve maximum return. Upon further consideration, your Committee has amended this bill to clarify that the GACC expend the appropriated funds for the CTAHR.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2545, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 16-92**Judiciary on H.B. No. 2930**

The purpose of this bill, as received by your Committee, is to provide children who are "victims" of crimes or "witnesses" to crimes with a right to a speedy trial. Courts would be mandated to expedite trials involving children as victims or witnesses to ensure that these cases take precedence over the settling of all other matters.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney, City and County of Honolulu, the Honolulu Police Department, the Hawaii State Coalition Against Sexual Assault, Friends of the Children's Advocacy Centers of Hawaii, and the Sex Abuse Treatment Center.

Testimony opposing this bill was received from the Office of the Public Defender.

Your Committee observes that the Hawaii Constitution provides in Article VI, Section 7, the Hawaii Supreme Court the authority to promulgate rules and regulations relating to procedure in civil and criminal cases. Amendments were made to this bill to codify certain procedures currently practiced by the courts in relation to victims and witnesses.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2930, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Hirono.

SCRep. 17-92**Judiciary on H.B. No. 3945**

The purpose of this bill is to expedite paternity cases by allowing certain genetic test reports to be admitted into evidence under specified conditions.

Testimony in support of this bill was received from the Corporation Counsel of the County of Hawaii.

This bill was amended by deleting the phrase "indicating a minimum double exclusion or a probability of paternity of 98% or higher" so as to clarify that probability of paternity goes to the weight of the evidence.

This bill was also amended to allow the court, sua sponte, to determine whether a witness shall be required to lay the foundation for the admission of the genetic test report as evidence.

Technical, nonsubstantive amendments were also made for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3945, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Hirono.

SCRep. 18-92**Judiciary on H.B. No. 3303**

The purpose of this bill is to establish reasonable and consistent fees for the research and reproduction of records in response to an investigative subpoena served by the Attorney General or one of the county prosecutors.

Currently, financial institutions' fees for work done to comply with subpoenas vary extensively from institution to institution. For example, research fees range from \$10.00 to \$40.00 per hour, and reproduction fees range from \$0.20 to \$3.00 per copy.

If enacted, this bill would set research and reproduction fees at the level set by the federal reserve system for financial institutions who perform these services pursuant to a federal grand jury or investigative subpoena.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Prosecuting Attorney and Police Department of the City and County of Hawaii.

Technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3303, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Ward.

SCRep. 19-92**Judiciary on H.B. No. 2949**

The purpose of this bill is to amend Sections 706-670.5, 706-673, and 801D-4, Hawaii Revised Statutes, to provide each victim of a crime with the right to request a recent photograph of the offender when the offender is about to be released from incarceration, and to require the incarcerating facility or the Department of Public Safety to mail a recent photograph of the offender if the victim so requests.

Testimony in support of this measure was received from the Prosecuting Attorney of the City and County of Honolulu.

This bill was amended by requiring the incarcerating authority or the Department of Public Safety to provide notice to the victims in person or by telephone of the impending release of the offender instead of simply mailing a recent photograph of the offender to the victim at the victim's last known address. The purpose of this amendment is to avoid situations where the photographs are released to the wrong persons or to unduly surprise or alarm victims.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2949, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Ward.

SCRep. 20-92**Judiciary on H.B. No. 3326**

The purpose of this bill is to propose additional mandatory incarceration for convictions for the offense of abuse of a household member under section 709-906, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of the Attorney General, the Department of the Prosecuting Attorney, City and County of Honolulu, the Honolulu Police Department, the Hawaii State Commission on the Status of Women, the Hawaii State Committee on Family Violence, the American Association of University Women, Fairness for Abused Women, Alternatives to Violence, Domestic Violence Clearinghouse and Legal Hotline, and Child and Family Service.

The nature of domestic abuse is such that ongoing violence is not uncommon and, in fact, has the great likelihood of becoming more serious and increasing in frequency. Your Committee understands that uniform sanctions applied in a graduated way in response to these serious offenses will deliver a strong message to the offenders, and compensate for any disparity in personal opinion or bias that may be held by an officer of the law or an officer of the court.

This bill was amended by making any person convicted of a second offense or any subsequent offense which occurs within one year of the previous offense to be termed a "repeat offender" for the purposes of sentencing and must serve a minimum jail sentence of thirty days.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3326, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Ward.

SCRep. 21-92**Judiciary on H.B. No. 3266**

The purpose of this bill is to help reduce the frequency of frivolous civil actions.

If enacted, this bill would repeal the provision limiting assessment of attorneys' fees to 25% of the amount originally prayed for, by the party assessed, in civil actions that are determined to be frivolous by a court, including civil actions arising from decisions made by a peer review committee, ethics committee, or hospital or clinic quality assurance committee.

Testimony in support of this measure was submitted by the Hawaii Academy of Plaintiff's Attorneys.

Your Committee has amended this bill so that it amends Section 663-1.7, Hawaii Revised Statutes, instead of Section 662-1.7, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3266, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3266, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Ward.

SCRep. 22-92**Judiciary on H.B. No. 3854**

The purpose of this bill is to make temporary restraining orders under Chapter 586, Hawaii Revised Statutes, ("protective orders") effective as of the date they are orally stated, provided the court determines that each of the parties understand the order and its conditions.

Testimony in support of this bill was received from the Prosecuting Attorney for the City and County of Honolulu, the Hawaii State Committee on Family Violence and Hope for Battered Women.

This bill was amended to require oral protective orders to be reduced in writing and issued forthwith and to require the Judiciary to provide forms which will enable the courts to do so.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3854, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Ward.

SCRep. 23-92**Judiciary on H.B. No. 3948**

The purpose of this act is to provide victims of sexual assault with the human immunodeficiency virus (HIV) test results of convicted defendants or adjudicated juveniles who sexually assaulted them and to provide appropriate counseling to the victims.

Testimony in support of this measure was received from the Attorney General, the Prosecuting Attorney for the City and County of Honolulu, the Governor's Committee on Aids, the Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Sexual Assault, the Sex Abuse Treatment Center, the Maui A.I.D.S. Foundation, the Health Care Director of the Corrections Division, Department of Public Safety, and the Director of Health.

Testimony against this bill was received from the Public Defender.

Upon consideration of this measure, your Committee has amended it by deleting from its scope the "peeping tom" and "flasher" type violations contained in Section 707-733(1)(b) and (c), Hawaii Revised Statutes. Technical, nonsubstantive changes were also made.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3948, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Hirono.

SCRep. 24-92**Judiciary on H.B. No. 2914**

The purpose of this bill is to create a household member category of victims which would trigger the possibility of a mandatory term of extended imprisonment for a convicted defendant to serve before being eligible for parole.

Testimony in favor of this measure was presented by the Department of the Attorney General, the Hawaii State Commission on the Status of Women, the Hawaii State Committee on Family Violence, and Fairness for Abused Women.

Your Committee recognizes the vulnerability of the domestic partner to family violence. Those who share a dwelling with an abuser are often the victim of repeated acts which they can neither avoid nor report because they have no place else to go. The ready availability of such a victim only encourages the abuser to repeat and to escalate the pattern of violence.

This bill was amended by creating a new section within chapter 706, Hawaii Revised Statutes, to address the offense of manslaughter when the victim was a household member. Necessary language was also added to section 706-662 which describes the criteria for extended terms of imprisonment. The term "household member", for the purposes of chapter 706 only, is defined in this section as being a spouse, former spouse, person jointly residing or person formerly residing with the defendant in a relationship in which both persons are adults and consider and represent each other as married persons to relatives, friends, neighbors or trades people.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2914, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2914, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Hirono.

SCRep. 25-92**Judiciary on H.B. No. 3324**

The purpose of this bill is to allow the State to appeal all pretrial orders, including, but not limited to, pretrial evidentiary orders, witness competency orders and orders granted pursuant to a motion in limine.

Testimony in support of this measure was submitted by the State Attorney General, the Judiciary and the Prosecuting Attorney for the City and County of Honolulu.

Your Committee has amended this bill by deleting the phrase "including, but not limited to" so as to allow the State to appeal only pretrial orders in the nature of evidentiary orders, witness competency orders, orders granted pursuant to a motion in limine, and orders granting a motion for the suppression of evidence, including a confession or admission or the return of property.

Technical, nonsubstantive changes were made for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3324, as amended herein, and recommends 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 Committee except Representatives Cachola and Hirono.

SCRep. 26-92**Judiciary on H.B. No. 2712**

The purposes of this bill are to:

- (1) Clarify that the Family Court has exclusive jurisdiction over cases under Hawaii Revised Statutes Section 709-903.5, involving the offense of endangering the welfare of a minor in the first degree.
- (2) Clarify that the Family Court has exclusive jurisdiction over cases involving any violation of a domestic abuse order issued under Hawaii Revised Statutes Chapter 586, including violations of temporary restraining orders.
- (3) Delete language from Hawaii Revised Statutes Section 517-14(6), which is already included in subsection(9).

In 1986, the endangering the welfare of a minor statute was amended and split into two separate statutes. The new statute, created the offense of endangering the welfare of a minor in the first degree. However, the Family Court's jurisdiction statute was not amended accordingly.

The domestic abuse statute provides for two types of orders - a temporary restraining order, which may become a protective order. The proposed language clarifies the court's jurisdiction over violations of any order issued pursuant to Chapter 586, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Judiciary.

Technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2712, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Hirono.

SCRep. 27-92**Judiciary on H.B. No. 3658**

The purpose of this bill is to explore the selection of a site for memorials to the veterans of the Korean and Vietnam conflicts that may give more consideration to the desires of veterans, as well as to those of other community members, before a final determination is made.

Your Committee attaches great importance to the need to fully recognize the sacrifice of all those who served in the Korean and Vietnam conflicts and the urgent need to erect memorials that befits all Hawaii's sons and daughters involved in these conflicts. Your Committee's concern is that all such memorials be appropriately sited so as to do them full justice without compromising the integrity of the Capitol District plan concept.

Placing the memorials on the Capitol grounds will greatly compromise the view integrity from Iolani Palace to Washington Place, St. Andrews Cathedral, and the mountains beyond. In addition, it is not in concert with the open space concept that is an integral part of the Capitol master plan.

If enacted, this bill would provide that the site selected shall not lie within the area bounded by Richards, Beretania, Punchbowl, and King Streets, thus allowing for more discussion as to an appropriate location for such memorials.

Testimony in support of this measure was submitted by the Downtown Neighborhood Board, The Friends of Iolani Palace, and The Outdoor Circle. Testimony in opposition to the measure was submitted by the Department of Defense, the Commission on Memorials for Veterans of the Korean and Vietnam Conflicts, the Vietnam Veterans Memorial Group, and private citizens.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3658 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 Cachola and Ward.

SCRep. 28-92 Judiciary on H.B. No. 2410

The purpose of this bill is to provide that no hearing shall be required in guardianship termination proceedings unless deemed by the court to be in the interest of justice.

When a child is injured and receives monies through a settlement or a court award, a guardian of the property must be appointed to execute the requisite documents and administer the funds. When the child attains the age of majority, he or she may terminate the guardianship. It would be impractical and at an unnecessary cost for the child to attend a hearing as he or she may be attending college on the mainland.

If enacted, this bill would eliminate this excessive and unnecessary cost.

Testimony in support of this measure was submitted by private citizens.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2410 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 Cachola and Hirono.

SCRep. 29-92 Judiciary on H.B. No. 3942

The purpose of this bill is to repeal the existing Uniform Simultaneous Death Act ("USDA") and to enact a newer version of the USDA. The original USDA was enacted to allow the property of individuals who died simultaneously to be distributed as if each individual survived the other if there were "no sufficient evidence that the persons died otherwise than simultaneously."

The newer version of the USDA extends the application of the original USDA to situations where there may be sufficient evidence that one of the individuals survived the other, but the period of survival was insubstantial. A clear and convincing evidence standard of proof of survival by 120 hours is imposed throughout the measure to reduce litigation and to resolve close cases in favor of non-survival.

Testimony in support of this measure was submitted by Hawaii's Commission to Promote Uniform Legislation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3942 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 Cachola and Ward.

SCRep. 30-92 Judiciary on H.B. No. 3508

The purpose of this bill is to eliminate the harsh effects of the common law rule against perpetuities, without permitting perpetual nonvested future interests.

Testimony in support of this measure was submitted by Hawaii's Commission to Promote Uniform Legislation and a private citizen.

The common law rule against perpetuities is unnecessarily complex, and courts have often adopted rules of construction to save the devises of people whose attorneys failed to comply with all aspects of the rule. One of these rules is the "wait-and-see" rule, which defers invalidating a devise until the end of the permissible period for an interest to vest.

This bill essentially codifies the "wait-and-see" rule by permitting the deferral of vesting of an interest for a period not to exceed 90 years. The 90 year period represents the typical duration of a trust which satisfies the common law rule, as determined through an analysis of data obtained in a 1986 statistical study. This bill, if enacted, will provide a simple solution to an otherwise complex problem.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3508 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 Cachola and Ward.

SCRep. 31-92**Judiciary on H.B. No. 3943**

The purpose of this bill is to amend Sections 576D-7(d), 576E-14, and 580-47, Hawaii Revised Statutes, to provide that the establishment of child support guidelines may constitute a "change in circumstances" to warrant review of a previous child support order.

Testimony in support of this measure was received from the Corporation Counsel for the County of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3943 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 Cachola and Hirono.

SCRep. 32-92**Judiciary on H.B. No. 2490**

The purpose of this bill is to simplify the service on a garnishee and help to reduce the cost of collection on small judgments.

If enacted, this bill would allow the service of garnishment to be made by certified mail in addition to service by registered mail.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2490 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 Cachola and Hirono.

SCRep. 33-92**Judiciary on H.B. No. 2337**

The purpose of this bill is to allow the family court to waive the notice requirement for a change of name of a minor to the noninitiating, noncustodial parent where the court finds that the waiver is necessary for the protection of the minor.

The Hawaii Revised Statutes currently provide that an individual who is adopted loses all legal contact, including inheritance rights, with his or her natural family. While this may be appropriate in situations where the adoption is by a stranger to the family, it can have unforeseen consequences when the adoption is by (1) a stepparent or (2) a grandparent or other close blood relative.

If enacted, this bill would protect the inheritance rights of individuals who have been formally adopted by grandparents or other close blood relations or stepparents.

Testimony in support of this measure was submitted by private citizens.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2337 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 Cachola and Hirono.

SCRep. 34-92**Judiciary on H.B. No. 2408**

The purpose of this bill is to clarify the investigatory powers of the county liquor commissions.

The Hawaii Revised Statutes currently provide that the county liquor commissions have the power to investigate violations within the liquor commissions' jurisdiction through covert operations, a term your Committee finds too broad.

If enacted, this bill would replace the term, "covert operations," with, "undercover investigations."

Testimony in support of this measure was submitted by the Department of Health and a private citizen.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2408 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 Cachola and Ward.

SCRep. 35-92**Education on H.B. No. 2769**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for the Vocational Industrial Clubs of America.

H.B. No. 2769 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 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. 2769, 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. 2769, H.D. 1.

Signed by all members of the Committee.

SCRep. 36-92**Judiciary on H.B. No. 3322**

The purpose of this bill is to amend chapter 603 by adding eight circuit court positions to the First Circuit, effective July 1, 1992.

Testimony in support of this bill was received from the Department of the Prosecuting Attorney, City and County of Honolulu. The Judiciary provided testimony in support of adding two more positions.

Your Committee has amended this bill by adding one circuit court position and appropriating \$1 for completing the purposes of this measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3322, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 37-92**Education on H.B. No. 2632**

The purpose of this bill is to appropriate funds for special needs schools.

Your Committee finds that additional funding for Hawaii's special needs schools would enable those schools facing unique and complex challenges to develop and implement innovative strategies to improve student learning and achievement.

Testimony in support of this measure was submitted by the Department of Education, Hawaii State Teachers Association, Hawaii Business Roundtable's Action for Excellence Program, United Parents for Education Coalition, Farrington Complex Principals, and concerned individuals.

Upon further consideration, your Committee has amended this measure by appropriating \$3,096,700 to continue the special needs schools program at the Farrington, Molokai, and Lanai school complexes.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2632, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 38-92**Education on H.B. No. 2630**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to be expended by the Department of Education (DOE) for the expansion of the Parent-Community Networking Center program.

Your Committee finds that the Parent-Community Networking Center program is one of the most successful programs in the DOE. Over the years of its existence, the Parent-Community Networking Center program has improved school-community relations, instilled positive attitudinal changes among teachers and parents, and increased the numbers of parents involved in the education of Hawaii's youth.

Currently, there are 155 schools that are funded by this program. The expansion of the Parent-Community Networking Center program to include an additional 50 schools would significantly enhance the level of parental participation in public education, as well as expand the provision of quality services to the people of the State of Hawaii.

Supportive testimony was offered by the DOE and the Hawaii State Teachers Association.

Accordingly, your Committee has amended this bill by appropriating \$636,250 for fiscal year 1992-1993 for the expansion of the Parent-Community Networking Center program by an additional 50 schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2630, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 39-92**Education on H.B. No. 2628**

The purpose of this bill is to implement a comprehensive automated student information system.

The implementation of a new, comprehensive automated student information system will provide for quicker and more accurate scheduling of classes, attendance-taking, and test scoring; more efficient tracking system of a student's progress; more flexible and timely retrieval of information for school program planning and evaluation; and better communication among the schools, homes, and the community.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee has amended this bill by appropriating \$1,606,798 for fiscal year 1992-1993 for three positions to implement a comprehensive automated student information system.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2628, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 40-92**Education on H.B. No. 2620**

The purpose of this bill is to appropriate funds for additional teachers to improve core learning in the secondary grades.

Your Committee finds that it is imperative to provide instruction in the four core areas, mathematics, science, language arts, and social studies, to enable students to be successful in the community upon graduation from high school.

Testimony in support of this measure was received from the Department of Education and the Hawaii State Teachers Association.

Based on the recommendation of the Department of Education, your Committee has amended this measure by appropriating the sum of \$2,699,040 for 120 additional teachers to improve core learning in grades seven to twelve.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2620, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 41-92**Education on H.B. No. 2416**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for training, supplies, and other expenses related to the implementation of School/Community-Based Management (SCBM).

The Chamber of Commerce of Hawaii and the Hawaii Business Roundtable testified in support of this bill; however, the Department of Education (DOE) testified in opposition to the bill. Your Committee received testimony from the Hawaii State Teachers Association indicating its support of the concept of providing funds to the DOE for the training of personnel interested in participating in SCBM prior to the submittal of a letter of intent.

Your Committee has amended the bill by:

- (1) Inserting the appropriation amount of \$471,000 for fiscal year 1992-1993 for training, supplies, and other expenses related to the implementation of SCBM;
- (2) Deleted the word "participating" from line 7 of the bill to clarify that schools need not be participating in SCBM to receive training for school personnel; and
- (2) Made technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2416, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 42-92**Education on H.B. No. 2660**

The purpose of this bill is to appropriate funds to be expended by the Department of Education to expand the Night Security Program.

Testimony in support of this measure was received from the Department of Education and the Hawaii State Teachers Association.

The bill has been amended by inserting the sum of \$491,350 for fiscal year 1992-1993 in the appropriation section.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2660, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2660, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 43-92**Education on H.B. No. 2662**

The purpose of this bill is to appropriate funds to be expended by the Department of Education to finance an increase in utilities costs. The Department of Education anticipates that additional utilities costs will be incurred due to rate adjustments approved by the Public Utility Commission for electricity and the City and County of Honolulu for water and sewer services.

Testimony in support of this measure was received from the Department of Education and the Hawaii State Teachers Association.

The bill has been amended by inserting the sum of \$1,990,518 for fiscal year 1992-1993 in the appropriation section.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2662, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 44-92**Education on H.B. No. 2663**

The purpose of this bill is to upgrade the telephone systems in the schools.

Approximately two-thirds of the schools have obsolete and manufacture-discontinued telephone equipment. Because there are not enough telephone lines, the telephone equipment is irreparable, and there is a lack of touch calling service, school officials and teachers have difficulty contacting parents or relevant services in emergency situations.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee has amended the bill by appropriating \$380,000 for fiscal year 1992-1993 to upgrade the telephone systems in the schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2663, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 45-92**Education on H.B. No. 2666**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for student enrollment adjustment.

Your Committee finds that 23 teacher positions are needed to accommodate projected increases in student enrollment.

The Department of Education and the Hawaii State Teachers Association testified in favor of this measure.

Your Committee has amended this bill by:

- (1) Inserting the appropriation amount of \$464,154 for fiscal year 1992-1993 for enrollment adjustment increases; and
- (2) Stipulating that the funds are for 23 additional teacher positions to accommodate enrollment increases.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2666, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46-92**Education on H.B. No. 2636**

The purpose of this bill is to continue the electronic bulletin board system service.

The electronic bulletin board system will improve international education and information literacy for Hawaii's students by, in addition to the provision of other services, establishing access to databases and Internet Electronic Mail through Hawaii FYI.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee has amended this bill by appropriating \$107,000 for fiscal year 1992-1993.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2636, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2636, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47-92**Education on H.B. No. 2638**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for the maintenance of the Financial Management System (FMS).

The Department of Education and the Hawaii State Teachers Association testified in support of this measure.

Your Committee has amended this bill by:

- (1) Inserting the appropriation amount of \$1,245,213 for fiscal year 1992-1993; and
- (2) Stipulating that the funds are for 13 permanent positions for the maintenance of the FMS.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2638, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 48-92**Education on H.B. No. 2655**

The purpose of this bill is to appropriate moneys for information and telecommunication services.

The Department of Education's Distance Learning Technology's Videotex program (program) was implemented two years ago and has provided electronic instruction, interaction, and communication among students, teachers, and experts throughout the State, across the Nation, and around the world. In order to meet the needs of students, teachers, administrators, and the community as a whole, new services and training, as well as maintenance and support services, are necessary to continue the success of the program.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee has amended this bill by appropriating \$430,212 for fiscal year 1992-1993 for nine positions to provide and maintain the information and telecommunication services.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2655, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 49-92**Education on H.B. No. 2657**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to be expended by the Department of Education (DOE) for the expansion of the School/Community-Based Management (SCBM) program.

Your Committee finds that the implementation of the SCBM program is a major component and priority of the Board of Education as reflected in its 1992-1993 fiscal budget, as well as in the Governor's Supplemental Budget to the Legislature.

Your Committee further finds that a recent survey conducted in November 1991 indicated that an additional 70 schools are intending to submit SCBM letters of intent during the 1992-1993 school year.

Supportive testimony was submitted by the DOE, the Hawaii State Teachers Association, and the Chamber of Commerce of Hawaii.

Accordingly, your Committee has amended this bill by appropriating \$200,000 to be expended by the DOE for the expansion of the SCBM program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2657, as amended herein, and recommends 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 Committee.

SCRep. 50-92**Education on H.B. No. 2658**

The purpose of this bill is to appropriate funds to be expended by the Department of Education for clerical staff at larger centralized kitchens.

Testimony in support of this measure was received from the Department of Education and the Hawaii State Teachers Association.

The bill has been amended by:

- (1) Inserting the sum of \$44,280 for fiscal year 1992-1993; and
- (2) Stipulating that the funds are for three permanent clerical positions at larger centralized kitchens.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2658, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2658, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 51-92**Finance on H.B. No. 3860**

The purpose of this bill is to provide the medical assistance program with sufficient funds to reimburse its health care providers for the current fiscal year.

It is your Committee's understanding that the Governor has stated that a critical funding emergency exists in the medical assistance (Medicaid) program and has requested the Legislature to make an emergency appropriation to ensure the continuation of the Medicaid program. This appropriation is needed to ensure that the State:

- (1) Will be able to make Medicaid payments to qualified recipients for the remainder of this fiscal year; and
- (2) Will not lose its qualification to receive federal matching funds from the federal Medicaid program.

The Department of Human Services testified in favor of this bill, noting that without the emergency appropriations, the Medicaid program will make its last health care payment to providers on February 14, 1992. Health care providers and others also submitted testimony in support of this bill.

While the State Administration in H.B. No. 3137 has recommended a funding level of \$54,507,832, the Department of Human Services has recently revised its estimate of the shortfall to \$64,000,000. Your Committee at this time approves the amount requested by the Department of Human Services to ensure that the necessary funds are available should this revised estimate more accurately reflect the shortfall. Given the State's tight fiscal constraints, however, your Committee instructs the Department of Budget and Finance to submit an expenditure report of the amounts appropriated in this bill to the Legislature no later than April 10, 1992.

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

- (1) Adding a new section stating the reasons why and declaring the amount and percentage that the appropriations contained in this bill will cause the state general fund expenditures ceiling to be exceeded;
- (2) Including a proviso to allow the Department of Budget and Finance to increase the federal spending ceiling of the Department of Human Services to reflect the accompanying increase to accommodate the additional appropriation; and
- (3) Making technical, nonsubstantive amendments throughout the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3860, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3860, H.D. 1.

Signed by all members of the Committee except Representatives Marumoto and Tajiri.

SCRep. 52-92**Higher Education and the Arts on H.B. No. 3578**

The purpose of this bill is to support higher education.

H.B. No. 3578 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 so that a public hearing may be properly held on its substantive contents.

Your Committee notes that the substantive contents of this bill was originally contained in H.B. No. 3065. However, at the time of the public hearing of the House Committee on Higher Education and the Arts held on February 5, 1992, the bill title of H.B. No. 3065 which read, "RELATING TO THE HAWAII ECONOMIC OPPORTUNITY PROGRAM IN EDUCATION (HOPE)", was deemed defective. As a result, since the title of a bill cannot be amended, your Committee identified H.B. No. 3578, a short-form bill, as a substitute vehicle for the substance of H.B. No. 3065.

The purpose of H.B. No. 3578 in its amended form is to increase the funds in the Hawaii Opportunity Program in Education (HOPE) special fund by specifying that for fiscal years 1990-1991 and 1991-1992, \$1,000,000 of the tuition collected by the University of Hawaii (University), and for each fiscal year from 1992-1993 through 1999-2000, \$2,000,000 of the tuition collected by the University, shall be deposited in the state treasury to the credit of the HOPE special fund.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3578, as amended herein, and recommends that it be recommitted to the Committee on Higher Education and the Arts, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3578, H.D. 1.

Signed by all members of the Committee except Representatives Honda, Lee and Tom.

SCRep. 53-92

Finance on H.B. No. 3103

The purpose of this bill is to appropriate or authorize the expenditure of additional non-general fund receipts in fiscal year 1991-1992 for various state programs.

This bill, as received by your Committee, proposes to appropriate or authorize an additional \$70,782,248 in special funds, \$2,279,628 in revolving funds, \$775,480 in federal funds, and \$163,000 in other funds.

By letter addressed to the Speaker and dated January 17, 1992, the Governor has informed the House of Representatives of the need for immediate consideration and passage of this appropriations bill in accordance with Article VII, section 9, of the State Constitution.

The Department of Budget and Finance testified in support of this measure, citing the need of the affected programs to expend additional receipts to accommodate increased program funding obligations for the current fiscal year. Noting that no legislated mechanism exists to accommodate mid-year non-general fund fluctuations, the Department explained that the non-general fund programs needing adjustment are unique because:

- (1) Program size and required program functions are largely determined by receipt or revenue levels; and
- (2) Revenue levels for those programs cannot be predicted with accuracy.

Based on the Department's testimony and the Governor's memorandum dated January 28, 1992, requesting amendments to this bill, your Committee has amended the bill to:

- (1) Correct and clarify the appropriate program designations for the total request from the Department of Labor and Industrial Relations;
- (2) Add additional authorizations for the Department of Transportation and the Department of Public Safety to reflect and accommodate an interdepartmental transfer arrangement of services to be performed; and
- (3) Delete the special fund request to cover unemployment compensation shortfalls.

Your Committee has also amended the means of financing for the program identified as UOH 105 from special funds to revolving funds. Other technical, nonsubstantive amendments have been made for purposes of style and clarity.

Signed by all members of the Committee except Representatives Tajiri and Marumoto.

SCRep. 54-92

Judiciary on H.B. No. 2696

The purpose of this bill is to propose amendments to the State Constitution.

H.B. No. 2696 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.

The bill, as amended herein, proposes amendments to Article VII, Section 12, and Article X, Section 1, of the State Constitution to allow special purpose revenue bonds to be authorized or issued to finance student housing facilities at private not-for-profit universities, colleges, and other institutions of higher education. The proposed amendments are not intended to allow public funds to be used for private high, intermediate, or elementary schools.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2696, 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. 2696, H.D. 1.

Signed by all members of the Committee except Representatives Hagino, Hirono, Oshiro, Takamine and Ward.

SCRep. 55-92**Consumer Protection and Commerce and Judiciary on H.B. No. 3031**

The purpose of H.B. 3031 is to amend Section 437B-12(b), Hawaii Revised Statutes, which pertains to motor vehicle repairs. The bill revises the current provision which requires set fines for first, second and subsequent offenses and substitutes a range of fines. The new scheme allows a minimum \$100.00 fine ranging up to \$2,500.00 for each violation.

The Department of Commerce and Consumer Affairs testified in favor of this bill.

There are many potential licensing violations concerning motor vehicle repairs and the harm to consumers varies with the type of offense. However, the present fine schedule is rigid and a first offense results in a \$75.00 fine whether the offense is the failure to provide a written estimate for motor vehicle repair, or the failure to properly repair the vehicle which could result in serious injury. The proposed amendment provides a range of fines so that an appropriate fine for the violation at issue can be assessed.

In addition, a minor amendment is proposed clarifying the restitution requirement. The motor vehicle dealer or mechanic may be required to make restitution to the consumer, in lieu of or in addition to a fine, even if the amount exceeds the maximum fine of \$2,500.00

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 3031 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 56-92**Consumer Protection and Commerce on H.B. No. 2544**

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds in a total amount of \$135 million on behalf of Hawaiian Electric Company, Hawaii Electric Light Company and Maui Electric Company for the utilities' multiple project capital improvement program to implement the local furnishing of electric energy.

Testimony was presented by the Public Utilities Commission (PUC), the Department of Business, Economic Development & Tourism (DBEDT) and the three utilities who would receive the bond funds.

The tax exempt special revenue bonds are used instead of the first mortgage bonds the companies would otherwise use, and will significantly reduce the cost of financing electric utility plants. The State of Hawaii will incur no debt through this bill. All interest and principal payments on the bonds, as well as all other costs, are obligations of the utilities on whose behalf the bonds will be sold.

Your Committee amended section three of the bill to respond to the DBEDT's request that the PUC and the utilities be required to report on any funding which is used to comply with our state's energy policies to promote and utilize alternate energy sources and energy efficiency technologies.

Your Committee on Consumer Protection and Commerce 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.

SCRep. 57-92**Consumer Protection and Commerce on H.B. No. 3028**

The purposes of this bill are to:

- (1) Clarify standards for the submittal of documents and establish additional disclosures a subdivision developer must provide to the Department of Commerce and Consumer Affairs;
- (2) Repeal an exemption on the registration of subdivisions comprised of one hundred or fewer units; and
- (3) Make various "housekeeping" revisions to the Uniform Land Sales Practices Act, Chapter 484, Hawaii Revised Statutes (HRS), for the purposes of clarity and style.

Your Committee finds that certain inconsistencies and ambiguities in the Uniform Land Sales Practices Act have impeded the State's ability to insure the compliance of land development projects with State laws regarding the registration of subdivided lands. For example, while the term "common promotional plan" is currently utilized in Chapter 484, HRS, it is not specifically defined. Because of this, many developers have assumed that if a project is done in phases, exemptions may be available for each of the different phases, even if the developer is essentially pursuing the sale of a single development. In light of this, certain developers have sought to avoid registration of different phases within a single project. The revisions proposed in this bill would alleviate this inconsistency as well as eradicate a loophole in the Uniform Land Sales Practices Act.

In addition, the lack of a definition for the term "material change" used in Chapter 484, HRS, has made ambiguous the determination of a buyer's right to rescind the sale of a project. The establishment of a definition for "material change" provides developers with guidance as to what type of change in a project would entitle the buyer to rescind the sale.

Your Committee further finds that a significant number of subdivision projects in Hawaii consist of 100 or fewer units, and therefore may not comply with the standard registration requirements with which other projects must comply. The repeal of the "10(g)" exemption would provide equity to subdivision developers as well as benefit the consuming public by requiring additional disclosures to be made by the developers of smaller subdivision projects.

Supportive testimony was submitted by the Department of Commerce and Consumer Affairs and a local law firm.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3028 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 58-92

Consumer Protection and Commerce on H.B. No. 3022

The purposes of this bill are to:

- (1) Clarify the licensing requirements of contractors;
- (2) Increase the interest rate on reimbursements to the contractors recovery fund; and
- (3) Make various "housekeeping" revisions to Chapter 444, Hawaii Revised Statutes (HRS), for the purposes of clarity and style.

Your Committee finds that certain inconsistencies and ambiguities in Chapter 444, HRS, has impeded the State's ability to license and regulate the profession of contractors. For example, according to Section 444-11(2), HRS, the Contractors License Board (Board) is prohibited from issuing a license to any person who does not possess a "good reputation" for honesty, truthfulness, financial integrity, and fair dealing. Due to the ambiguous nature of the phrase "good reputation", the Board has been unable to effectively evaluate the character of prospective licensees. The revisions in this bill alleviates this inconsistency as well as insure that a license will not be issued unless the prospective licensee meets the Board's experience and examination requirements as prescribed in administrative rules and statutory provisions.

Your Committee further finds that while Section 444-28(e), HRS, stipulates that the Board shall terminate the license of a contractor upon the settlement of a claim or toward satisfaction of a judgement against a licensed contractor, some have argued that the license would not be terminated until actual payment has been made from the contractors recovery fund, which may take many months to process. Revisions proposed in this bill clarify that a contractor's license would be automatically terminated upon the issuance of a court order authorizing payment from the contractors recovery fund.

In addition, the interest rate on reimbursement payments to the contractors recovery fund was raised from six percent to ten percent to reflect current interest rates, as well as conform to the rates authorized in judgements pursuant to Section 478-2, HRS.

Supportive testimony was submitted by the Contractors License Board.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3022 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 59-92

Planning and Economic Development on H.B. No. 2571

The purpose of this bill is to amend section 103-22 of the Hawaii Revised Statutes to require sealed bids and contracts for expenditures of \$100,000 or more, with exceptions and to require informal bids for expenditures that are more than \$25,000 and less than \$100,000.

Your Committee received unanimous testimony from the Department of Accounting and General Services, City and County of Honolulu, the Chamber of Commerce of Hawaii, the Building Industry Association of Hawaii and the Construction Industry Legislative Organization in favor of the overall concept of raising the dollar levels at which informal bids and sealed bids are required.

Testimony supported the view that higher bidding thresholds would provide greater flexibility in dealing with small repair and maintenance projects. Specifically cited was the backlog of projects in the school system.

After considerable discussion, Committee members and testifiers agreed the proposed amounts were excessive.

Accordingly, your Committee has amended the bill to require sealed bids and contracts for expenditures of \$35,000 or more and to require informal bids for expenditures that are more than \$15,000 and less than \$35,000.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 2571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2571, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 60-92**Planning and Economic Development and Consumer Protection and Commerce on H.B. No. 2531**

The purpose of this bill, as received by your Committees, is to eliminate the cumulative taxation of carrier access services in the telecommunications industry by excluding carrier access service charges from the general excise tax.

Your Committees received testimony supporting the intent of this measure from GTE Hawaiian Tel. Testimony in opposition to this measure was submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Upon further consideration, your Committees have amended this measure by deleting the substance of this bill, and inserting provisions requiring the counties to annually request the Department of Budget and Finance for reimbursement of their general excise tax expenditures. The Department of Budget and Finance would then submit to the subsequent Legislature the county claim for the prior fiscal year for reimbursement though the legislative appropriation of funds in the amount of the claim.

Your Committees believe that this amendment would ensure that legislative prerogative and fiscal review can be maintained over the funds that are appropriated.

Your Committees on Planning and Economic Development and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2531, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2531, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 61-92**Judiciary on H.B. No. 3154**

The purpose of this bill is to require persons electing to appeal the assessment of any tax to make full payment of the contested amounts prior to any adjudicative hearing. This will ensure uniformity and consistency in the State tax appeals process. In *McKesson Corporation v. Florida*, 495 U.S. ___, 110 L.Ed.2d 17, 100 S.Ct. ___ (1990), the United States Supreme Court approved of this procedural protection against the disruptive effects that refund of all illegal tax may have against the public treasury.

Testimony in support of this measure was presented by the Department of Taxation.

Your Committee expresses concern that the "smaller" taxpayer may be financially drained if the taxpayer is mandated to make a full payment of the contested amount before going to court. This measure was, therefore, amended to address a taxpayer with an annual taxable income of up to \$70,000 to \$80,000. Language was added to allow an individual taxpayer to file an appeal without payment of the net income tax in cases where the total tax liability does not exceed \$6,000 in the aggregate for all tax years being appealed upon proof that the taxpayer would be irreparably injured by the payment of the tax.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3154, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hagino, Hirono, Oshiro, Takamine and Ward.

SCRep. 62-92**Judiciary on H.B. No. 2893**

The purpose of this bill is to reimburse state or county government agencies for their public infrastructure repair costs and other flood related expenditures.

Testimony in favor of this measure was received from the Department of Transportation, the State Department of Defense, and the Office of the County Clerk, County of Kauai.

Your Committee has finds that state and county agencies financed emergency flood damage repairs from their respective FY 1992 operation and maintenance budgets. This measure is amended to clarify that state and county agencies are allowed to use moneys appropriated by this bill to replenish operation and management budgets depleted by the costs of flood damage repairs.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2893, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hagino, Hirono, Oshiro, Takamine and Ward.

SCRep. 63-92**Judiciary on H.B. No. 3903**

The purpose of this bill is to extend the waiting period a person wishing to purchase a handgun must undergo.

Currently a person wishing to purchase a handgun must undergo a ten-day waiting period. This period is used to conduct a series of background checks into the applicant's psychological, medical, and criminal history. These checks help determine the fitness of the applicant to own a firearm in the State of Hawaii.

If enacted, this bill would extend this waiting period from 10 days to 14 days. This additional time would contribute to the police department's ability to insure that only law abiding, physically able, and psychologically stable citizens of this State are allowed to own or possess firearms.

Testimony in support of this measure was submitted by the Police Department of the City and County of Honolulu and the League of Women Voters of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3903 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. 64-92 Judiciary on H.B. No. 2365

The purpose of this bill is to repeal a redundancy in Chapter 272, Hawaii Revised Statutes.

Enacted prior to the Hawaii Penal Code, Chapter 272, Hawaii Revised Statutes, Defrauding Carriers of Passengers, proscribes the refusal to pay transportation fees. However, enactment in 1972 of the general theft statute as part of the Penal Code rendered Chapter 272 redundant. This bill would eliminate that redundancy without decriminalizing the theft of transportation services.

If enacted, this bill would repeal Chapter 272, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Department of the Attorney General.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2365 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. 65-92 Judiciary on H.B. No. 2928

The purpose of this bill is to make an exception to the rules of evidence regarding the competency of witnesses by making child victims exempt from competency inquiry.

Testimony in support of this measure was presented by the Department of the Prosecuting Attorney, City and County of Honolulu, the Hawaii State Coalition Against Sexual Assault, Friends of the Children's Advocacy Centers of Hawaii, and the Sex Abuse Treatment Center.

Testimony against this measure was received from the Office of the Public Defender.

The Hawaii Rules of Evidence currently does not have a provision which specifically addresses the qualification of children as witnesses. The inherent danger of the lack of such a rule is the uneven application of competency rules to qualify children as witnesses. Allowing a child to testify without a barrier erected solely because of the child's age allows the trier of fact to hear testimony and give it whatever weight it deserves. Your Committee has amended this bill by making this new rule subject to existing standards in the Hawaii Rules of Evidence which are applied equally to all proposed witnesses.

The reference in the bill to offenses under Chapter 906 was changed to Chapter 709, "Offenses Against the Family and Against Incompetents." The Hawaii Revised Statutes has no chapter 906. It appears from the testimony that Chapter 709 was the intended reference.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2928, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2928, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 66-92 Judiciary on H.B. No. 3947

The purpose of this bill is to add a strict liability provision to the age limitation in sex assault cases.

Testimony in favor of this measure was given by the Department of the Prosecuting Attorney, City and County of Honolulu, the Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Sexual Assault, and the Sex Abuse Treatment Center.

Currently, Section 707-730, Hawaii Revised Statutes, states that "a person commits the offense of sexual assault in the first degree if the person knowingly subjects to sexual penetration another person who is less than fourteen years old." The measure was initially enacted because minors are often not able to appreciate the full magnitude and ramifications of engaging in sexual contact. Therefore, individuals eighteen years old or older who commit the act of sexual penetration or sexual contact with a child who is less than fourteen years old should not be able to defend themselves by saying that they did not know the age of the child. The lack of knowledge that the child is less than fourteen is irrelevant to the act of sexual contact or sexual penetration.

Your Committee has amended this bill by making it clear that it is not a defense to a prosecution that the accused had no knowledge of the victim's age when the victim is under the age of fourteen. The intent, here, is to impose absolute liability with respect to the element of the victim being less than fourteen years old when the accused is eighteen years old or older.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3947, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 67-92**Judiciary on H.B. No. 2605**

The purpose of this bill is to amend section 586-4 and mandate that a violation of the provisions of temporary restraining orders shall be a misdemeanor. This bill also requires that a person convicted under sections 586-4 or 586-11 shall undergo treatment or counseling. Additionally, this measure also provides that for violations of section 586-4, the violator shall serve a mandatory minimum jail sentence of forty-eight hours for a second violation and a mandatory minimum jail sentence of thirty days for a subsequent conviction. For a second violation of a protective order or where there has been a violation of a previous temporary restraining order, the bill requires a mandatory minimum jail sentence of forty-eight hours. This bill also permits the court to suspend any remaining jail time over the mandatory minimums proposed for violations of section 586-4 if the defendant remains arrest free, conviction free, or completes court ordered assessments or counseling.

Testimony in favor of this measure was received from the Department of the Attorney General, the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney, City and County of Honolulu, the Hawaii State Committee on Family Violence, the Family Peace Center, the Domestic Violence Clearinghouse and Legal Hotline, The Family Crisis Center Inc., the Child and Family Service, Hawaii Women Lawyers, and Hope for Battered Women.

Your Committee finds that unlike many offenses which occur only once or only infrequently, acts of domestic violence are committed repeatedly and with increasing frequency and severity. While the court has the power to enter temporary restraining orders and orders for protection in response to this conduct, experience shows that these orders do not deter repeat offenses, at least in part because the consequences of repeat violations do not increase with the frequency of their commission. This bill provides penalties that the offender knows will be imposed, without exception, and thereby puts the offender on notice that the prohibited conduct will carry certain punishment.

This bill is amended to make it clear that for a first conviction for violation of a temporary restraining order the violator shall serve a mandatory minimum jail sentence of forty-eight hours; for the second and any subsequent conviction for violation of the temporary restraining order the violator shall serve a mandatory minimum jail sentence of thirty days. For a first conviction for violation of an order for protection a violator shall undergo treatment or counseling at any available domestic violence program as ordered by the court; and for any second and any subsequent violation of an order for protection the violator shall serve a minimum jail sentence of forty-eight hours.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2605, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 68-92**Judiciary on H.B. No. 2604**

The purpose of this bill is to amend section 604-10.5 to provide that violations of temporary restraining orders or injunctions issued pursuant to chapter 604 be misdemeanors. This bill also requires a mandatory jail sentence of forty-eight hours for a second conviction under this section, and a mandatory jail sentence of thirty days for any subsequent convictions under this section. This measure also inserts language in section 604-10.5 requiring the court to strongly consider referral to domestic violence counseling in domestic situations.

Testimony in support of this measure was received from the Judiciary, the Department of the Attorney General, the Department of the Prosecuting Attorney, City and County of Honolulu, the Hawaii State Commission on the Status of Women, the Hawaii State Committee on Family Violence, the Domestic Violence Clearinghouse and Legal Hotline, The Family Crisis Shelter Inc., The Family Peace Center, the American Association of University Women, Child and Family Service, Hawaii Women Lawyers, and Hope for Battered Women.

Your Committee recognizes that increasingly serious penalties are necessary to deal with domestic abusers. Unlike many offenses which occur only once or infrequently, acts of domestic violence are committed repeatedly and with

increasing frequency and severity. This bill provides penalties that the offender knows will be imposed, without exception, and thereby puts the offender on notice that his conduct will carry certain punishment.

Your Committee has amended this bill by deleting the phrase "and when domestic situations are involved, referral to appropriate domestic violence counseling." This phrase appears to confer jurisdiction of domestic abuse cases on the District Court. Jurisdiction of such matters is presently with the Family Court and such matters are more than adequately covered in chapter 586.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2604, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 69-92**Judiciary on H.B. No. 2811**

The purpose of this bill is to confer jurisdiction upon the Small Claims Court to include cases for the recovery of money where the amount claimed does not exceed \$5,000; cases for the return of leased or rented personal property worth \$3,500 or less where the amount claimed owed for that lease or rental does not exceed \$5,000.

Testimony was received from the Judiciary which expressed concern that the increasing of the amount of possible claims in Small Claims Court to \$5,000 would make it equivalent to claims in district court.

Your Committee has amended this bill making \$3,000 as the limit of the jurisdiction of Small Claims Court.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2811, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 70-92**Judiciary on H.B. No. 2470**

The purpose of this bill is to enable the Judiciary to utilize a uniform decisional process regarding division and distribution of property in matrimonial actions.

Testimony in support of this measure was received from the Family Law Section of the Hawaii State Bar Association and a private citizen.

Technical, nonsubstantive changes for the purposes of style, clarity, and consistency have been made.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2470, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

SCRep. 71-92**Judiciary on H.B. No. 2850**

The purpose of this bill is to require that at least two of three examiners appointed to conduct a sanity examination have at least five years of pertinent work experience.

Testimony in support of this bill was received from the Department of the Prosecuting Attorney, City and County of Honolulu. Testimony in support of the intent of this bill was received from the Department of Health.

The Department of Health ("Department") is currently promulgating a comprehensive set of requirements for certifying sanity examiners. The Department will include relevant work experience as part of its qualification but will also require board certification in forensics, the passing of a state test, or the satisfactory completion of a training course for all examiners.

This measure has been amended by:

- (1) Deleting the proposed requirement of having at least five years of pertinent work experience in order to be an examiner; and
- (2) Adding language stating that all examiners must meet the qualifications set forth by the Department of Health if they want to be forensic examiners.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2850, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

SCRep. 72-92

Judiciary on H.B. No. 2801

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes pursuant to chapter 23G, to correct errors, update references, clarify language, or delete obsolete or unnecessary provisions. All amendments are of a purely technical nature and contain no substantive changes to the law.

The reasons for the technical amendments made in the bill are as follows:

Section 1. L 1988, Act 266, repealed chapter 41 of the Hawaii Revised Statutes, regarding state insurance administration, and enacted a new chapter on state risk management and insurance administration, codified as chapter 41D. Section 127-7 contains a cross-reference to repealed section 41-6 and is amended to delete that obsolete reference and replace it with the new statutory reference on the same subject matter, section 41D-8.

Section 2. As in section 1 of this bill, section 128-18 contains a cross-reference to repealed section 41-6 and is amended to delete that obsolete reference and insert the new reference to section 41D-8 in its place.

Section 3. L 1990, Act 195, amended section 134-51, Hawaii Revised Statutes, regarding deadly weapons, but failed to insert a semicolon after the word "prohibitions" in the title of that section. A semicolon has been inserted in the title to correct that omission.

Section 4. L 1987, Act 45, enacted the state water code and established a commission on water resource management. The title and subsection (a) of section 174C-6, Hawaii Revised Statutes, however, make reference to a commission "for" water resource management, and are amended to replace the word "for" with the word "on" to achieve consistency.

Section 5. L 1991, Act 328, enacted a new chapter in the Hawaii Revised Statutes on family leave, codified as chapter 398. Section 398-3(d) makes an incorrect reference to unpaid leave "under this subsection", although the reference to unpaid leave in that subsection applies generally to such leave for purposes of that chapter. That reference is therefore amended to refer to unpaid leave "under this chapter".

Section 6. L 1987, Act 347, section 1, repealed chapter 435 of the Hawaii Revised Statutes, regarding credit life insurance and credit disability insurance, and enacted a new provision in its place, codified as article 10B of chapter 431. Section 408-15(l), Hawaii Revised Statutes, refers to the repealed chapter and is amended by deleting the obsolete reference and inserting the new reference in its place.

Section 7. L 1988, Act 343, section 5, repealed section 403-6, Hawaii Revised Statutes, which defined the term "insolvency". Section 411-2, Hawaii Revised Statutes, which defines "state-chartered financial institution in danger of failing", contains a cross-reference to that repealed section and is amended by deleting the obsolete reference and inserting the new reference defining "insolvency", section 403-2, in its place.

Section 8. Section 437B-23(b), Hawaii Revised Statutes, contains an incorrect reference to the "department of labor". That reference is amended to conform the name to the correct reference, the "department of labor and industrial relations", as provided in section 26-20.

Section 9. Section 460J-16(c), Hawaii Revised Statutes, regarding hearings before the pest control board, was amended by L 1987, Act 143, section 4, by deleting the word "such" in the second sentence of that subsection, which appeared immediately before the second appearance of the word "member" in that sentence. That sentence is amended by inserting the word "a" immediately before the second appearance of the word "member" for grammatical reasons to clarify that "member" refers to a member of the board.

Section 10. L 1988, Act 328, added a new section to chapter 485, codified as section 485-14.5. Subsection (b) of that section reads in part: "The exemption provided under the section...". That provision is amended to read "The exemption provided under this section..." to clarify that the exemption is provided under section 485-14.5.

Section 11. Section 502-31, Hawaii Revised Statutes, makes an erroneous reference in the fourth paragraph to the application of "this paragraph". That reference is corrected to read "this section" to clarify the applicability of that section and not just the particular paragraph.

Section 12. L 1991, Act 224, section 2, amended section 584-9, Hawaii Revised Statutes. That Act, however, inadvertently set forth the incorrect version of subsections (b) and (c) of section 584-9. The version was obsolete, and reflected the subsections in the form in which they existed before their amendment by L 1986, Act 235, section 2 and L 1986, Act 224, section 2, respectively. The subsections were therefore amended to read in accordance with the incorrect, earlier versions. Section 584-9(b) and (c) are amended to add the language from the two 1986 amendments that were inadvertently deleted and to make other technical corrections.

Section 13. L 1987, Act 347, repealed chapter 294, Hawaii Revised Statutes, relating to motor vehicle accident reparations, and enacted article 10C of chapter 431 in its place. Section 805-13, Hawaii Revised Statutes, contains several references to the repealed chapter 294. The bill amended section 805-13 by deleting those obsolete references and inserting the new references in their place.

Section 14. L 1991, Act 321, section 19, provides in the prefatory language to that section that the succeeding language is "repealed", but then sets forth section 327D-24, Hawaii Revised Statutes, with both underscoring and brackets. Section 21 of Act 321 provides that statutory material to be repealed is bracketed and new statutory material is underscored. To resolve this ambiguity, it is necessary to review the legislative history of Act 321 with respect to that section. Section 327D-24 was not included in the original version of H.B. No. 515, but amended in H.B. No. 515, H.D.

1, S.D. 1, using the prefatory language "is amended to read as follows." The conference committee, however, inadvertently used the words "is repealed" in the prefatory language, while setting forth an amended version of section 327D-24, in H.B. No. 515, H.D. 1, S.D. 2, C.D. 1. The identical language was duplicated in the second conference draft, H.B. No. 515, H.D. 1, S.D. 2, C.D. 2, thus retaining the same error in the prefatory language to section 19. Because of this manifest clerical error, the prefatory language is amended by deleting the word "repealed:" and inserting the words "amended to read as follows:" in its place.

Upon further review, your Committee recommends that H.B. No. 2801 be amended by deleting section 13 of the bill and by renumbering the remaining sections of the bill accordingly. Your Committee finds that there is a question whether section 805-13 of the Hawaii Revised Statutes should be amended to include references to article 10G of chapter 431, regarding motorcycles and motor scooters, in addition to article 10C of that chapter. Your Committee believes that this revision bill, which makes only technical amendments to the statutes, is not the proper vehicle to resolve this policy question, and that this resolution is best handled through another bill making substantive amendments.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2801, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hagino, Hirono, Oshiro, Takamine and Ward.

SCRep. 73-92

Planning and Economic Development on H.B. No. 3537

The purpose of this bill is to amend chapter 237 of the Hawaii Revised Statutes by adding a new section exempting from general excise taxes all gross proceeds from the sale of services to purchasers at a point outside the State for use outside the State.

Your Committee received testimony in support of the measure from the Tax Foundation of Hawaii. The Department of Taxation testified in opposition to the measure.

Your Committee amended the bill to delete the provision excluding services rendered by employees to employers from the definition of sale of services. Services by employees to employers are already excluded under chapter 237.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 3537, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3537, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 74-92

Higher Education and the Arts on H.B. No. 3581

The purpose of this bill is to restrict the use of the term "university" by organizations that do not meet the standards of a university as established and named by a law of this State. This bill also establishes a fine of \$2,500 for an individual who violates this restriction.

Your Committee notes that the use of the terms "university" and "college" by unaccredited degree granting institutions in the State have grown in significant proportion in Hawaii due to the lack of stricter licensing or registration laws of educational institutions in our State. The proliferation of these unaccredited institutions that do not meet the standards of a university or college as established and named by a law of this State, denigrates education and is contrary to the well-being of those individuals who pursue a quality higher education.

The University of Hawaii (UH), the UH Professional Assembly, and the Department of Commerce and Consumer Affairs (DCCA) testified in support of this bill. The DCCA testified that the maximum penalty of \$2,500 established under this bill for violating the law, is far too lenient, especially in light of the difficulty of the Office of Consumer Protection to provide sufficient evidence to prove:

- (1) That fifty percent or less of the institutions is provided in the presence of its students; or
- (2) That greater than fifty percent of its instruction is provided by correspondence or similar means.

Upon recommendation of the DCCA to provide a stiffer penalty for violators, your Committee has amended the bill by making a violation of this law, a class C felony. In addition, your Committee has amended the bill by also including restriction of the term "college" by individuals or organizations that do not meet the standards of a university or college as established and named by a law of this State.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3581, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3581, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 75-92

Education on H.B. No. 2672

The purpose of this bill is to appropriate funds for additional vice principals to meet current staffing standards.

Your Committee finds that current needs and the increased demands and responsibilities of schools require much time on the part of school administrators to facilitate school/community-based management. In addition, school program expansion, and the focus on integrative teaching and learning require school vice principals to move beyond mere disciplinary functions and into the developmental dimensions of students, teachers, and other individuals.

The Department of Education submitted testimony in support of the intent of this bill. Your Committee also received testimony from the Hawaii Government Employees Association and the Hawaii State Teachers Association in favor of this measure.

Your Committee has amended this bill by inserting the appropriation amount of \$427,240 for fiscal year 1992-1993 for 11 permanent vice principal positions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2672, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2672, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 76-92 Education on H.B. No. 2629

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for school security attendants.

Your Committee finds that providing safe schools for students is one of the major goals and responsibilities of the Department of Education (DOE). School security attendants contribute to a safe learning environment by assisting school administration and staff in their efforts to minimize the negative behavior of students, such as theft, arguments, and fights. Moreover, very often, school security attendants are "first responders" to situations that endanger the health and safety of students and faculty on campus.

The DOE, the Hawaii State Teachers Association, the School Security Association, and security attendants of various schools statewide testified in favor of the bill.

Your Committee has amended the bill by inserting the appropriation sum of \$810,690 for fiscal year 1992-1993 for 70 full-time equivalent school security attendant positions at secondary schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2629, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 77-92 Education on H.B. No. 2661

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for school custodial services.

The Department of Education and the Hawaii State Teachers Association submitted testimony in support of this measure.

Your Committee has amended this bill by inserting the appropriation amount of \$279,582 for fiscal year 1992-1993 for 15.0 permanent school custodial service positions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2661, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 78-92 Education on H.B. No. 2643

The purpose of this bill is to:

- (1) Statutorily require that a student activities coordinator be allocated to schools, in accordance with the Department of Education's established standards; and
- (2) Appropriate funds for fiscal year 1992-1993 to carry out the purposes of this bill.

The Department of Education (DOE) testified in support of this measure; however, the DOE feels that a statutory change is not necessary. Your Committee also received supporting testimony from the Hawaii State Teachers Association and other interested parties.

Your Committee has amended this bill by:

- (1) Inserting the appropriation amount of \$134,952 for fiscal year 1992-1993; and
- (2) Stipulating that the funds are for 6.0 permanent student activities coordinator positions and to carry out the purpose of this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2643, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 79-92**Education on H.B. No. 2832**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for additional school clerical positions, in accordance with allocation standards established by the Department of Education (DOE).

The DOE testified in strong support of this bill. Your Committee also received supporting testimony from the Hawaii State Teachers Association and from Hawaii District #1 of the Parent/Teacher/Student Association.

Your Committee has amended this bill by:

- (1) Inserting the appropriation amount of \$2,339,780 for fiscal year 1992-1993; and
- (2) Stipulating that the funds are for 129.5 permanent school clerical positions, in accordance with DOE standards.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2832, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2832, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 80-92**Education on H.B. No. 2831**

The purpose of this bill is to appropriate funds for registrar positions at all intermediate schools, in accordance with allocation standards established by the Department of Education (DOE).

Your Committee finds that students' needs can be met on a more timely, effective, and efficient basis when there is a full-time registrar available in the schools. Due to the increased workloads and responsibilities required of school registrars, schools with a part-time or no registrar position find it difficult to meet student and school needs, such as developing the school master schedule; organizing school registration activities; assigning students to classes; and maintaining, evaluating, and interpreting student records. In fact, even school personnel with full-time registrars on board often go to the office on weekends, holidays, and vacations to keep up with their workloads. Moreover, employees who assume dual responsibilities and positions, such as a teacher-registrar, are faced with the dilemma of meeting the requirements and responsibilities of both jobs that demand their attention.

The DOE, the Hawaii State Teachers Association, the Registrar's Association of Hawaii, registrars from various public schools statewide, and other interested individuals testified in support of this measure.

Your Committee has amended this bill by:

- (1) Inserting the appropriation amount of \$168,680 for fiscal 1992-1993; and
- (2) Stipulating that the funds are for 7.5 permanent registrar positions at intermediate schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2831, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 81-92**Education on H.B. No. 2830**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to implement the six-year plan for vocational education.

Your Committee finds that vocational education programs enrich the overall educational process of students through applied and small-group learning activities and real-world/hands-on learning experiences. Vocational education programs involve a wide cross-section of the community, including business, labor, government, and the community at-large, to provide a range of post-secondary educational and employment activities and experiences, which are essential for career planning, employment, and life-long learning.

The Department of Education, the Hawaii State Teachers Association, and Hawaii District #1 of the Parent/Teacher/Student Association submitted testimony in favor of this bill.

Your Committee has amended the bill by:

- (1) Inserting the appropriation sum of \$953,908 for fiscal year 1992-1993; and
- (2) Stipulating that the funds are for:
 - (A) Implementing the six-year plan for vocational education;
 - (B) Providing equipment and curriculum materials for the vocational education agriculture program;
 - (C) Upgrading supplies and equipment for the vocational education electronics program;
 - (D) Updating equipment and supplies and providing teacher in-service training for the vocational education child care program;
 - (E) Supporting the vocational education foods services program; and
 - (F) Assisting the vocational education health occupations program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2830, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2830, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 82-92 Consumer Protection and Commerce on H.B. No. 3038

The purposes of this bill are to:

- (1) Codify the legislative mandate of Section 2 of Act 161, Session Laws of Hawaii (SLH) 1988, into Chapter 436E, Hawaii Revised Statutes (HRS); and
- (2) Clarify the authority of the Board of Acupuncture (Board) to develop and establish standards regarding the use of academic designations such as "Ph.D.", "Doctor", "D.Ac." and the prefix "Dr." in the practice of acupuncture.

Your Committee finds that the Legislature directed the Board to develop standards for the use of academic designations in the practice of acupuncture through the enactment of Act 161, SLH 1988. Since then, the Board has worked to develop and implement such standards and was in the process of finalizing the administrative rules when it was informed by the Office of the Attorney General that clear statutory authority should first be obtained before proceeding any further. The proposed amendments to Chapter 436E, HRS, in this bill would provide the Board with the needed authority to develop standards by clarifying that all licensing requirements must be met in order for a licensee to use the designation of "Doctor", "D.Ac.", or the prefix "Dr." in the practice of acupuncture, and that the use of these designations will be prohibited if requirements are not met after the time period set forth in rules adopted by the Board.

Testimony was submitted by the Board of Acupuncture and the Hawaii Federation of Physicians and Dentists.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3038 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 83-92 Water, Land Use, and Hawaiian Affairs on H.B. No. 3606

The purpose of this bill is to appropriate funds for the completion of a study to explore and develop mechanisms of mitigating the negative effects of flooding within Waipio Valley on the Big Island.

Your Committee heard this bill in conjunction with House Bill Nos. 3607, 3608, and 3609 that also appropriate funds to improve the overall management of Waipio Valley. The Department of Land and Natural Resources, the County of Hawaii's Department of Public Works, the Waipio Taro Farmers Association, The State Museum of Natural and Cultural History (Bishop Museum), and the Chair of the Task Force To Preserve Waipio Valley testified on these measures.

Your Committee supports efforts to protect, preserve, and perpetuate the agricultural, cultural, and economic uses of Waipio Valley for future generations. For expediency purposes, your Committee has amended this bill by:

- 1) Incorporating the key sections of House Bill Nos. 3607, 3608, and 3609 into the bill;
- 2) Deleting Section 1; and
- 3) Formatting the new text into separate parts and re-numbering the sections.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3606, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 84-92 Water, Land Use, and Hawaiian Affairs on H.B. No. 3944

The purpose of this measure is to establish a fifth land use classification designated as "wilderness," to be comprised of pristine state lands which remain largely unimpacted by human activity.

Your Committee received testimony in support of this measure from the Hawaii Chapter of the Sierra Club, Hawaii's Thousand Friends, the Sandy Beach Initiative Coalition, the Save Mount Olomana Association, the Land Use Research Foundation (LURF), and the Laborers' International Union of North America, Local 368, AFL-CIO. Opposing testimony was offered by the Hawaii Island Contractors' Association, while the Office of State Planning (OSP) testified in support of the bill's intent, but recommended as an alternative the establishment of a "wilderness" subzone within the conservation district.

Your Committee finds that the establishment of a separate "wilderness" land use classification could protect what remains of Hawaii's pristine ecosystems by providing that such lands are to be strictly protected and managed to preserve their natural, undisturbed state.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3944 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 85-92 Water, Land Use, and Hawaiian Affairs on H.B. No. 3933

The purposes of this bill are the following:

- 1) To give hunters of sixty-five years of age or older an opportunity to contribute to the Wildlife Revolving Fund by allowing them to pay the \$10 hunting license fee on a voluntary basis;
- 2) To require the Department of Land and Natural Resources (DLNR) to establish minimum age requirements for obtaining a Hunter Education Certificate; and
- 3) To clarify the language of the statute to minimize errors on the part of license agents and applicants.

Your Committee received testimony from the DLNR and the Koko Head Skeet Club in support of this measure. The DLNR indicated under questioning that the average out-of-state license fee in other states is \$95. The Koko Head Skeet Club also argued strongly that all hunters, regardless of age, should pay the license fee.

Your Committee finds that a \$75 annual hunting fee for non-residents would still be less expensive than the average paid by non-resident hunters in other states. Your Committee also concurs with the Koko Head Skeet Club that a \$10 annual fee for all resident hunters would not represent an undue hardship for senior citizens.

Your Committee has therefore amended this measure to increase the hunting licensing fee for non-residents to \$75 and to repeal the exemption from the fee for persons 65 years or older. Your Committee has further amended this measure, at the behest of the DLNR, by providing for revocation of the hunter education certificate upon conviction of a wildlife or firearms violation.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3933, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 86-92 Water, Land Use, and Hawaiian Affairs on H.B. No. 3055

The purpose of this measure is to reorganize the Department of Land and Natural Resources (DLNR) respect to the Land Fire Protection Law, Chapter 185, Hawaii Revised Statutes (HRS), and to change the penalty provisions for violators of that law.

The DLNR and the State Fire Council testified in support of this bill, saying that its provisions would restructure the department to better conform to modern circumstances and would better deter violations.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3055 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 87-92**Water, Land Use, and Hawaiian Affairs on H.B. No. 3794**

The purpose of this bill is to alleviate concerns of certain property owners regarding the registration of their properties as historic places. This bill amends Section 6E-10, Hawaii Revised Statutes (HRS), by clarifying that the State will consider commencement of condemnation proceedings of a private property listed in the Hawaii Register of Historic Places only in the event the Department of Land and Natural Resources (DLNR) and the landowner do not agree upon the appropriate course of action.

The DLNR testified in support of this bill and pointed out that the bill would place precise language in the law to reflect already established practice.

Your Committee was concerned that Section 6E-10, HRS, currently allows DLNR to enter private property for the purposes of investigating or recording historical information without consulting with the property owner. Because your Committee finds that requiring such coordination with the owner would further assuage the reluctance of the owner to register property as a historic place, your Committee has amended this bill by inserting the phrase "In coordination with the owner..." at the beginning of item (3) on line 6, page 2.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3794, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3794, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 88-92**Planning and Economic Development on H.B. No. 3160**

The purpose of this bill is to amend subsection (b) of section 235-129 of the Hawaii Revised Statutes to provide shareholders of an S corporation with an income tax credit equal to their pro rata share of the corporation's tax credit for employment of vocational rehabilitation referrals.

Your Committee received testimony from the Department of Taxation and Tax Foundation of Hawaii in support of the measure.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 3160 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 89-92**Planning and Economic Development on H.B. No. 3130**

The purpose of this bill is to amend section 206M-15 of the Hawaii Revised Statutes to enable High Technology Development Corporation to provide grants of up to 50 percent of the federal grants up to \$25,000 to each business in Hawaii that receives a federal small business innovation research phase I award or contract.

Your Committee received testimony from the Executive Director of High Technology Development Corporation in support of this measure.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 3130 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 90-92**Planning and Economic Development on H.B. No. 3533**

The purpose of this bill is to amend chapter 103 of the Hawaii Revised Statutes to disqualify contractors who do substandard work from receiving State contracts.

Your Committee received testimony in support of the measure from the Department of Accounting and General Services.

Testimony supported the view that the proposed seven-year ban from receiving State contracts was excessive and that a three year ban would be appropriate.

Accordingly, your Committee has amended the bill to reduce the ban to three years. Your Committee has also made nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 3533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3533, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 91-92**Planning and Economic Development on H.B. No. 3126**

The purpose of this bill is to amend subsection (e) of section 211F-3 of the Hawaii Revised Statutes to prevent individual board members of the Hawaii Strategic Development Corporation from participating in corporation decisions to deal with any person or entity in which they have a substantial financial interest.

Your Committee received testimony in support of the measure from the Department of Business, Economic Development and Tourism.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 3126 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 92-92 Higher Education and the Arts on H.B. No. 2409

The purpose of this bill is to formally authorize and encourage the use of macrons and glottal stops whenever words or terms in the Hawaiian language are used in documents prepared by or for state or county agencies and officials. A new section would be added to Chapter 1, Hawaii Revised Statutes.

The testimony by the Department of Indo-Pacific Languages, University of Hawai'i Committee for the Preservation and Study of the Hawaiian Language, the Hui Aloha 'Aina Tuahine (Hawaiian Club for students at the University of Hawaii), University of Hawaii Department of Linguistics, the Office of Hawaiian Affairs, and 'Ahahui 'Olelo Hawai'i (Hawaiian Language Association) strongly supports this measure. The correct spelling will communicate the proper pronunciation and meaning of Hawaiian, one of our official state languages.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2409 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 93-92 Higher Education and the Arts on H.B. No. 3306

The purpose of this bill is to establish that the salary of the executive director of the Hawaii Public Broadcasting Authority be set by the Board of Public Broadcasting and the Director of the Department of Commerce and Consumer Affairs.

Testimony was given by the Department of Commerce and Consumer Affairs in support of this measure. Your Committee has amended this bill by stating that the executive director's salary shall not exceed that of a second deputy director's salary.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3306, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 94-92 Higher Education and the Arts on H.B. No. 2861

The purpose of this bill is to amend Section 309-1.5 of the Hawaii Revised Statutes. The amendments provide technical clarifications to Section 309-1.5. A bill pertaining to a similar matter was passed by the 1991 Legislature. However, another topic unrelated to this matter was added on to the same bill and it was because of this additional topic that the bill was vetoed by the Governor.

Testimony in support of this measure was given by the University of Hawaii and the Hawaii Educational Loan Program.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2861 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 95-92 Higher Education and the Arts on H.B. No. 2431

The purpose of this bill is to establish an executive committee to recognize and provide for the celebration of the ninetieth anniversary of the arrival of the first Korean people in Hawaii.

Since the arrival of the first Korean immigrants in Hawaii in 1903, many significant contributions have been made to the State by this industrious and proud ethnic group. The formation of an executive committee for the celebration would serve as the coordinating entity to manage a vast array of activities.

Testimony in support of this measure was presented by the Hawaii Korean Chamber of Commerce, Dongji Hoi, the Organizing Committee on the 90th Anniversary Celebration of Korean Immigration to Hawaii, the Korean University Club, the United Korean Society of Hawaii, and the Japanese American Citizens League.

Your Committee has amended this bill in the following manner:

- (1) Extended the life of the commission and the act to June 30, 1994 instead of June 30, 1993;
- (2) Deleted the appropriation section; and
- (3) Made the act effective upon approval.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2431, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 96-92 Higher Education and the Arts on H.B. No. 3554

The purpose of this bill is to appropriate \$1,500,000 to the State of Hawaii endowment fund of the Honolulu Symphony trust. These funds would be matched on a one-to-one basis by the Honolulu Symphony through their fund raising efforts.

Testimony in support of this measure was given by many individuals and organizations including the Honolulu Symphony, the State Foundation on Culture and the Arts, and the International Association of Lions Clubs.

Your Committee has amended this bill by reducing the appropriation to \$1.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3554, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3554, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 97-92 Higher Education and the Arts on H.B. No. 3070

The purpose of this bill is to amend Section 9-3, Hawaii Revised Statutes, by adding language that would create an Assistant Director position exempt from the provisions of Chapters 76 and 77 for the State Foundation on Culture and the Arts (SFCA).

Testimony was given by the SFCA in support of this bill. Significant growth in the SFCA's budget, programs and personnel require an additional management position to assist the executive director with this additional workload.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3070 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 98-92 Higher Education and the Arts on H.B. No. 3071

The purpose of this bill is to provide standards and procedures by which the State Foundation on Culture and the Arts (SFCA) would be authorized to distribute and allocate public funds as grants to organizations and individuals in the culture and arts area. The State would thus be more responsive to the community.

The testimony by the Department of Accounting and General Services supports this measure because it will streamline the application and review process. It will also allow SFCA to comply with federal reporting requirements and allow funding to individuals.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3071 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 99-92 Higher Education and the Arts on H.B. No. 3064

The purpose of this bill is to allow the University of Hawaii's Board of Regents to amend the ceiling on the expenditure of funds for the purchase of protocol items such as leis and refreshments through adoption of Board of Regents policies instead of by State statute. This would save time and ease the process which is currently in use. It would also allow student associations throughout the University system greater flexibility in the use of student activity funds while still permitting administrative oversight of the funds.

Testimony in support of this measure was given by the Chancellor for Community Colleges and the Associated Students of the University of Hawaii.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3064 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 100-92 Higher Education and the Arts and Human Services on H.B. No. 3423

The purpose of this bill is to add a new section to Chapter 9, Hawaii Revised Statutes which would authorize the State Foundation on Culture and the Arts to require individuals and organizations who receive state funds for the provision of services, which include public performances for a fee or other monetary considerations, to provide up to ten percent of the tickets or seats at no cost to the general public or special needs groups.

Testimony given by the State Foundation on Culture and the Arts and the Honolulu Theatre for Youth opposed this bill. Both parties stated that the ten percent figure is too large and may adversely affect some organizations.

Your Committees have amended this bill by deleting the ten percent provision and have inserted language which requires these individuals or organizations to submit a plan of access to performances for the general public and special needs groups. Your Committees find that the State Foundation on Culture and the Arts should establish clear guidelines regarding public access to State sponsored activities that charge admission fees.

Your Committees on Higher Education and the Arts and Human Services are in accord with the intent and purpose of H.B. No. 3423, as amended herein, and recommend 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 Committees except Representative Peters.

SCRep. 101-92 Higher Education and the Arts and Education on H.B. No. 3063

The purpose of this bill is to amend Act 234 section 3, Session Laws of Hawaii 1986, by changing the repeal date from June 30, 1992 to June 30, 1999.

The testimony by Charles T. Toguchi, Superintendent of Education, Shirley Yamashita of the University of Hawaii College of Education, and Thomas A. Husted of the Hawaii State Teachers Association supports this measure. They concur that by allowing tuition waivers to continue, the State will encourage more full-time students to pursue teacher certification, and thus assist the critical teacher shortage problem.

Your Committees on Higher Education and the Arts and Education are in accord with the intent and purpose of H.B. No. 3063 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 102-92 Tourism on H.B. No. 3627

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for a biennial Masters Rugby Tournament.

Your Committee received testimony in support of this bill from the Hawaii Hotel Association.

Your Committee finds that a Masters Rugby Tournament would increase Hawaii's stature as a sports center and would encourage people to travel to Hawaii.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 3627 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 103-92 Tourism on H.B. No. 3412

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism for promotion of the PGA Grand Slam of Golf.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism, the County of Kauai Office of Economic Development, the Kauai Lagoons Resort Company, and the Hawaii Hotel Association.

Your Committee finds that this nationally televised event brings together the winners of the four major PGA tournaments, and attracts a viewing audience of more than 15 million people and heavy newspaper and magazine coverage. This presents a golden opportunity for promotion of Hawaii as a visitor destination and as a sports event.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 3412 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 104-92**Tourism on H.B. No. 2733**

The purpose of this bill is to appropriate \$12,500 to the Department of Business, Economic Development, and Tourism for promotion of the 1995 U.S. Amateur Public Links Championships at the Wailua Municipal Golf Course. The amount will be matched dollar for dollar by the County of Kauai.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, and the 1995 Amateur Public Links Championship Committee.

Your Committee finds that Wailua Municipal Golf Course on Kauai is rated as one of the best public golf courses in America and that the Amateur Public Links Championship is the most prestigious amateur golf event in the United States. Promotion of such events serves as a vital part of visitor promotion and also enhances Hawaii's image as a sports center.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2733 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 105-92**Tourism on H.B. No. 2740**

The purpose of this bill is to appropriate \$15,000 to the Department of Business, Economic Development, and Tourism for hot air balloon national and international exposure.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism, and the Hawaii Hotel Association.

Your Committee finds that such promotion would expose Hawaii to millions of people in an interesting and unique way.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2740 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 106-92**Tourism on H.B. No. 3958**

The purpose of this bill is to establish and fund an emergency marketing revolving fund to provide funding for special promotions, marketing, and advertising to meet emergency or extraordinary needs of the tourism industry that may be affected by events that are beyond the State's control.

Your Committee received testimony in support of this bill from the Chamber of Commerce of Hawaii, the Kauai Hilton, Outrigger Hotels, the Hawaii Hotel Association, the Maui Hotel Association, and Foley Maehara Judge Nip and Chang.

Your Committee finds that Hawaii's visitor industry has contributed to a tremendously healthy, prosperous economy in the past, but recent events, such as the Iraq War and the national recession, have demonstrated the vulnerability of Hawaii's tourism economy. The emergency fund created by this bill would allow for massive marketing and promotion on relatively short notice during periods of dramatic decline in the visitor industry. This would provide a chance of mitigating the effects of sharp tourism slowdowns.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 3958 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 107-92**Tourism on H.B. No. 3481**

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the establishment of a visitor information office in Brussels, Belgium.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee finds that some European countries have the highest expenditures per person per day, after Japan. Europeans also have a greater tendency to visit the neighbor islands. The State's marketing effort currently assigns a high priority to attracting multi-island visitors, such as Europeans, in order to improve the neighbor island economies.

The upcoming European unification, with the establishment of the political seat in Brussels, combines the diverse nations into a single market of 300 million people, creating tremendous opportunities for Hawaii and other travel

destinations that choose to establish a presence in Europe. Twenty seven states and two territories have recognized this and set up an office in Brussels. A Hawaii visitor information office in Brussels would ensure that Hawaii is not left behind in the scramble for the European market.

Your Committee changed the bill by changing the appropriation amount to \$140,000.

Your Committee on Tourism 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 referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 108-92**Tourism on H.B. No. 3421**

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to fund a media and education campaign to explain the benefits of tourism.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism, the Tourism Training Council, the Visitor Industry Education Council, the Hawaii Visitors Bureau, the Hawaii Hotel Association, Outrigger Hotels, Hilton Hotels, and Princeville Resort.

Your Committee finds that the projects funded by this bill would increase Hawaii residents' knowledge of career opportunities in the visitor industry and of tourism's contributions to Hawaii, and would also work toward the objectives of the State Tourism Functional Plan.

Your Committee amended the bill by:

- (1) Clarifying the appropriation; and
- (2) Requiring that other sources contribute additional funds.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 3421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3421, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 109-92**Tourism on H.B. No. 3541**

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the promotion of Kauai's visitor industry through a special marketing campaign.

Your Committee received testimony on this bill from the Department of Business, Economic Development and Tourism, the County of Kauai Office of Economic Development, the Kauai Hilton, the Poipu Beach Resort Association, Village Resorts Inc., the Kauai Board of Realtors, the Stouffer Waiohai Beach Resort, Kukui Grove Center, and the Hawaii Hotel Association.

Your Committee finds that the special marketing campaign proposed by this bill would provide much needed assistance to Kauai's visitor industry, which has suffered tremendously from the national recession and recent floods.

Your Committee amended the bill by:

- (1) Removing the reference to a purchase of service; and
- (2) Requiring an equal amount of matching funds from the County of Kauai.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 3541, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3541, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 110-92**Tourism on H.B. No. 2978**

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to promote the Kauai Loves You Triathlon.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism, the County of Kauai Office of Economic Development, the Kauai County Council, the Kauai Loves You Triathlon, the Kauai Hilton, the Hawaii Visitors Bureau Kauai Chapter, and the Hawaii Hotel Association.

Your Committee finds that promotion of the Kauai Loves You Triathlon would increase Hawaii's stature as a sports center and would encourage people to travel to Hawaii.

Your Committee amended the bill by:

- (1) Adding a requirement that the County of Kauai provide an equal amount of matching funds; and
- (2) Removing the reference to the Hawaii Visitors Bureau in the appropriation section.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2978, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2978, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 111-92 Tourism on H.B. No. 2721

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for promotion of the Festival of the Pacific.

The Festival of the Pacific received promotional funds in the biennial budget for fiscal year 1991 to 1992 but not for fiscal year 1992 to 1993.

Your Committee received testimony in support of this bill from the Hawaii Visitors Bureau, and in qualified support from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the Festival of the Pacific encourages travelers to visit Hawaii and helps them appreciate our special cultural diversity.

Your Committee amended the bill by adding a provision that the Department of Business, Economic Development, and Tourism shall select the Festival of the Pacific events to promote.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2721, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 112-92 Judiciary on H.B. No. 3356

H.B. No. 2256 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.

The bill, as amended herein, proposes to grant a 10 per cent preference to certain companies bidding on public works projects. This preference is granted to companies who have paid State employment, excise and income taxes for the previous five years, where the bid amounts are \$5 million or less. If the bid amount is over \$5 million, the companies must have paid all State employment, excise and income taxes for the past ten years.

Because of the time constraints regarding the recommittal of this bill, your Committee will waive referral of this bill so that it may receive further consideration in the House Finance Committee.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3356, as amended herein, and recommends that it be recommitted to the Committee on Judiciary, in the form attached hereto as H.B. No. 3356, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Hagino, Hirono and Thompson.

SCRep. 113-92 Finance on H.B. No. 3152

The purpose of this bill is to amend the start date for the computation of interest on the overpayment, underpayment, or nonpayment of tax from the prescribed filing date of the tax return.

Currently, interest is calculated from the due date of the tax, while any penalty on taxes due is computed from the first day following the due date of the tax return. In other words, there is a one day difference in the start date for computing interest and penalties. The intent of this bill is to provide the same computation date relating to penalties and interest.

With respect to late filed tax returns, interest will be computed from the first month after the return is received rather than the date the return is received.

This measure also clarifies that if any overpayment of tax results from a carryback of a net operating loss, the overpayment shall be deemed to have been made at the close of the taxable year in which the net operating loss occurred.

Your Committee received testimony from the Department of Taxation in support of this measure. Testimony was also submitted by the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3152 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 114-92 Finance on H.B. No. 3158

The purpose of this bill is to simplify and streamline all references to the tax chapters administered by the Department of Taxation. Rather than make specific references to each chapter administered by the Department of Taxation, a general reference to Title 14, Hawaii Revised Statutes (HRS), will be used.

This housekeeping measure will eliminate any need to update any references to the tax chapters whenever a tax chapter is repealed or added to Title 14, HRS. Title 14, HRS, contains the State's taxing power to raise revenue for public purposes.

Your Committee received testimony from the Department of Taxation in support of this measure. Testimony was also submitted by the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3158 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 115-92 Finance on H.B. No. 2563

The purpose of this bill is to implement the provisions of Chapter 21F, Hawaii Revised Statutes, to establish the Office of the Legislative Analyst by:

- (1) Requiring the Joint Legislative Budget Committee to submit a progress report on the establishment of the office; and
- (2) Appropriating funds for the operational expenses of the office for fiscal year 1992-1993.

Upon further consideration, your Committee has amended this bill to require the Joint Legislative Budget Committee to evaluate the job performance of the legislative analyst biennially. Other technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2563, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 116-92 Finance on H.B. No. 3159

The purpose of this bill is to clarify the limitation period for claiming a credit or refund of general excise taxes.

Testifying in support of this measure, the Department of Taxation noted that this bill will not change present departmental practices but will help ease some of the taxpayers' confusion caused by the present ambiguous wording of section 237-40(c) and (d), Hawaii Revised Statutes. This bill:

- (1) Specifies that the limitation period for claiming a credit or refund is three years after:
 - (A) The date when the annual return is timely filed or the prescribed filing date of the annual tax return, whichever is later; or
 - (B) Payment is made without filing an annual tax return or the prescribed filing date of the annual tax return, whichever is later; and
- (2) Extends the limitation period agreed to be the taxpayer and the Department of Taxation to include claims for credits and refunds.

The Tax Foundation of Hawaii also submitted testimony on this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3159 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 117-92**Finance on H.B. No. 3155**

The purpose of this bill is to update the statutory references relating to the taxation of trade or business income of taxpayers operating both within and outside of Hawaii.

Your Committee received testimony from the Department of Taxation in support of this measure. Testimony was also submitted by the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3155 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 118-92**Finance on H.B. No. 3274**

The purpose of this bill is to simplify the calculation of the conveyance tax by resetting the increments on which the conveyance tax is computed from 5 cents per \$100 to 50 cents per \$1,000.

The Department of Taxation, the Tax Foundation of Hawaii, and the Title Guaranty Escrow Services, Inc., testified that this bill does not change the rate of tax, but would simplify the tax computation and the processing of real estate documents.

Based on the recommendations of the Department of Taxation, your Committee has amended the bill to:

- (1) Clarify that portions of \$1,000 be rounded to the nearest \$1,000; and
- (2) Change the effective date to January 1, 1993.

Other technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3274, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3274, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 119-92**Judiciary on H.B. No. 3179**

The purpose of this bill is to propose amendments to Act 302, Session Laws of Hawaii, 1991.

H.B. No. 3179 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 the long form so that a public hearing may be properly held on its substantive contents.

This bill, as amended herein, proposes amendments to Act 302, Sessions Laws of Hawaii, 1991, based on the recommendations of the Temporary Advisory Committee on electronic Voting Systems (TAC). The amendments to Act 302 are proposed as follows:

1. to expand the scope of the Act to allow exploration of technologies other than just DRE systems by deleting the word "totally" in appropriate sections;
2. to revise the appropriated general funds from \$10,000,000 to \$3,000,000 and extend the lapse date to June 30, 1993.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3179, 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. 3179, H.D. 1.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 120-92**Agriculture on H.B. No. 2557**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to maintain the Lihue Plantation Company's (LPCO) Kealia Irrigation System (KIS) when the plantation discontinues sugar cane production on lands leased to them by the State.

Representatives from the Department of Agriculture (DOA), the Department of Land and Natural Resources (DLNR), the LPCO, the Hawaii Farm Bureau Federation, the Kauai County Farm Bureau, and the County of Kauai submitted testimony in support of this measure. The testimony indicated that:

- (1) The KIS is a network of water supply ditches and reservoirs supplying irrigation water to about 3,300 acres of Kealia-Kamalomaloo lands. The recent closure of one of the remaining KIS ditches has placed some of

the farmers in that area without ditch water to irrigate their farmland. There are strong concerns that, when LPCO discontinues sugar cane production on the prime agricultural lands leased from the State, the KIS will degenerate within a few years without maintenance work;

- (2) The State lands leased to LPCO are rated as prime agricultural land. This area is currently under consideration for the location of an agricultural park by the DOA;
- (3) The DOA, with concurrence from the DLNR, has authority to administer the KIS since the system would qualify as a State Irrigation System (Chapter 167 and 168, Hawaii Revised Statutes) when LPCO relinquishes their rights. The take over of the KIS is, however, encumbered by the Hawaii Homes Land title claims and the need to find a solution on the usage of those portions of the system on private land;
- (4) The take over of the KIS also raises concerns about: (a) liability problems from flooding; (b) disposition of the actively used portions abutting private lands; and (c) filling of abandoned ditches and reservoirs; and
- (5) A thorough study to address the above concerns must be conducted on the KIS and the East Kauai's systems (including possible joint operation with LPCO to meet their needs).

Upon further consideration, your Committee has made the following amendments to this bill:

- (1) Appropriated funds to conduct a study of the KIS and the East Kauai irrigations systems to address questions about: (a) which portions of the systems to keep active; (b) flood liability; and (c) water rights and ownerships;
- (2) Clarified that the DOA expend the appropriated funds for the Agriculture Resource Management Program;
- (3) Clarified that the DOA's responsibility of maintenance begins after disposition is decided on the State-owned lands leased by LPCO; and
- (4) Made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2557, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 121-92

Agriculture on H.B. No. 2556

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to investigate and develop a long range control strategy of the apple snail, a new pest threatening wetland taro crops. This bill would enable the Department of Agriculture (DOA) and the College of Tropical Agriculture and Human Resources (CTAHR) to assess the situation to find ways to control the apple snail.

Representatives from the CTAHR, the DOA, the Governor's Agriculture Coordinating Committee (GACC), the U.S. Fish and Wildlife Service (USFW), the Hawaii Farm Bureau Federation, and an individual submitted testimony in support of this bill. The testimony indicated that:

- (1) The apple snail injures wetland taro by eating the roots, the leaves, and the corms of the taro plants. Even the seedlings (hulis) are not immune from this snail. Because of its large size (about an inch or more), this snail can cause considerable damage to a plant. The snail is also a heavy reproducer. Its thin sharp shells also pose a threat to the taro farmers who work barefoot in the paddies;
- (2) This snail was likely introduced for cultivation as a food item. It is believed to have been brought to Hanalei, Kauai, from the Island of Maui. This snail has also been found on the Island of Oahu. The destruction of wetland taro by this snail was first reported at Waipa Valley on Kauai in early 1991. Within the same year, the infestation spread to the north parts of Hanalei Valley, a major wetland taro production area on Kauai and the State;
- (3) This snail appears to require an aquatic environment, particularly when the young first emerge from the eggs. However, if the fields are dried as a means to control them, the adults bury themselves in the mud and are able to remain dormant for months. When water is reintroduced, the snail becomes active again;
- (4) Currently, there are no legal nor practical chemical control products available for the apple snail as little is known about its biology. The DOA has learned that the crocodile and kite bird (reportedly on the endangered species list) are predators of apple snails in other locations. Taro farmers are hand picking the egg cases and keeping their fields dry, but are finding that dry fields affects the growth cycle of the taro plants; and
- (5) The Board of Agriculture, in its January meeting, placed the apple snail on its restricted animals list.

Upon further consideration, your Committee has amended this measure to:

- (1) Clarify that the GACC expend the appropriated funds for the CTAHR and the DOA; and

- (2) Make technical, nonsubstantive amendments for purposes of clarity and style.

To respond to the urgency reflected in the problem, your Committee urges the DOA and the CTAHR to do everything possible within their means, including working with the USFW to quickly produce a control strategy.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2556, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 122-92

Agriculture on H.B. No. 2558

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for evaluation and propagation of new heliconia clones by the Kauai Extension Research Station.

Representatives from the College of Tropical Agriculture and Human Resources (CTAHR), the Governor's Agriculture Coordinating Committee (GACC), the Hawaii Farm Bureau Federation (HFBF), the County of Kauai, the Kauai Economic Opportunity, and the Patra Enterprise submitted testimony in support of this bill. The testimony indicated that:

- (1) The tropical flower industry in Hawaii, which consists primarily of ornamental ginger, heliconia, calatheas, and costus, has grown tremendously to the benefit of the growers--especially small growers and family farms;
- (2) The industry, however, faces the recurring need for more varieties, including winter bloomers, and those flowers with vigor to withstand handling and shipping and to provide reasonable expected vase life;
- (3) Plant collection teams from Kauai brought back 267 accessions of heliconias, costus, and calatheas from Central and South America in 1991 and 1992. These collections were planted at the Wailua Experiment Station on Kauai. These plants have yielded a number of winter bloomers as well as cultivars with outstanding horticultural characteristics; and
- (4) A thorough testing is needed to provide the industry with cultivars of proven commercial qualities. A major constraint to fulfill this need is the chronic shortage of technical assistance at the Kauai Station.

Upon further consideration, your Committee has made the following amendments to this bill:

- (1) Clarified that the GACC expend the appropriated funds for the CTAHR; and
- (2) Made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2558, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 123-92

Agriculture on H.B. No. 2597

The purpose of this bill, as received, is to increase the penalty for any person, importer, or organization found guilty of violating specific provisions of the Plant and Non-Domestic Animal Quarantine law pertaining to plant, animal, or microorganism on the prohibited and the restricted lists.

Representatives from the Department of Agriculture, the Sierra Club of Hawaii, and the National Audubon Society submitted testimony in support of this bill. The testimony indicated that:

- (1) The State has vast problems with the illegal and accidental importation of alien species in Hawaii as reflected in the news items and reports of the past few years;
- (2) The fragile ecosystems of Hawaii are already ravaged by non-native species of plants and animals. Any permanent establishment of non-native species such as the Brown Tree Snake from Guam would devastate the Islands unique environment; and
- (3) The penalty for those found guilty of violating the Plant and Non-Domestic Animal Quarantine law, pertaining to this measure, should be made harsher to deter violations.

Upon further consideration, you Committee has made the following amendments to this measure:

- (1) Added a purpose section to explain why stronger penalties are needed to help prevent the unwelcomed intrusion of destructive pests into Hawaii;
- (2) Clarified (by deleting references to the lists of prohibited and restricted animals from the Disposition and Penalty sections) that the penalties for violating the provisions of listed animals and microorganisms as well as the provision for other animals and microorganisms not on any list (but prohibited until the Board of Agriculture's review and placement on a list) are the same;

- (3) Made it a class C felony to violate the Plant and Non-Domestic Animal Quarantine law with fines ranging from a minimum of \$2,500 to a maximum of \$25,000.
- (4) Made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Agriculture 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 Judiciary.

Signed by all members of the Committee.

SCRep. 124-92**Agriculture on H.B. No. 2869**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to promote agricultural awareness.

Representatives from the College of Tropical Agriculture, The Agricultural Leadership at the University of Hawaii, the Governor's Agriculture Coordinating Committee, the Hawaii Cattlemen's Council, the Hawaii Farm Bureau Federation, and the Koolau Agriculture Company submitted testimony in support of this bill. The testimony indicated that:

- (1) There is a general lack of understanding in Hawaii about its agriculture and the agricultural industry's contributions to the socio-economic well being of its people;
- (2) Leaders from the public, government, and agriculture industry have met to change and build a broad base understanding and support for agriculture; and
- (3) The Agriculture Awareness Program is an offshoot of this organized effort to educate the public. This program would be undertaken as a public-private partnership with the State providing 40 percent of the needed resources and private industry providing the other 60 percent.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2869 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 125-92**Agriculture on H.B. No. 2897**

The purpose of this bill is to authorize the issuance of general obligation bonds and to appropriate funds for fiscal year 1992-1993 to develop plans for the relocation of livestock facilities on Oahu. The plans would include:

- (1) Slaughterhouse;
- (2) Rendering plant;
- (3) Holding pen; and
- (4) Packing and processing facilities.

Representatives from the Department of Agriculture, the Hawaii Cattlemen's Council, the Kahua Meat Company (KMC), and the City and County of Honolulu submitted testimony in support of this bill. The testimony indicated that:

- (1) A study prepared in response to the announced closure of the Barber's Point Feedlot suggested that a "state of the art" livestock facility could be established at Barber's Point Feedlot (acquired by the State) by private industry. But because agricultural processing may be precluded from Barber's Point in the future, there is an urgent need for the State to assist the livestock industry by relocating the livestock facility; and
- (2) This relocation effort is becoming critical since the remaining Oahu slaughterhouse facility (KMC) is threatened by encroaching urbanization. KMC's facility, which abuts the development of the Westlock Estates in Ewa, is not compatible with residential use. KMC, in realization of the problems ahead, has expressed a willingness to relocate to a suitable location.

Although some ranchers are shipping their cattle herds to Canada and the U.S. Mainland, your Committee supports the relocation of livestock facilities on Oahu to provide the necessary services to the other ranchers, dairymen, and hog farmers.

Upon further consideration, your Committee has amended this measure to clarify that the appropriated funds are for planning purposes only.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2897, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 126-92**Agriculture on H.B. No. 2547**

The purpose of this bill is to authorize the University of Hawaii to establish one full-time, permanent county extension agent faculty A-3 position to be allocated to the Kauai Diversified Crops program for the College of Tropical Agriculture and Human Resources (CTAHR). This bill would rectify the situation where funding was provided by the 1991 Legislature for an agent, but did not authorize to establish the position as permanent.

Representatives from the CTAHR, the Hawaii Farm Bureau Federation, and the County of Kauai submitted testimony in support of this bill. The testimony indicated that:

- (1) Two agricultural agents now serve both the animals and crops education needs of the County--one agent servicing the animal function and the other agent handling the crop responsibility; and
- (2) Because of the expanded demand for services from the diversified crops farmers, the present crops agent is unable to fulfill the service responsibilities. The addition of another agent was planned so that one agent would be responsible for all fruits, nuts, coffee, and urban horticulture; and the second agent would be responsible for all vegetables (including taro and ginger), and all ornamentals (including flowers and foliage), nursery products, landscape turf, and urban horticulture.

Given the increased level of activity in diversified crops on Kauai, the overloaded demand for extension services, and the authorized funding for this position for fiscal year 1992-1993, your Committee feels the addition of a permanent crops agent position is justified.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2547 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 127-92**Agriculture on H.B. No. 2549**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to plan and design the proposed Keahole Agriculture Marshalling and Processing Center on the Island of Hawaii.

Representatives from the Department of Agriculture, the Hawaii Farm Bureau Federation, and the Kohala Coast Protea submitted testimony in support of this bill. The testimony indicated that:

- (1) There are no marshalling and processing facilities in the Keahole and Kona areas where a number of floriculture and horticultural products are grown. Within the next five years a significant increase in production is expected;
- (2) Currently some growers process and ship their products from Keahole, while others truck their products to Hilo for processing or air freight them to Honolulu for processing and shipping. A centrally located facility to marshall, process, and treat the floricultural and horticultural products would help the growers to improve their processing and pest treatment efficiency and increase their competitiveness in the export market;
- (3) The facility could also be used to marshall and process other agricultural products (such as vegetables and fruits) for domestic as well as the export market; and
- (4) The funds would be used to: (a) prepare construction plans, specifications, and detailed construction cost estimates; and (b) obtain the required environmental clearances and regulatory permits.

Upon further consideration, your Committee has made technical, nonsubstantive amendments to the bill for the purpose of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2549, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 128-92**Tourism on H.B. No. 2384**

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to assist in the relocation of the Pacific Asia Travel Association headquarters from San Francisco to its original home in Hawaii and to aid the PATA 1993 annual conference in Honolulu.

Your Committee received testimony from the Department of Business, Economic Development and Tourism, and in support of this bill from the Hawaii Visitors Bureau and the Pacific Asia Travel Association Hawaii Chapter.

Your Committee finds that the relocation of the Pacific Asia Travel Association to Hawaii would help to develop Hawaii as a business and meeting center, providing more stability to the state's economy by reducing dependence on pleasure travelers, and that the 1993 PATA annual conference in Honolulu offers a fitting occasion for the return of PATA.

However, your Committee finds that the lease for the office space occupied by the PATA headquarters (Secretariat) in San Francisco will not expire until 1994 and relocation may not be practical at this time, but PATA may consider relocating some of the duties of one of its functional arms, the Intelligence Centre, to the University of Hawaii-Manoa School of Travel Industry Management in order to take advantage of its well-developed research and reference resources. Moving the Intelligence Centre to Hawaii may serve as a first step to bringing the Secretariat.

Your Committee amended the bill by:

- (1) Amending the purpose section to reflect the State's objective of encouraging the relocation of PATA's Intelligence Centre to Hawaii;
- (2) Changing the appropriation for the relocation of the PATA headquarters to an appropriation of \$171,000 for the relocation of the PATA Intelligence Centre as a first step to relocation of the Secretariat from San Francisco to its original home in Hawaii; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2384, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 129-92

Tourism on H.B. No. 3926

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for tourism marketing

Your Committee received testimony from the Department of Business, Economic Development and Tourism, and testimony in support of this bill from the Chamber of Commerce and the Hawaii Restaurant and Licensed Beverage Associates.

Your Committee finds that the State's emergency marketing campaign helped to bring about a great increase in visitor arrivals compared to those during the 1991 Iraq War and aftermath, but the end of the campaign also saw another flat period in travel to Hawaii. Tourism-related economic activity in some areas continues to lag behind pre-war levels.

Your Committee therefore finds that additional funds for tourism promotion should be expended for a marketing campaign to restart and continue the recovery.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 3926 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 130-92

Tourism on H.B. No. 2720

The purpose of this bill is to amend the Hawaii Revised Statutes to continue to protect activity providers while allowing a less burdensome alternative to the client trust account required of activity desks (which sell tickets to tourists for tours, water sports and various activities provided by other operators).

Your Committee received testimony from the Department of Commerce and Consumer Affairs, Noguchi and Associates, City Bank, the Activity Owners Association of Hawaii and the Hawaii Hotel Association, and testimony in support of this bill from Outrigger Activities Center, U-ME Tours, Polynesian Hospitality, the Japan Hawaii Travel Association, Sheraton Travel Services, Aloha 7 Travel and the Maui Hotel Association.

Your Committee finds that Hawaii's dependence on the visitor industry requires that travelers to Hawaii continue to receive quality services. Activity desks and activity providers handle most of the visitors who engage in various tourist activities.

Your Committee therefore finds that Hawaii's visitor industry depends heavily on the quality of service given by activity desks and providers and their freedom from heavy restriction.

Nevertheless, consumers and activity providers require protection from desks' nonperformance and "stickering," in which desks covered the names of the providers on brochures, preventing consumers from dealing directly with providers.

Consequently, your Committee finds that the bonding and letter of credit options provided for in this bill would offer a welcome alternative to the client trust account for activity desks while still protecting providers, through the stringent standards required of applicants. In all probability, only reliable operators stand any chance of receiving bonding or letters of credit.

Your Committee made the following changes to the bill:

- (1) Adding the definition of "net sales" as gross sales minus the commission paid to activity desks; and

- (2) Changing the amount of maximum coverage from \$ ____ to \$100,000.

Your Committee on Tourism 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 Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 131-92 Tourism and Transportation on H.B. No. 2781

The purpose of this bill is to appropriate funds to the Department of Transportation to improve and beautify the transit corridor that links the Honolulu International Airport with Waikiki.

Your Committees received testimony in support of this bill from the Department of Transportation, the Outdoor Circle, the Waikiki Improvement Association, the Chamber of Commerce of Hawaii, and the Hawaii Hotel Association.

Your Committees find that many visitors receive their first impression of Hawaii while in transit to their hotel from Honolulu International Airport, through an area that greatly needs beautification. This may leave visitors with an unfavorable impression of Hawaii.

Your Committees further find that the beautification of the landscape and scenery along Nimitz Highway is consistent with the State's overall plan to improve the Honolulu waterfront area.

Your Committees amended the bill by changing the appropriation from \$1 to \$745,000 for plans and design.

Your Committees on Tourism and Transportation are in accord with the intent and purpose of H.B. No. 2781, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2781, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 132-92 Tourism and Intergovernmental Relations and International Affairs on H.B. No. 2332

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for improvements to Diamond Head Crater Trail and to the City and County of Honolulu for a shuttle bus to transport sightseers and others between the Honolulu Zoo, the Diamond Head Road lookout and the head of Diamond Head Crater Trail.

Your Committees received testimony in support of this bill from the Department of Land and Natural Resources.

Your Committees finds that this bill would allow greater access to the scenic view at the top of the Diamond Head Crater Trail for tourists and residents.

Your Committees amended the bill by changing the appropriation amounts to \$1 for the purpose of continuing discussion of the bill.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2332, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2332, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 133-92 Planning and Economic Development on H.B. No. 2786

The purpose of this bill is to amend section 237-3 of the Hawaii Revised Statutes to exclude from gross receipts, for general excise tax purposes, the intermediary purchase of direct use services.

Your Committee received testimony in support of the measure from the Chamber of Commerce of Hawaii, National Federation of Independent Business, Tax Foundation of Hawaii and Hawaii Association of Realtors. The Department of Taxation testified in opposition to the measure.

Your Committee recognizes that current tax regulations result in tax pyramiding on purchases of intermediary services. Purchases of services by an intermediary are subject to the general excise tax which is charged again when the intermediary bills the end user. This double imposition of tax on a single transaction inevitably results in higher prices for the consumer. Your Committee intends to put more resources back into the economy by minimizing the adverse effects of double taxation.

Your Committee acknowledges the loss of State revenues which would result from this measure and is concerned about the impact on social services. However, your Committee considers that the measure's stimulative effect on economic activity justifies continued legislative discussion.

Your Committee also recognizes the tax pyramiding that results under current tax regulations from the imposition of the four percent general excise tax on subleases of real property.

Accordingly, your Committee has amended the bill to provide that when real property is subleased, a tax of four percent will be imposed on the gross lease income received by the last sublessor and a tax of 0.5% will be imposed on the gross lease income received by all prior sublessors.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 2786, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2786, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 134-92 Planning and Economic Development and Labor and Public Employment on H.B. No. 3108

The purpose of this bill is to amend chapter 206P of the Hawaii Revised Statutes to enable employees of Hawaii Information Network Corporation to receive the same benefits as other State employees.

Your Committees received testimony in support of the measure from the Executive Director of Hawaii Information Network Corporation.

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

Your Committees on Planning and Economic Development and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 3108, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3108, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 135-92 Consumer Protection and Commerce and Judiciary on H.B. No. 3425

The purpose of this bill is to propose a constitutional amendment prohibiting the counties from taxing the real property of any public utility that is currently paying the public service tax assessed by the state.

Support for the intent of the bill was expressed by the Department of Taxation, the Public Utilities Commission, GTE Hawaiian Tel, the Gas Foundation and Hawaiian Electric Industries though several groups expressed concern that the proposed ballot measure in its present form allowed voters to subject utilities to double taxation, which would be unconstitutional. Opposition was voiced by the County of Kauai, and Tax Foundation of Hawaii.

Currently under the Public Service Company Tax Law (chapter 239, Hawaii revised Statutes), each public utility is assessed a tax in lieu of the general excise tax and the real property tax. The Hawaii State Constitution, however, provides for real property taxation by the counties. Conceivably, the counties could impose a tax upon a utility's real property which is already subject to the State's public service company tax.

This constitutional amendment would eliminate the possibility of double taxation. Your Committees have amended the measure to address the concerns expressed regarding constitutionality and eliminated the possibility that the voters could allow double taxation. Furthermore, a minor amendment was included to refer to the tax by its correct name.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 3425, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3425, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 136-92 Consumer Protection and Commerce on H.B. No. 3040

The purposes of this bill are to clarify that the Hawaii Property Insurance Association (HPIA) is not a State agency and to clarify the standards to be used by the Insurance Commissioner in evaluating HPIA's plan of operation.

Your Committee received supporting testimony from the Department of Commerce and Consumer Affairs. The Board of Directors of HPIA raised concerns with the Insurance Commissioner relating to section 8 of the bill. They feared that removal of the immunity section eliminated the limitation of liability against member insurers and their agents. After discussion, HPIA and the Insurance Commissioner requested your Committee to delete the brackets so that the original language contained in section 431:21-17, Hawaii Revised Statutes, remains intact.

After further consideration, your Committee has amended the bill as follows:

- (1) Retained the former section 8 of the bill by deleting the brackets repealing that section;
- (2) Upon approval, this bill is retroactive to 1991, with the exception of section 3, regarding composition of the composition of the HPIA board. This section is effective upon approval of the act;
- (3) Other technical, non-substantive changes were made regarding section 4.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3040, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 137-92 Housing and Labor and Public Employment on H.B. No. 2506 (Majority)

The purpose of this bill is create a department of housing.

Your Committees received testimony from the Office of State Planning, the Land Use Research Foundation of Hawaii, the Hawaii Developers' Council, the Housing Subcommittee of the Hawaii Association of Realtors' Government Affairs Committee, and others.

Upon further consideration, your Committees have amended the bill by:

- (1) Requesting the management team to submit an interim report to the Legislature no later than January 1, 1993;
- (2) Changing the establishment date of the department of housing to July 1, 1994; and
- (3) Inserting the sum of \$250,000 to conduct the interim study.

Your Committees on Housing and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 2506, as amended herein, and recommend 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 Committees.
(Representative M. Ige did not concur.)

SCRep. 138-92 Housing and Human Services on H.B. No. 2719

The purpose of this bill is to establish a two-year pilot program to place homeless families into private dwellings. The program would encourage private property owners to offer sites through incentives such as a construction grant, a monthly rent supplement, and property tax reductions or waivers and building standards variances, if approved by the counties.

The program would be headed by a State homeless programs coordinator responsible for administering the assistance project and working with the counties in offering incentives. The coordinator shall also develop the guidelines and procedures for selecting homeless families and dwelling sites. The bill also would create a coordinating advisory committee to assist the coordinator.

The program requires homeless participants to enroll in self-help programs, obtain job training, and seek employment.

The bill restricts the program to no more than 5 sites per census district, in order to avoid a concentration of sites in a few communities. The project would be initially implemented on Oahu.

Your Committees received testimony in support of this bill from the Department of Human Services, the City and County of Honolulu Department of Land Utilization, the American Association of Retired Persons, and the Kalihi-Palama Community Council.

Your Committees find that the program proposed by this bill would make the "Year of the Family" more meaningful by finding shelter for homeless families. With 196 census tracts on Oahu, the proposed program may make as many as 980 units available. With an average of 2.5 persons per homeless family, as many as 2,450 may find shelter as a result of this project.

Your Committees made the following changes to the bill:

- (1) Changing "variances" to "exemptions" in the references to county building and zoning codes to clarify that any exemptions would have to be granted by the county councils;
- (2) Reducing the number of clerical personnel positions authorized for the coordinator to one;
- (3) Adding to the duties of the coordinator the developing of appropriate waivers of liability;
- (4) Adding a requirement that the coordinator report monthly to the coordinating committee;
- (5) Adding a requirement that the coordinator's report to the Legislature at the end of the initial phase shall include recommendations of means of encouraging participating property owners to sign up for additional terms;
- (6) Requiring the homeless programs coordinating committee to regularly consult with homeless persons.
- (7) Changing the composition of the homeless programs coordinating committee by changing the member representing the public at large to a member representing the homeless population;

- (8) Changing "shall" to "may" in the description of incentives in Section 358- (b) to allow flexibility to the coordinator in offering incentives to property owners;
- (9) Changing the amount of the construction grant from \$13,000 to \$7,500;
- (10) In the description of the assistance to be provided to property owners, amending item 4 to provide that sites conform to any minimum standards set by the counties;
- (11) Adding a provision allowing a lien to be placed on the property of an owner withdrawing from the program before completion of the 5 year commitment and that the respective county government shall determine the disposition of the unit built with the grant; and
- (12) Changing the appropriation amount from \$2,500,000 to \$1,475,000; and
- (13) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committees on Housing and Human Services are in accord with the intent and purpose of H.B. No. 2719, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2719, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 139-92

Housing and Human Services on H.B. No. 3097

The purpose of this bill is to enable lending institutions that participate in the development of low-income rental housing projects to utilize low-income housing tax credits provided pursuant to Section 235-110.8, Hawaii Revised Statutes.

Testimony was submitted by the Housing Finance and Development Corporation, the Department of Taxation, the Tax Foundation of Hawaii, the Hawaii Bankers Association, and the Building Industry Association of Hawaii.

Upon further consideration, your Committees have amended this bill by providing that this bill take effect on January 1, 1993 to allow the Department of Taxation enough time to revise applicable tax forms. At the same time, the effective date was revised to account for future revenue sources on a calendar year basis. Technical, nonsubstantive revisions were also made for the purposes of clarity and style.

Your Committees on Housing and Human Services are in accord with the intent and purpose of H.B. No. 3097, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3097, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 140-92

Housing and Health on H.B. No. 2590

The purpose of this bill is to appropriate monies to ensure the design of new housing units and facilitate the renovation of existing housing units which accommodate the special needs of persons with disabilities.

Your Committees received testimony in support of this bill from the Building Industry Association of Hawaii.

The bill has been amended by:

- (1) Inserting the appropriation amount of \$44,000 for fiscal year 1992-1993; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Housing and Health are in accord with the intent and purpose of H.B. No. 2590, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2590, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 141-92

Housing and Health on H.B. No. 3566

The purpose of this bill is to authorize the issuance of general obligation bonds in the sum of \$250,000, for the renovation and construction of the nurses' cottage at Kalaupapa.

Your Committees find that this bill would greatly enhance the State's ability to recruit and maintain a full nursing staff at Kalaupapa and provide needed treatment with for patients with Hansen's disease.

Supportive testimony was submitted by the Department of Health and a concerned citizen.

Your Committees on Housing and Health are in accord with the intent and purpose of H.B. No. 3566 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 142-92 Housing on H.B. No. 2585

The purpose of this bill is to appropriate monies to purchase the fee and other interests in housing projects with rental units which may be lost from the U.S. Department of Housing and Urban Development Section 8 program.

Your Committee received testimony in support of the intent of this bill from the Hawaii Housing Authority, the Housing Finance and Development Corporation, Waikiki Tenants United, the Single Parent Advocacy Network, the Founders' Group of the Kokua Council for Senior Citizens, and the American Association of Retired Persons.

Upon further consideration, your Committee has amended the bill as follows:

- (1) Appropriated \$137,454,225 for fiscal year 1992-1993 for the purchase of the fee and other interests in the Kewalo Apartments, the Kilohana Apartments, and the Moanalua Hillside project;
- (2) Appropriated \$14,700,000 for fiscal year 1992-1993 for asbestos removal at the Moanalua Hillside project;
- (3) Designated the Hawaii Housing Authority as the expending agency for the sums appropriated; and
- (4) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2585, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 143-92 Housing on H.B. No. 3096

The purpose of this bill to make several housekeeping amendments to the buyback and owner-occupancy restrictions for dwelling units sponsored by the Housing Finance and Development Corporation.

Testimony was submitted from the Housing Finance and Development Corporation.

This measure addresses the concerns raised by the U.S. Department of Housing and Urban Development:

1. For further clarification, the definition for "qualified resident" has been amended;
2. Clarify that the HFDC is authorized to repurchase **lots**, as well as dwelling units;
3. The Shared Appreciation Equity (SAE) Program permits certain transfers of title that will not result in HFDC's share of the net appreciation becoming due and payable have been amended by clarifying that a purchaser shall pay to the HFDC its share of appreciation in the unit when applicable;
4. Clarify that when the HFDC releases the option to purchase a unit financed under the federally-subsidized mortgage program, all other restrictions shall terminate and shall not attach in subsequent transfer of title;
5. Clarify that certain owner-occupancy and repurchase restrictions are applicable to purchase made prior to June 25, 1990; and
6. Clarify that the corporation's right to repurchase a dwelling unit with a construction defect is effective only during the buyback period and not the required owner-occupancy period.

Your Committee makes amendments by:

1. Authorizing HFDC to amend or modify its restrictions in order to comply with or conform to requirements set forth by federally chartered secondary mortgage market participants; and
2. A technical, non-substantive revision was made for the purpose of style and clarity.

Your Committee on Housing are in accord with the intent and purpose of H.B. No. 3096, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3096, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 144-92 Housing on H.B. No. 3157

The purposes of this bill are to:

- (1) Disallow a deduction from the gross income on an individual's income tax return for an amount paid into an Individual Housing Account (IHA) that is distributed within 365 days from the date the contribution is made to the IHA;
- (2) Clarify the present law which allows a husband and wife to deduct \$10,000 on a joint income tax return, if \$5,000 was deposited by each spouse to an IHA during the taxable year; and
- (3) Clarify that the 10 percent penalty does not apply to an individual who sells residential property after having reported the total distribution from the IHA during the 10-year period subsequent to the purchase of the property.

Testimony was submitted by the Department of Taxation, the Tax Foundation, and the Building Industry Association of Hawaii.

A technical, nonsubstantive revision was made for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3157, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 145-92

Judiciary; Intergovernmental Relations and International Affairs; and Transportation on H.B. No. 3250

The purpose of this bill is to clarify the assessment of delinquent taxes and penalties as a condition precedent to the registration, renewal, and transfer of ownership of a vehicle.

The Office of the Ombudsman feels that delinquent taxes and penalties should not be charged to any person other than the vehicle's owner of record at the time the tax was due, unless the counties formally file a lien. The counties feel that it is administratively impossible for them to file a tax lien on all vehicles that have not paid the required taxes by its registration expiration date, or have submitted payment with a check which was subsequently dishonored by the bank.

If enacted, this bill would provide that the Director of Finance may require the payment of delinquent tax and penalty as a condition precedent to the registration, renewal, or transfer of ownership of such vehicle.

Testimony in support of this measure was submitted by the Department of Finance of the City and County of Honolulu.

Your Committees on Judiciary and Intergovernmental Relations and International Affairs and Transportation are in accord with the intent and purpose of H.B. No. 3250 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Arakaki.

SCRep. 146-92

Judiciary and Intergovernmental Relations and International Affairs on H.B. No. 3295

The purpose of this bill is to repeal provisions that provide for the remittance, refund, or forgiveness of real property taxes.

Testimony in support of this measure was received from the Department of Finance, City and County of Honolulu. Testimony in support of the intent of this bill was received from the Department of Taxation.

Your Committees believes that the responsibility of providing assistance in the form of tax relief to victims of natural disasters belongs to both the State and the four counties. The Natural Disaster Losses Law, chapter 234, requires the Department of Taxation to provide tax relief through the net income and general excise tax laws. In addition, sections 234-4, 234-5, and 234-8 provide that the counties shall bear the fiscal burden of providing real property tax relief to natural disaster victims.

Although the counties since July 1, 1981 have gained all functions, powers, and duties of the real property tax, the Constitution and section 246A-2(3) both require the counties to continue the duties and obligations formerly assumed by the Department of Taxation. The duty to remit, refund, or forgive the real property taxes under chapter 234 is an obligation of the counties when they took over the real property taxes.

Since the bill deletes all references to real property tax relief from the Natural Disaster Losses Law, the four counties would not be held responsible for providing real property relief to victims of natural disasters in the manner required by chapter 234. Moreover, there is no corresponding provision requiring the counties to enact appropriate ordinances for the counties to provide real property tax relief.

Your Committees understands that all four counties have adopted uniform provisions to their respective ordinances to provide remission or forgiveness of the real property taxes due to damages suffered from certain natural disasters. At best, the remissions provide minimal relief for the year of the disaster on real property taxes due. In contrast, section 234-8 prescribes a maximum of \$35,000 to be remitted, refunded, or forgiven with respect to certified losses claimed against real property and general excise taxes.

It is noted that the income tax law provides relief from natural disasters for all people in the state while chapter 234 provides relief through the general excise tax law and the real property tax law. As this bill is written, fewer people will obtain less relief since only those in business may claim relief for general excise taxes under chapter 234 while all who own real property may presently now claim relief under that chapter.

The current arrangements between the counties and the state for providing tax relief under chapter 234 are accomplishing the statutory mandate. The January 1987 flood on Oahu resulted in certified losses that were used as credits against either or both the general excise tax and the real property tax of \$6,407,951. There were 348 applications for relief. There is also a Natural Disaster Commission completing the process on the Big Island for the Puna lava flow and another on Kauai for the recent Kauai flood.

Your Committees believes that this bill would restrict presently granted relief to business taxpayers who pay general excise taxes and reduce total relief per person from \$35,000 to \$25,000. The consequent relief granted by the counties is a remission of real property taxes and results in reduced real property assessed values for the period of time it takes the taxpayer to repair the property. The remission is for the portion of the year for which the property was partially or wholly destroyed.

Article VIII, Section 6, of the Hawaii Constitution, grants this Legislature the power to enact laws of statewide concern, including tax relief assistance to victims of natural disasters. Chapter 234 addresses tax relief for natural disaster losses, a matter of statewide concern. It is proper for this Legislature to clarify the duty of the county to its citizens in times of disaster and to assist the state in continuing to provide relief. This is a continuing duty that the counties accepted under Article VIII, Section 3, of the Hawaii State Constitution.

This bill is amended by making technical, nonsubstantive changes for the purposes of clarity and consistency.

Your Committees on Judiciary and Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3295, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3295, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Takamine.

SCRep. 147-92 Judiciary on H.B. No. 3780 (Majority)

The purpose of this bill is to appropriate funds for the planning, design, and construction of a Korean War veterans' memorial and a Vietnam War veterans' memorial.

Your Committee understands the need to fully recognize the sacrifice of all those who served in the Korean and Vietnam conflicts by erecting memorials that befits all Hawaii's sons and daughters involved in these conflicts.

If enacted, this bill would authorize the issuance of general obligation bonds and make an appropriation for Korean War and Vietnam War veterans' memorials.

Testimony in support of this measure was submitted by the Department of Defense, The American Legion, the Office of Hawaiian Affairs, the Vietnam Veterans Memorial Group, and concerned citizens.

Your Committee has amended this bill to read that the memorials be located on such site as may be authorized at a future date, making it consistent with H.B. No. 3658, which has passed Third Reading in the House of Representatives. This bill was also amended by providing that the Department of Defense will expend the authorized funds.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3780, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Hagino.
(Representative Ward did not concur.)

SCRep. 148-92 Judiciary on H.B. No. 2731

The purpose of this bill is to appropriate funds to install rain measuring devices at priority locations on all islands in order to transmit rainfall information on a real-time basis for evacuation decisions.

Your Committee finds there is an urgent need for such devices in order to avoid the tragedy which occurred on Kauai in December of 1991.

Testimony in support of the bill was received from the State of Hawaii Department of Defense.

This bill was amended to appropriate \$1, or so much thereof as may be necessary for fiscal year 1992-1993, to install rain measuring devices.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2731, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 149-92**Judiciary on H.B. No. 2513**

The purpose of this Act is to expand the availability of tax deductions to small contributors without removing existing tax deductions by providing for a tax deduction of up to \$50 on individual contributions to candidates who have not agreed to abide by the statutorily prescribed campaign expenditure limits.

Testimony in support of this measure was received from the Young Democrats of Hawaii. Testimony was also received from the Department of Taxation and the Campaign Spending Commission whom both expressed no official position regarding the merits of this bill.

Your Committee has amended this measure by:

- (1) Allowing an individual to take a tax deduction in an aggregate amount not to exceed \$500 in any given year for campaign contributions to a candidate pursuant to section 235-7(g), providing that the candidate shall have filed an affidavit with the campaign spending commission prior to or simultaneous with the candidate's organizational report stating that the candidate shall not exceed the expenditure limit for the candidate's respective office as set forth in section 11-209;
- (2) Deleting subsection (c) of section 11-226;
- (3) Changing the effective date of this Act to January 1, 1993; and
- (4) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2513, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2513, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 150-92**Judiciary on H.B. No. 2714**

The purpose of this bill is to help to insure the speedy and fair processing of court cases.

The combination of increases in court filings, more complex issues, and other factors has caused a backlog in our court system which prolongs and delays the administration of justice.

If enacted, this bill would provide one additional associate judgeship in the Intermediate Appellate Court.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee has amended this bill by deleting the appropriation section and by making 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. 2714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2714, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Hagino.

SCRep. 151-92**Judiciary on H.B. No. 3757**

The purpose of this bill is to appropriate funds for the training of judges of the First Circuit Court who often hear cases involving defendants who suffer from mental health illnesses.

Testimony in support of this bill, but with certain reservations, was received from Mothers Against Drunk Driving and the Mental Health Association in Hawai'i.

This bill was amended by including substance abuse as a "mental health illness", and by specifying that the judges of the criminal division of the First Circuit Court will be provided with the training. Additionally, the amount of \$1 was inserted as the appropriated amount.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3757, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Hagino.

SCRep. 152-92**Judiciary on H.B. No. 3307**

The purpose of this bill is to authorize the Joint Legislative Management Committee to supervision, utilize, and control the parking facilities and areas made available to or used by the Legislature.

Testimony in support of this bill was received from the House Majority Leader.

This bill was amended by authorizing the Joint Legislative Management Committee to also designate the use of office and other related spaces and rooms within the State Capitol.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3307, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hagino, Hirono, Morihara and Ward.

SCRep. 153-92 Judiciary on H.B. No. 2715

The purpose of this bill is to clarify that funds collected by the courts, if not otherwise specified by court order or statute, shall be credited to the State of Hawaii.

Testimony in support of the bill was received from the Judiciary.

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

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

Signed by all members of the Committee except Representatives Cachola, Hagino and Hirono.

SCRep. 154-92 Judiciary on H.B. No. 2711

The purpose of this bill is to help insure the speedy and fair processing of court cases.

Steady increases in crime rates, particularly violent and assaultive offenses have had a detrimental effect on the judicial process. In combination with increases in filings, more complex issues for civil, criminal and Family Court cases at trial, more demands for jury trial, longer trials, and other factors, a backlog of cases has developed and continues to grow. The output of the courts has significantly increased, placing a deep strain on judicial resources.

If enacted, this bill would provide for two additional judgeship positions for the First Circuit Court.

Testimony in support of this measure was submitted by the Judiciary and a concerned citizen.

Your Committee has amended this bill by deleting the appropriation section and by making 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. 2711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2711, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Hagino.

SCRep. 155-92 Judiciary on H.B. No. 2484

The purpose of this bill is to provide the State Fire Council the necessary staffing to coordinate and administer all federal, state, and private fire related matters.

Your Committee finds that the State Fire Marshall Office was eliminated on July 1, 1979. Their functions were assumed by the State Fire Council, but no administrative staff was provided. Those responsibilities have been assumed by the Honolulu Fire Department.

Testimony in support of the bill was received from the Honolulu Fire Chief in his role as Chairperson, State Fire Council, the Department of Labor and Industrial Relations, the County of Maui Department of Fire Control, the County of Hawaii Fire Department, and the County of Kauai Fire Department.

Your Committee has amended the bill to include funding of \$1, or so much thereof as may be necessary for fiscal year 1992-1993.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2484, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 156-92**Judiciary on H.B. No. 2564**

The purpose of this bill is to enable the Legislature, members of the Legislature, and staff, more time following the busy holiday season to better prepare for the upcoming session.

The practice of convening legislative bodies in January followed the agrarian growth cycle. Since many legislators in our nation's early history were farmers, the short time after the Christmas holidays and before the spring planting dictated that Legislatures convene soon after the new year. We are no longer faced with such a constraint. However, with the larger volume of information facing the modern legislator and parallel growth in needed staff work, the pre-session work must now of necessity take place during the holidays. The stress on legislators and staff is considerable.

If enacted, this bill would provide that the Legislature convene annually in regular session on the third Wednesday in February instead of the third Wednesday in January.

Testimony in support of this measure was submitted by the Office of the Auditor, The League of Women Voters of Hawaii, and Common Cause Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2564 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Hagino.

SCRep. 157-92**Education and Labor and Public Employment on H.B. No. 2828**

The purpose of this bill is to allow the Department of Education (DOE) to "grandfather" from temporary appointment to permanent status 156.0 full-time equivalent general funded temporary school security attendant positions, one full-time equivalent general funded user support administrator position, and 13.0 full-time equivalent general funded user support technician positions for the financial management system.

Your Committees find that the on-the-job experiences and expertise of school personnel contributes in large part to effective schools; and that retaining competent and reliable employees are essential to provide quality education in the schools. For these reason, it is important to consider "grandfathering" to permanent status those incumbents who have been serving in their job capacity efficiently and satisfactorily for a significant period of time while in temporary status.

Supportive testimony was received from the DOE and the Department of Personnel Services.

Accordingly, your Committees have amended the bill by inserting a clause that specifies that incumbents must have performed in their work satisfactorily for a period of not less than six months to be "grandfathered" from temporary status to permanent status.

Your Committees on Education and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 2828, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2828, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 158-92**Education on H.B. No. 3829**

The purpose of this bill is to require the Department of Education (DOE) to prepare and submit to the Board of Education (BOE) in an open meeting a monthly personnel certification compliance report. In addition, the bill also requires that in instances where persons are assigned outside of their area of certification, that the report include a detailed explanation of the steps undertaken by the DOE to fill those positions with properly certified personnel and the efforts made to ensure proper certification of current personnel.

Your Committee received testimony in opposition to the bill from the BOE.

Upon consideration, your Committee has amended the bill by requiring the DOE to prepare and submit to the BOE a semesterly personnel certification compliance report.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3829, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 159-92**Education on H.B. No. 3817**

The purpose of this bill is to provide personnel staffing to meet the current level of public library services.

An appropriation for staffing is necessary to maintain the current level of public library services which includes expanded hours of service on Sundays and holidays. In addition, the appropriation must also include adequate funding in

order to meet the current salary adjustment as required by the Hawaii Government Employees Association bargaining agreement.

Testimony in support of this measure was submitted by the Department of Education, the Librarian Association of Hawaii, and a private citizen.

Your Committee has amended this bill by appropriating \$1 for fiscal year 1992-1993.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3817, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 160-92 Education on H.B. No. 3549

The purpose of this bill is to appropriate funds for the public libraries to continue moving image preservation activities.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii Moving Image Project.

The Hawaii State Library System testified that those funds, if appropriated, should not be used to reduce funds reflected in the Board of Education and Governor's priorities.

Upon further consideration, your Committee has amended this measure by appropriating the sum of \$1 for the purpose of continued discussion.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3549, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 161-92 Education on H.B. No. 3500

The purpose of this bill is to provide "safety net" funds for the new Hawaii State Library facility, ensuring that required modifications, equipment, and furniture can be acquired on a timely basis. Such items are necessary for the facility to be fully operational upon the completion of its renovation. In consideration of the budget cycle, your Committee believes that this appropriation should be made at this time, and thus avoid the compounded delay that will occur if action is deferred for another full fiscal year.

Testimony in support of this measure was received by the Librarians Association of Hawaii and an interested individual.

The Hawaii State Public Library System testified against this bill.

The bill has been amended by inserting the sum of \$1 for fiscal year 1992-1993 in the appropriation section for the purpose of further discussion.

Your Committee notes that it will be making a site visit to the new Hawaii State Library facility in February 1992 to evaluate the progress of the Library's renovations, and to better determine its future budgetary needs.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3500, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 162-92 Education on H.B. No. 3498

The purpose of this bill is to appropriate funds to be expended by the Department of Education for a full-time liaison resource teacher at the Bishop Museum's Amy B.H. Greenwell Ethnobotanical Garden.

The liaison resource teacher will:

- (1) Evaluate the garden's potential role in existing Department of Education curricula and the Bishop Museum's Ohia project;
- (2) Work with teachers and administrators to develop materials and concepts to maximize the benefits of the garden;
- (3) Act as an educator and educational coordinator at the Garden for all Department of Education sponsored activities;

- (4) Plan and effectuate expansion in garden utilization by school groups; and
- (5) Assess the value of garden visits.

Supportive testimony for this measure was received by Bishop Museum. Testimony received by the Department of Education was in support of the intent of the measure.

The bill has been amended by:

- (1) Inserting the amount of \$1 for fiscal year 1992-1993 in the appropriation section for the purpose of further discussion;
- (2) Stipulating that the funds are for the establishment of one full-time equivalent (1.00 FTE) position for a liaison resource teacher at the Bishop Museum's Amy B.H. Greenwell Ethnobotanical Garden and for related expenses;
- (3) Deleting language that stipulates funds are for establishing and implementing the programs of a liaison resource teacher; and
- (4) Making technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3498, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163-92 Education on H.B. No. 3492

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to upgrade public libraries in the State.

Your Committee recognizes the importance of providing quality library services and resources for the people of Hawaii. In order to maintain this high standard of service, sufficient funding is needed to accommodate any rise in the rate of inflation of library materials, equipment, and utilities.

Accordingly, your Committee wishes to note that the Chair of the House Committee on Education has requested the Hawaii State Public Library System to submit to the House Committee on Education an inventory list of the current staff, materials, and resources of State Public Library System.

The Librarians Association of Hawaii testified in support of this bill. Testimony in opposition to this bill was received from the Hawaii State Public Library System.

Your Committee has amended this bill by inserting an appropriation amount of \$1 for the purpose of further discussion.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3492, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 164-92 Education on H.B. No. 2639

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for the transfer of workers' compensation functions from the Department of Education (DOE) to the Department of Personnel Services (DPS).

Your Committee finds that the DOE is confronted with the inability to effectively and efficiently respond to the requirements of workers' compensation statutes, rules, and regulations because of the increasing complexity of these laws and regulations, and the rise in workloads to attend to the requirements of injured employees. Your Committee also finds that the Neighbor Island school districts of Hawaii, Kauai, and Maui are concerned about ensuing penalties for failure to meet workers' compensation requirements as stated in Chapter 386, Hawaii Revised Statutes.

The transfer of management of workers' compensation cases from the Neighbor Island school districts to the DPS would assist in the processing of allowable workers' compensation benefits to injured employees and payment to the employees' health care providers in a timely and efficient manner.

The DOE testified in support of this bill; however, the DPS testified in opposition to this bill.

Your Committee has amended the bill by:

- (1) Inserting the appropriation sum of \$346,963 for fiscal year 1992-1993; and
- (2) Specifying that the funds are for ten full-time equivalent positions for the transfer of workers' compensation functions from the DOE to the DPS.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2639, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 165-92 Education on H.B. No. 2651

The purpose of this bill is to provide funds to establish teacher development centers.

The establishment of teacher development centers will improve the quality of instruction and curriculum at the elementary and secondary school levels, provide practicum training for student-teachers, provide inservice training for all school personnel, and generate school-based research projects.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee has amended this bill by appropriating \$814,236 for fiscal year 1992-1993 for the establishment of eight teacher development centers.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2651, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 166-92 Education on H.B. No. 2652

The purpose of this bill is to expand the induction program services for beginning teachers.

The expansion of the induction program services for beginning teachers will develop and enhance teacher skills at the onset, help retain and maintain a stable work force of highly skilled teachers, and improve instructional services to the students of Hawaii.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee has amended this bill by appropriating \$1,319,648 for fiscal year 1992-1993 for the establishment of 44 beginning teacher complex coordinator positions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2652, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 167-92 Education on H.B. No. 2656

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to assume the recruitment, examination, and certification functions of classified positions unique to the Department of Education (DOE).

Your Committee notes that the filling of school personnel vacancies in a timely and efficient manner is critical to the implementation and execution of programs within schools. Furthermore, significant delays in the hiring of school personnel oftentimes results in applicants taking positions with the private sector or other government agency. One way to aid in the expeditious hiring of school personnel would be to allow the DOE to assume the recruitment, examination, and certification functions of classified positions that are unique to the DOE.

Supportive testimony and suggestions for revisions to the measure were received from the DOE. The Department of Personnel Services testified in opposition to this bill.

Based on testimony of the DOE, your Committee has amended this bill by:

- (1) Inserting the appropriation sum of \$267,969 for fiscal year 1992-1993;
- (2) Specifying that the funds are for twelve full-time equivalent (12.0 FTE) positions to assume the recruitment, examination, and certification functions of classified positions unique to the DOE; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2656, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2656, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 168-92 Education on H.B. No. 2659

The purpose of this bill is to appropriate funds for kitchen equipment for Mililani Mauka Elementary School cafeteria.

Testimony in support of this measure was submitted by the Department of Education.

Upon further consideration, your Committee has amended this bill by inserting the sum of \$100,672 to be appropriated for the purpose of this measure.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2659, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2659, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 169-92 Education on H.B. No. 2664

The purpose of this bill is to appropriate funds to be expended by the Department of Education for supplies and equipment to improve testing services to schools.

Your Committee finds that there is a desperate need to improve student testing in schools. Currently, testing services are fragmented among the Department of Education's Test Development Section and Information System Services Branch, as well as the Information and Communication Services Division of the Department of Budget and Finance. Your Committee further finds that management fragmentation has significantly delayed response time and compounded the inaccuracy of data processing and other test scoring procedures. The development and implementation of an integrated administrative network to manage student testing would remove barriers currently imposed on the test scoring system, as well as enhance the daily operations of the Department of Education.

Supportive testimony was submitted by the Department of Education.

Accordingly, your Committee has amended this bill by appropriating \$150,000 for the establishment of 3.5 permanent, full-time positions within the Department of Education to improve testing services in schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2664, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2664, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 170-92 Education on H.B. No. 2665

The purpose of this bill is to appropriate funds to be expended by the Department of Education for adult education programs.

Your Committee finds that adult education programs have significantly enhanced the quality, accessibility, and availability of educational opportunities to the people of the State of Hawaii. Your Committee further finds that there is a continuing demand to expand the educational opportunities provided to Hawaii's adults.

Supportive testimony was submitted by the Department of Education.

Accordingly, your Committee has amended this bill by appropriating \$673,418 for fiscal year 1992-1993, to establish 11 permanent, full-time positions within the Department of Education for the expansion of adult education programs throughout the State.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2665, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 171-92 Education on H.B. No. 2670

The purpose of this bill is to appropriate funds for advance ordering of equipment for new school administration facilities at Mililani Mauka Elementary and Waipahu Intermediate Schools.

Testimony in support of this measure was submitted by the Department of Education.

Upon further consideration, your Committee amended this measure by inserting the sum of \$209,751 to be appropriated for the purposes of this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2670, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 172-92 Education on H.B. No. 2671

The purpose of this bill is to appropriate funds for the advance purchase of equipment and library books for the new Mililani Mauka Elementary School.

Testimony in support of this measure was submitted by the Department of Education.

Upon further consideration, your Committee has amended this bill by inserting the sum of \$146,984 to be appropriated for the purpose of this measure.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2671, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2671, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173-92 Education on H.B. No. 2827

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to accommodate all eligible students for the Afterschool A+ Program.

Testimony supporting the intent of this measure was submitted by the Department of Education, the State Planning Council on Developmental Disabilities, and the Hawaii State Teachers Association.

Upon further consideration, your Committee has amended this measure by:

- (1) Inserting the sum of \$2,194,233 to be appropriated for fiscal year 1992-1993 for the purpose of this bill; and
- (2) Providing that this amount shall be used exclusively for the Afterschool A+ Program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2827, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 174-92 Education on H.B. No. 2621

The purpose of this bill is to appropriate funds to be expended by the Department of Education (Department) to provide incentive grants to accommodate and support restructuring and innovations to realize significant school improvements affecting student achievement.

Your Committee finds that with School/Community-Based Management as the Department's direction, incentive grants provide the best opportunity to fund restructuring for teaching and student learning improvement at the school-based level.

The 1991 Legislature created the Incentive Grants for Schools Program to prompt schools to devise innovative and creative plans to promote student achievement. The schools have responded by submitting 73 proposals for incentive grants, totalling \$2,092,482. However, your Committee notes that the initial appropriation of \$150,000 has allowed for only six proposals to be accommodated.

Testimony in support of this measure was received from the Department of Education and the Hawaii Business Roundtable.

The bill has been amended by inserting the sum of \$1,000,000 for fiscal year 1992-1993 in the appropriation 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.

SCRep. 175-92 Education on H.B. No. 2622

The purpose of this bill is to appropriate funds to be expended by the Department of Education for the Challenger Center for Space Science Education.

Due to the efforts of the late Senator Spark Matsunaga, the United States Congress has established 1992 as International Space Year (ISY). Your Committee finds that ISY is the perfect arena for the State to further demonstrate its commitment to space exploration.

Your Committee further finds that during International Space Year, the Department of Education can increase its efforts to promote science education through space-themed programs by establishing the Challenger Center Hawaii. The learning center will encourage interactive learning between teachers and students, and provide hands-on experiences that bridge the gap between classroom instruction and real world applications of mathematics, science and technology.

Testimony in support of this measure was received from the Department of Education, the Department of Business, Economic Development, and Tourism, and Leeward District educators.

This bill has been amended by:

- (1) Inserting the sum of \$164,220 for fiscal year 1992-1993; and
- (2) Establishing four full-time equivalent (4.00 FTE) positions for the Challenger Center for Space Science Education.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2622, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2622, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 176-92 Education on H.B. No. 2623

The purpose of this bill is to appropriate funds to be expended by the Department of Education (Department) for computers, software, and supplies.

Your Committee finds that the Department's commitment to integrate computers in instruction requires the continual purchase of hardware and software, as well as ongoing repair and maintenance of existing units.

The Department plans to incrementally reduce the student to computer ratio from 25 to 1 down to 10 to 1.

Testimony in support of this measure was received from the Department of Education and the Hawaii State Teachers Association.

This bill has been amended by inserting the sum of \$1,000,000 for fiscal year 1992-1993 in the appropriation section.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2623, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 177-92 Education on H.B. No. 2626

The purpose of this bill is to appropriate funds for educational assistant positions to implement the in-school suspension program at all 38 high schools throughout the State.

Testimony in support of this measure was submitted by the Department of Education.

Upon further consideration, your Committee has amended this measure to insert the sum of \$559,630 for 28 full-time equivalent educational assistant positions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2626, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 178-92 Education on H.B. No. 2627

The purpose of this bill is to appropriate funds to be expended by the Department of Education for student awards and travel expenses.

Your Committee finds that student participation at district, regional, and national scholastic competitions, and the provision of scholastic awards has encouraged Hawaii's youth to strive for excellence. During the past school year, over 9,000 students participated in competitive events. However, because of limited fiscal resources, only 1,000 students were able to participate in district and state competitions, and only five trips were budgeted for national competitions and programs. In addition, the airline industry has projected an 8 to 10 percent annual increase in air travel fare. Because

of this, additional funds are needed not only to maintain the current levels of services, but to expand existing programs to additional schools, and to increase student participation at in-state and out-of-state competitions.

Supportive testimony was submitted by the Department of Education; the Hawaii State Teachers Association; and students from Seabury Hall, Lahainaluna High School, Hana High and Elementary School, Lanai High and Elementary School, Molokai High and Elementary School, Henry Perrine Baldwin High School, and Maui High School.

Accordingly, your Committee has amended this bill by appropriating \$165,090 for fiscal year 1992-1993, to provide 45 additional students and chaperones to participate at out-of-state competitions, and 1100 additional travel slots for in-state competitions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2627, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 179-92 Education on H.B. No. 2637

The purpose of this bill is to provide funds for fiscal year 1992-1993 for the leadership academy.

The additional funding will enable the Department of Education to augment the leadership training at the Hawaii School Leadership Academy.

Testimony in support of the intent of the measure was submitted by the Department of Education.

Your Committee has amended this bill by appropriating \$100,000 for fiscal year 1992-1993.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2637, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2637, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 180-92 Education on H.B. No. 2615

The purpose of this bill is to provide for one Environmental Education Resource Teacher Position for the Kauai School District of the Department of Education.

Your Committee finds that the Hanalei National Wildlife Refuge and the adjacent Haraguchi Rice Mill, the Kilauea Point National Wildlife Refuge, and the Kilauea School Environmental Education Center illustrate true dedication on the part of schools and the community of Kauai's North Shore to create special programs for environmental education.

These and other environmental and cultural resources on Kauai would greatly benefit from having the services of a professional educator to coordinate, guide, and further develop the activities at these sites.

Your Committee finds that this position is necessary to coordinate and develop programs for Kauai's North Shore schools and environmental resources. In addition, a resource teacher would also be able to offer workshops that would enhance the skills and knowledge of teachers from around the State.

Testimony in support of this measure was submitted by the Department of Education, the Office of Children and Youth, the Hawaii State Teachers Association, the Ho'opulapula Haraguchi Rice Mill, the Waioli Mission House Grove Farm Homestead, the Sierra Club, the Kilauea Point Natural History Association, and concerned citizens.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2615 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 181-92 Education on H.B. No. 2414

The purposes of this bill are to:

- (1) Appropriate funds to replenish the School Priority Fund; and
- (2) Increase the amount of monies allocated from the School Priority Fund to each student from \$35 to \$50.

Your Committee finds that the School Priority Fund has enhanced the State's ability to provide quality educational services to the youth of Hawaii by allotting each school a portion of the fund to be used flexibly at the school's discretion. Your Committee further finds that additional funding is needed to provide Hawaii's public schools the ability to implement creative solutions to localized problems, to enhance fiscal planning and management of Hawaii's schools, and to facilitate the implementation of School/Community-Based Management.

Testimony in support of the bill was submitted by the Department of Education and the Hawaii State Teachers Association.

Accordingly, your Committee has amended this bill by appropriating \$2,500,000 for fiscal year 1992-1993 for the expansion of the School Priority Fund.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2414, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 182-92**Education on H.B. No. 2570**

The purpose of this bill is to allow the district superintendents of the Department of Education (DOE) to withhold the grades, diploma, and transcripts of students in cases where the student and the student's parent or guardian has not made restitution for the student who is believed to be responsible for the loss or damage of school property by reasonable cause of the principal.

The DOE testified in support of the intent of the bill and recommended suggested language to incorporate into the bill.

Based upon the recommendations of the DOE, your Committee has amended the bill by allowing the student and the student's parent or guardian to make an appeal to the district superintendent in cases when the student and the student's parent or guardian do not agree with the determination made by the principal, who has reasonable cause to believe the student is responsible for the loss or damage of school property.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2570, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 183-92**Agriculture on H.B. No. 3917**

The purpose of this bill, as received, is to control the spread of alien species of weeds in Hawaii and to initiate a strategy of removing current infestations with the use of chemical and mechanical pesticides.

Representatives from the Department of Agriculture and the National Audubon Society submitted testimony in support of this measure. However, the National Audubon Society would like to see a clarification of the proposed methods of control. The testimony indicated that:

- (1) Many plants in the Melastome family are recognized as threats to Hawaii's native plants. Currently, one species, *Miconia calvescens*, infests many acres of forests on the Islands of Hawaii and Maui. Another species, cane tibouchina, has the potential of impacting the agricultural, conservation, and forest lands; and
- (2) The funds appropriated would be used to control weeds using chemical and mechanical control methods in accessible areas. The funds would also be used for research on biological control methods using beneficial insects and pathogens.

Upon further consideration, your Committee has clarified the purpose of this measure to distinguish the chemical and mechanical control methods.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3917, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3917, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 184-92**Agriculture on H.B. No. 3682**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to establish a program to control the spread of all melastomes, especially *miconia* and cane tibouchina.

Melastomes are a weedy species that invade disturbed forest in their native homeland in Central and South America. Many of them have attractive flowers and foliage to draw the attention and favor of gardeners. Their weediness is typified by their rapid growth (sometimes growing up to five feet each year), production of tens of thousands of seeds per plant, and an ability to grow in both shady and sunny locations.

Representatives from the Department of Agriculture (DOA), the Department of Land and Natural Resources, the Governor's Agriculture Coordinating Committee (GACC), the National Park Service, the Sierra Club of Hawaii, the National Audubon Society, the Maui Pineapple Company, the Conservation Council of Hawaii, and two individuals submitted testimony in support of this measure. The testimony indicated that:

- (1) Melastomes have been introduced to Hawaii as ornamental plants. Sixteen known species have been brought into Hawaii, and fifteen have become invasive;
- (2) Two species are of special concern, miconia and cane tibouchina. Miconia has already replaced eighty per cent of the canopy of the natural forest in Tahiti. Swift action by the Haleakala National Park prevented a similar situation from occurring on the island of Maui. The miconia situation on the island of Hawaii has not been evaluated, but is equally worrisome. Cane tibouchina has become a very serious problem on both Maui and Hawaii. This plant forms thickets, eight to ten feet high, where nothing else grows. Clidemia, another member of this group, continues to invade many areas of the State. It has been successfully controlled in pastureland but only partially in forests; and
- (3) The interagency advisory committee on forest pests have been working with the Tri-Isle Resource Conservation and Development Council to develop a long-range action plan to control melastomes, including miconia and tibouchina species. The funds appropriated by this measure would be used to augment existing DOA and federal funds to implement the first phase of the action plan. The anticipated federal contribution is approximately \$80,000 for fiscal year 1992-1993.

Upon further consideration, your Committee has amended this measure to clarify that the GACC expend the appropriated funds through a cooperative agreement with the Cooperative Parks Research Studies Unit, University of Hawaii.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3682, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 185-92

Agriculture on H.B. No. 3585

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to carry out the fruit fly survey and research project in the Kipahulu area of the Haleakala National Park.

Representatives from the Department of Agriculture, the College of Tropical Agriculture and Human Resources, the Governor's Agriculture Coordinating Committee, and the Hawaii Fruit Fly Committee submitted testimony in support of this measure. The testimony indicated that:

- (1) The Hawaii Fruit Fly Committee was established in 1987 to develop an environmentally safe way to eradicate fruit flies in Hawaii. Both State and Federal funds have been made available to do this work; and
- (2) State funds were appropriated for fiscal year 1992-1993 to continue baseline studies on the diverse ecosystems and environment of Hawaii, a necessary part of the fruit fly eradication strategy. In working with the National Park Service, the Fruit Fly Committee learned that the Kipahulu area on the Island of Maui should be the first priority area. The Committee negotiated a cost sharing arrangement with the National Park Service to survey the Kipahulu area, but needs \$17,000 for helicopter services for timely access into this area.

Your Committee believes that it would be advantageous to enter in a cost sharing arrangement with the National Park Service to complete survey work in the Kipahulu area. The need for helicopter service is justified to gain access into areas with hazardous terrain.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3585 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 186-92

Agriculture on H.B. No. 3551

The purpose of this bill is to provide additional general excise tax exemptions for amounts received by the operator of an agricultural business from a producer in amounts equal to, and which are disbursed by the operator for employee wages, salaries, payroll taxes, insurance premiums, and benefits. The measure seeks to gain the same exemptions presently allowed to an operator of a hotel from the owner of the hotel.

The representative from the Ka'u Agribusiness, the Mauna Loa Macadamia, and the Mauna Kea Agribusiness presented testimony in favor of this measure, citing that the same exemptions be granted that is presently allowed to an operator of a hotel. The Tax Foundation of Hawaii suggested that because of the unknown revenue impact that this measure may have, it may be well to restrict this initial exemption to specific types of crops. However, your Committee also received testimony from the Department of Taxation opposing this measure, citing their past opposition for selective tax preferences and loss of tax revenue.

Your Committee feels that the principle of equal treatment, as those given to hotel operators, should prevail and favors granting the exemption to orchard operators. Upon further consideration, your Committee has made the following amendments to this measure:

- (1) Separates the exemptions of hotel operators from the operators of orchard properties; and

- (2) Made technical nonsubstantive amendments for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3551, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3551, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 187-92 Agriculture on H.B. No. 3656

The purpose of this bill is to:

- (1) Appropriate an unspecified amount for fiscal year 1992-1993 to establish and carry out a public education program to prevent the introduction and establishment, as well as to publicize procedures for reporting and dealing with unwanted and harmful species of animals and plants; and
- (2) Add a new section to the Hawaii Revised Statutes on public education to the Plant and Non-Domestic Animal Quarantine law.

Representatives from the Department of Agriculture (DOA), the Hawaii Sugar Planters' Association, the National Audubon Society, and an individual submitted testimony in support of this measure. The testimony indicated that:

- (1) An alert and educated community is the most effective way to keep unwanted and harmful species of animal and plant out of Hawaii. Public vigilance will help the DOA to confiscate such species and penalize the violators; and
- (2) About \$60,000 would be needed to begin the development of a comprehensive public education program.

Your Committee believes that "prevention is the best cure" and feels that the proposed education program merits its full support. Accordingly, your Committee has amended this measure to to provide \$60,000 for the public education program.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3656, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3656, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 188-92 Agriculture on H.B. No. 3075

The purpose of this bill is to authorize search warrants to enter private property to capture or confiscate prohibited or restricted plants and animals.

Representatives from the Department of Agriculture (DOA), the Hawaii Sugar Planters' Association, and the National Audubon Society submitted testimony in support of this measure. The testimony indicated that:

- (1) Undesirable animals, plants, and insects have been brought into Hawaii; most of them brought in illegally and some by accident;
- (2) Even with further efforts to educate the public on the damages some of these unwanted species have caused, and will cause, there will be individuals who will flaunt the law and smuggle or import such illegal and harmful species into the State; and
- (3) In face of this situation and public clamor to prevent and control such illegal and accidental importation of these harmful species, the DOA currently lacks clear statutory authority to obtain search warrants to confiscate or capture these harmful species.

Your Committee strongly believes that a clear statutory authority is needed to protect the State from economic and environmental losses and to protect the welfare and health of its citizens.

Upon further consideration, your Committee has made the following amendments to this measure:

- (1) Underscored the new subsection to be added to the chapter; and
- (2) Made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3075, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 189-92 Agriculture on H.B. No. 3074

The purpose of this bill is to:

- (1) Authorize a limitation on the maximum amount of weed seed found in agricultural and vegetable seed offered for sale;
- (2) Prohibit the sale of agricultural and vegetable seed with false or misleading labels; and
- (3) Replace certain terms in the Seeds law for clarity.

The representative from the Department of Agriculture submitted testimony in support of this measure. The testimony indicated that the current Seeds law does not adequately protect the State in the areas covered by the proposed amendments. These amendments are proposed to correct the situation.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3074 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 190-92 Agriculture on H.B. No. 3073

The purpose of this bill is to:

- (1) Authorize the Board of Agriculture (BOA) to set, assess, and collect acreage assessments for irrigation projects; and
- (2) Establish the method and procedure by which any assessment delinquency may become a property lien.

The Department of Agriculture (DOA) submitted testimony in support of this measure. The testimony indicated that the amendments would transfer the irrigation project assessment and taxing authority currently vested in the State Director of Taxation to the BOA. This change would make the assessment and tax collection process (including liens) more efficient since the DOA administers all State irrigation systems.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3073 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 191-92 Agriculture on H.B. No. 3072

The purpose of this bill is to provide the Department of Agriculture (DOA) with continuing authority to transfer funds among the Agricultural Products Revolving Fund, the Agriculture Loan Revolving Fund, and the Aquaculture Loan Revolving Fund. The DOA's authority for transferring these funds expires on June 16, 1992.

The DOA submitted testimony in support of this measure. The testimony indicated that rather than seeking separate appropriations as the funds are depleted, the DOA could better manage the reserves in each fund if the agency has the authority to make the transfers before seeking a new appropriation for a depleted fund.

Your Committee believes that with this flexibility, the loans program would operate more efficiently with better and timely services to the loan applicants.

Upon further consideration, your Committee has made the following amendments to this measure:

- (1) Corrected a technical drafting error to provide the DOA with the authority to transfer funds (by adding the missing sunset sections of the statutes and bracketing the same sections to delete the sunset provisions); and
- (2) Made technical, nonsubstantive amendments to this measure for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3072, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 192-92 Agriculture on H.B. No. 2909

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to develop a transmission line to daily divert five million gallons of water to the Pohakuloa Military Camp and another fifteen million gallons to Waimea.

Representatives from the Department of Agriculture and the Department of Land and Natural Resources (DLNR) submitted testimony in support of this measure. The testimony indicated that:

- (1) The proposed project, on the Island of Hawaii, would transport surplus ground water from the wetter Hilo area to the drier Waimea area to irrigate agricultural lands which are currently dependent on surface water sources; and
- (2) The ground water would be transported through pipelines constructed over an unspecified distance. Pumping stations would be constructed to pump water uphill from Hilo. On the downhill flow to Waimea, two hydro-power generation units would be constructed to use the gravity flow force of water to generate about 4.7 megawatts of electricity.

While in agreement with the intent of this measure, your Committee believes that it does not have enough information on the proposed project to reach an informed decision. At this time a 4 million dollar appropriation for the route and soil surveys and preliminary design work can not be justified. Your Committee also notes that the title of this bill does not encompass the stated purpose, and recommends that the DLNR provide additional information on the project to the Committee on Finance. Upon further consideration, your Committee has amended Section 2 of this measure to reduce the appropriation to one dollar.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2909, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2909, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 193-92

Agriculture on H.B. No. 2546

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to support the promotion of fresh pineapple on a matching fund basis.

Representatives from the Department of Agriculture, the College of Tropical Agriculture and Human Resources, the Hawaii Farm Bureau Federation, and the Pineapple Growers Association of Hawaii (PGAH) submitted testimony in support of this measure. The testimony indicated that:

- (1) The pineapple promotion program (funded by the PGAH and the State on a matching fund basis) is a balanced marketing effort consisting of research, advertising, public relations, direct mail, special promotions, contests, and sampling and in-store demonstrations directed at consumers, wholesalers, retailers, and food service or restaurant industry;
- (2) The major marketing areas for fresh Hawaiian pineapple are on the West Coast of the U.S. Mainland and western Canada where Hawaiian pineapple holds a favorable market edge over other pineapple; but much more could be done to increase fresh Hawaiian pineapple purchases in comparison to the consumer's purchase of various other fruits. The new marketing program launched in Hawaii to develop the fresh pineapple take home business is an example of what could be done to attain this objective; and
- (3) Fresh pineapple production industry continues to be healthy and viable in Hawaii. All three companies (PPI Del Monte Tropical Fruit, Dole Foods, and Maui Pineapple Company) have shown confidence in the future for the fresh pineapple business.

This promotional assistance from the State on a matching basis was started in 1982. Your Committee feels that this effort has helped maintain stability and enabled the industry to continue its role as an important segment in the State's economy.

Your Committee on Agriculture 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 Representative Tajiri.

SCRep. 194-92

Agriculture and Higher Education and the Arts on H.B. No. 2936

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to support the Agricultural Leadership Program. This program, supported by the State in the past, functions under the Agricultural Leadership Foundation of Hawaii (ALFH), to teach and develop human relations and business skills to farmers and others in the agribusiness community. The College of Tropical Agriculture and Human Resources (CTAHR) maintains overall control and coordination of the program.

Representatives from the CTAHR, the ALFH, the Maui Tropical Plantation, the Kahua Meat Company, and the Hawaiian Host, Inc., and two individuals submitted testimony in support of this bill. The testimony indicated that:

- (1) Agricultural problems can be better solved by training and developing competent leaders;
- (2) Strong leadership ensures that agriculture remains a vital and growing segment of the State's economy; and
- (3) Members of the previous classes have successfully moved into leadership positions in the agricultural community, and attest to the success of this program.

Upon further consideration, your Committees have made technical, nonsubstantive amendments to the bill for the purpose of style and clarity.

Your Committees on Agriculture and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2936, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2936, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 195-92**Planning and Economic Development on H.B. No. 3413 (Majority)**

The purpose of this bill is to treat wholesalers of services in the same manner as wholesalers of goods and products under the General Excise Tax, by minimizing the pyramiding of taxes on such services.

Wholesalers of tangible goods and products in the State of Hawaii are assessed a .5% excise tax on their goods and products, which are then sold to retailers who are assessed an additional 4% excise tax. The result is that the consumer is left to pay a 4.5% tax on goods and products. However, wholesalers of services are assessed a 4% excise tax. Coupled with an additional 4% excise tax assessment on the taxpayer engaged in business who ordered or requested the service, the consumer is left with what is in essence an 8% excise tax.

Your Committee amended this bill to clearly restrict application of the .5% excise tax to wholesalers of services who is engaged in business, and the other taxpayer charges another person for the same service. Your Committee has also made technical non-substantive amendments to this bill for the purpose of style and clarity.

Testimony was received from the National Federation of Independent Business and the Chamber of Commerce of Hawaii in support of this bill. However, the Department of Taxation's definition of a service wholesaler did not take into consideration the restrictions provided by the amendments to this bill. At the present time, the Department of Taxation is determining the tax consequence to the State for wholesalers of services rendering services at the order or request of another taxpayer engaged in business for which the other taxpayer charges another person for the same service.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 3413, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3413, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.
(Representative Say did not concur.)

SCRep. 196-92**Planning and Economic Development on H.B. No. 2433**

The purpose of this bill is to require that public contracts be awarded to the lowest bidder, only if the bidder's quality of work and timeliness in performance under previous contracts are of consistent acceptability.

Your Committee received testimony in support of the measure from the Department of Accounting and General Services. Your Committee finds from the testimony that bidders whose performance has not been acceptable should be denied the opportunity to bid before incurring bidding costs. Your Committee also adopted the recommendation by the Department of Accounting and General Services that section 103-25, Hawaii Revised Statutes, is the correct placement for this amendment and not 103-32, Hawaii Revised Statutes.

Accordingly, your Committee has amended the bill to bar bidding by contractors whose performance on previous contracts has not been acceptable.

Your Committee amended section 1 of the bill to delete section 103-32, Hawaii Revised Statutes, and substitute section 103-25, and include two paragraphs relating to the qualification of bidders which relates to the title of the bill which refers to public contracts.

Your Committee on Planning and Economic Development 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 referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Say and Tajiri.

SCRep. 197-92**Planning and Economic Development on H.B. No. 2784**

The purpose of this bill is to authorize the director of any department to waive the requirement for competitive award of public contracts.

Under present law the Department of Education is required to construct off-site improvements as a condition to the issuance of any county permit relating to the construction, renovation and repair of its school facilities. This requirement imposed by the counties have hampered the Department of Education's efforts in making very critically needed repairs to its school facilities in a timely and cost efficient manner.

Your Committee adopted the recommendation of the Department of Accounting and General Services by amending section 1 of the bill to delete the existing language and substitute new language exempting governmental agencies from

complying with any requirement imposed by a county to construct off-site improvements as a condition to the issuance of any county permit relating to the construction, renovation and repair of school facilities contracted for under a public contract pursuant to Chapter 103 of the Hawaii Revised Statutes.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 2784, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2784, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 198-92**Planning and Economic Development on H.B. No. 3246**

The purpose of this bill is to amend subsection (a) of section 103-10 of the Hawaii Revised Statutes to enable State employees to receive 12 per cent interest on work-related expenses not reimbursed within 30 days.

Your Committee received testimony in support of the measure from Hawaii Government Employees Association.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 3246 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 and Tajiri.

SCRep. 199-92**Planning and Economic Development and Labor and Public Employment on H.B. No. 3127**

The purpose of this bill is to amend chapter 210D of the Hawaii Revised Statutes to give the Director of the Department of Business, Economic Development and Tourism authority to employ staff to develop and operate the Community-Based Economic Development Program without regard to the Civil Service Law and Compensation Law.

Your Committee received testimony in support of the measure from the Director of the Department of Business, Economic Development and Tourism.

Your Committee has adopted the recommendation of the Director of the Department of Business, Economic Development and Tourism by amending the bill to permit the one-time transfer of up to \$1.5 million to the Community-Based Economic Development Program from the Large Fishing Vessel Loan Revolving Fund.

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

Your Committees on Planning and Economic Development and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 3127, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3127, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Tajiri.

SCRep. 200-92**Intergovernmental Relations and International Affairs on H.B. No. 3215**

The purpose of this bill is to allow county fire chiefs to inspect all State buildings and to enforce laws relating to protection from fire loss. Specifically, this measure authorizes each county fire chief to:

- (1) Serve an order on the State to correct fire code violations in State buildings; and
- (2) Impose an administrative fine of no more than \$1,000 for each day a violation persists for any state building for which the fire chief has determined a clear and immediate danger exists.

Your Committee received testimony supporting the intent of this measure from the State Fire Council.

While county fire inspectors may inspect private buildings, as well as fine and cite violators for dangerous fire hazards in private buildings, inspectors are authorized only to inspect State buildings and to issue reports based on those inspections. Your Committee was astonished to learn that fire inspectors lack the authority to enforce fire safety violations in State buildings.

Your Committee expresses shock and dismay that State buildings, including public school buildings that house Hawaii's youth, are exempt from conforming to even the bare minimum fire safety standards. The safety of all those who work, use, or visit state buildings could be in jeopardy because of possible deficiencies in fire safety standards in these buildings.

To safeguard the safety and welfare of Hawaii's citizens, your Committee believes that the State Model Fire Code should be the minimum safety standard in Hawaii. Various complex issues must be considered to accomplish this objective. Therefore, your Committee recommends that when the Committee on Judiciary considers this bill, it will consider making necessary amendments.

Based on the recommendations of the State Fire Council, your Committee has made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3215, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3215, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 201-92 Intergovernmental Relations and International Affairs on H.B. No. 3875

The purpose of this bill is to amend Section 235-2.4, Hawaii Revised Statutes, to extend Section 1034 of the Internal Revenue Code (Section 1034) to employees of federal law enforcement agencies in Hawaii who are subject to transfer at the direction of the United States government.

Section 1034 provides that if property used as a taxpayer's principal residence is sold and, within a specified period, new property is purchased and used by the taxpayer as the taxpayer's principal residence, any gain from the sale is recognized only to the extent that the taxpayer's adjusted sales price of the old residence exceeds the taxpayer's cost of purchasing the new residence. In effect, the taxpayer can defer the payment of taxes on capital gains realized as a result of selling the taxpayer's principal residence when proceeds from the sale are rolled over into a purchase of a replacement residence of equal or greater value.

Act 207, Session Laws of Hawaii 1991, extended this federal tax deferral benefit to taxpayers, serving on extended active duty with the armed forces of the United States at the time of the sale of the old residence, on the State level.

This measure extends the same benefit to members of federal law enforcement agencies because your Committee feels that they, like members of the military, provide an invaluable service in ensuring the public safety of the people of Hawaii. In addition, this measure would provide tax relief to federal law enforcement employees who are subject to involuntary transfers that are often unpredictable and economically burdensome.

Your Committee received testimony from the Department of Taxation, the Tax Foundation of Hawaii, and the United States Secret Service.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3875 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 202-92 Intergovernmental Relations and International Affairs on H.B. No. 3941

The purpose of this bill is to require public hearing notices for development agreements to be advertised in newspapers, posted near affected property, and mailed to adjacent property owners.

Testimony supporting the intent of this measure was submitted by the Land Use Research Foundation of Hawaii.

Your Committee finds that this measure would improve the notification process with regard to proposed developments to ensure that the public has an opportunity to participate in public hearings on development agreements.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3941 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 203-92 Intergovernmental Relations and International Affairs on H.B. No. 2808

The purpose of this bill is to streamline and clarify the authority of counties to impose or eliminate requirements for auctions, pawnbrokers, secondhand dealers, and scrap dealers licenses.

Your Committee finds that this measure implements the recommendations of the Legislative Auditor's report, Sunset Evaluation Report: Auctions, Pawnbrokers, Secondhand Dealers, and Scrap Dealers. This report recommended that auctions, pawnbrokers, secondhand dealers, and scrap dealers be removed from the sunset schedule and that the counties be allowed to license the businesses.

Your Committee received testimony from the Acting State Auditor supporting the intent of this measure.

Upon further consideration, your Committee has amended this measure to ensure that only auctions, pawnbrokers, secondhand dealers, and scrap dealers would be regulated by the counties.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2808, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2808, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 204-92**Intergovernmental Relations and International Affairs on H.B. No. 2479**

The purpose of this bill is to exempt sheriffs and deputy sheriffs of the Department of Public Safety from all state and county parking meter fees and all other municipal time parking restrictions while in the performance of their official duties, including attendance at court in an official capacity.

Your Committee received testimony from the Department of Public Safety and the Department of Accounting and General Services in favor of the intent of this bill.

The Department of Accounting and General Services recommended that the parking exemption apply only to municipal facilities under the jurisdiction of the counties because if parking lots under the control of the Comptroller are affected, the State Parking Control Program would be adversely affected.

Upon further consideration, your Committee has amended this bill to:

- (1) Ensure that this measure would only affect municipal parking facilities under the jurisdiction of the counties;
- (2) Delete reference to "sheriffs" and "deputy sheriffs" and insert instead "special service deputies"; and
- (3) Ensure that this parking exemption applies only to law enforcement vehicles used while the special service deputies are on duty.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2479, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 205-92**Education on H.B. No. 2619**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for textbooks and equipment for public schools.

Your Committee recognizes the importance of distributing textbooks and other educational resource and equipment in a timely and efficiently manner to ensure that the learning needs of Hawaii's public school students are met. Your Committee also notes that implementation of the Financial Management System of the Department of Education (DOE) is intended to support all of the purchase order, payment, and cash receipts processing for more than 323 schools and offices of the DOE.

The DOE and the Hawaii State Teachers Association testified in support of this measure.

Accordingly, your Committee has amended the bill by inserting the appropriation amount of \$3,000,000 for fiscal year 1992-1993 for textbooks and equipment.

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.

SCRep. 206-92**Higher Education and the Arts on H.B. No. 1715**

The purpose of this bill, as received by your Committee, is to establish a separate Board of Regents and President for a new institution of higher education to be entitled "Hawaii State University" that incorporates the University of Hawaii-Hilo (UH-Hilo).

Your Committee has amended the bill by deleting the substance and inserting new materials, the purpose of which is to require the Legislative Reference Bureau to conduct a study that evaluates and examines:

- (1) The effects of retaining UH-Hilo as part of the UH system and exploring alternatives to improve the current status and condition of the existing UH-Hilo; and
- (2) The feasibility and effects of establishing UH-Hilo as an independent institution that is separate from the University of Hawaii (UH) system.

Your Committee finds that a considerable sector of the Big Island community, and organizations and individuals affiliated with University of Hawaii-Hilo (UH-Hilo) are frustrated with the current condition, status, and quality of education at the UH-Hilo campus. Moreover, other individuals and groups are also frustrated with the funding priorities, communication, cooperation, and overall relationship between UH-Hilo and the rest of the UH system, particularly the UH-Manoa campus. Two proposals have been suggested to improve the condition and standing of UH-Hilo with regard to higher education in the State and the Big Island community.

To come to an effective decision about the the future of UH-Hilo, several factors must be considered, such as:

- (1) The advantages and disadvantages for an independent UH-Hilo or for remaining as part of the UH system;
- (2) The economic impact of UH-Hilo to the Big Island economy;
- (3) The future growth of UH-Hilo and its anticipated impacts on the Big Island community;
- (4) The line of communication, cooperation, and coordination between UH-Hilo and the rest of the UH system; and
- (5) Strategies to improve the quality of education, status, and condition of UH-Hilo both within and outside of the UH system.

Your Committee believes that the study to be undertaken by LRB to look primarily at the two proposals recommended to the Legislature to improve by retaining UH-Hilo within the existing UH system or to establish an autonomous UH-Hilo would help to clarify, inform, and direct lawmakers, students, faculty, administration, and the community at-large as to the most effective alternative to support for the benefit of UH-Hilo.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1715, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1715, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Lee and O'Kieffe.

SCRep. 207-92

Higher Education and the Arts on H.B. No. 3578

The purpose of this bill is to increase the funds in the Hawaii Opportunity Program in Education (HOPE) special fund by specifying that for fiscal years 1990-1992 and 1991-1992, \$1,000,000 of the tuition collected by the University of Hawaii (University), and for each fiscal year from 1992-1993 through 1999-2000, \$2,000,000 of the tuition collected by the University, shall be deposited in the State Treasury to the credit of the HOPE special fund.

Your Committee recognizes the importance of providing educational incentives and financial and other assistance programs to motivate, encourage, and provide opportunities to students to pursue a higher education. Financial and educational assistance programs like HOPE are intended to open "doors of opportunity" to a significant segment of Hawaii's population, particularly to financially needy students.

Your Committee further recognizes that financial incentives, coupled with continuous educational and learning support activities and positive reinforcement from an early age, are significant factors to lifelong learning. HOPE, a collective partnership between the University and the Department of Education, seeks to motivate students to pursue an education beyond high school by encouraging and motivating students for college and the university, starting in grade school.

In light of the significant amount of moneys from tuition that are set aside for HOPE, other higher learning financial assistance programs as well as community efforts to generate funds for higher education must be examined. In addition, your Committee notes that a greater segment of Hawaii's financially needy and underrepresented University student population would be assisted if additional HOPE funds were generated through federal government and/or private agency contributions.

The University of Hawaii submitted testimony in strong support of the bill.

Accordingly, your Committee has amended the bill by:

- (1) Reducing the amount of tuition collected by the University for each fiscal year from 1992-1993 through 1999-2000 for deposit in the State Treasury to the credit of the HOPE special fund from \$2,000,000 to \$1,000,000;
- (2) Requiring that funds appropriated each fiscal year to the HOPE special fund be matched by federal and/or private funds, and that any funds not matched by the end of that fiscal year be returned to the general fund of the State; and
- (3) Specifying that the Board of Regents submit a report concerning tuition waivers for students to the Legislature at least twenty days prior to the convening of the 1993 Regular Session.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3578, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3578, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Lee and O'Kieffe.

SCRep. 208-92

Higher Education and the Arts on H.B. No. 2934 (Majority)

The purpose of this bill is to encourage individuals to save for their children's education by providing an income tax deduction for taxpayers of up to \$2,000 for contributions to an educational savings trust. Beneficiaries of the trust would not be taxed on the income of the trust until the amounts in the trust are distributed. However, when the beneficiary reaches the age of 26, any undistributed amounts from the trust shall be distributed and subject to tax.

The University of Hawaii and several individuals testified in support of this bill. Among the general concerns raised by the Department of Taxation and the Tax Foundation of Hawaii were the following:

- (1) There are no penalty or enforcement measures to ensure compliance;
- (2) A beneficiary may avoid taxation under certain circumstances; and
- (3) The trust may not provide the necessary financing for every family.

Upon further consideration, your Committee has amended this bill to tax the contributor to the educational savings trust instead of the beneficiary. Technical amendments were also made for the 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. 2934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2934, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Lee and O'Kieffe.
(Representative Taniguchi did not concur.)

SCRep. 209-92 Higher Education and the Arts and Water, Land Use, and Hawaiian Affairs on H.B. No. 2754

The purpose of this bill is to:

- (1) Establish a State History Center within the Department of Accounting and General Services, which shall contribute to the development of activities that collect, conserve, preserve, develop, and share artifacts, exhibits, information, and other material about Hawaii's multi-ethnic history;
- (2) Create a Governor-appointed five-member board to formulate policy and exercise control over the center for its administration and operation;
- (3) Formulate a Governor-appointed twenty-five member advisory council representing each of the islands to provide advice and input concerning center operations and plans, recommend new activities and directions, and evaluate the center's service to Hawaii's community groups; and
- (4) Appropriate funds for fiscal year 1992-1993 to carry out the purposes of the Act.

Your Committees recognize the importance of preserving, sharing, and perpetuating Hawaii's rich multi-cultural history and island heritage for the community. Efforts to establish a repository to collect, document, and research artifacts, records, exhibits, information, and other material about Hawaii's multi-ethnic history would serve as a great cultural resource and asset to our State.

The State Foundation on Culture and the Arts, Hawaii State AFL-CIO, Maui Historical Society, Grove Farm Homestead, Waioli Mission House, the Filipino Historical Society of Hawaii, the Filipino Coalition for Solidarity, Inc., and other interested individuals and organizations testified in support of the bill. Your Committees also received testimony from the Hawaii Museums Association, Alexander & Baldwin Sugar Museum, the Mission Houses Museum, and Kauai Museum Association, Ltd.

Accordingly, your Committees have amended the bill by:

- (1) Increasing the number of members of the executive board from five members to eight members;
- (2) Specifying the composition, the term(s) of service of each member and the meeting requirements of the executive board;
- (3) Stipulating that the members of the advisory council shall serve for three-year terms;
- (4) Specifying that initial appointments to the advisory council shall include ten members serving for three years, eight members serving for two years, and seven members serving for one year, beginning July 1, 1992;
- (5) Eliminating the requirement that the State History Center maintain and develop databases on Hawaii's history and on artifacts from Hawaii's past, and serve as a clearinghouse of information;
- (6) Amending the functions of the State History Center; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Higher Education and the Arts and Water, Land Use, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 2754, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2754, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Morihara.

SCRep. 210-92 Higher Education and the Arts and Education on H.B. No. 2352

The purpose of this bill is to extend the coverage of the law against terroristic threatening to include employees of the University of Hawaii, private secondary schools, and private colleges and universities. The current law provides coverage only for Department of Education employees.

Testimony in support of this measure was given by the University of Hawaii, Department of Education, Brigham Young University-Hawaii, Hawaii Association of Independent Schools, and private individuals.

Your Committees have amended this bill by including the University of Hawaii's civil service and blue collar employees in the definition of an educational worker.

Your Committees on Higher Education and the Arts and Education are in accord with the intent and purpose of H.B. No. 2352, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2352, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 211-92 Tourism; Labor and Public Employment; and Education on H.B. No. 2783 (Majority)

The purpose of this bill is to make permanent the successful visitor industry pilot projects developed by the Tourism Training Council in the Department of Labor and Industrial Relations in Waipahu and Farrington High Schools and expand the program to include the neighbor island counties.

Your Committee received testimony in support of this bill from the Department of Labor and Industrial Relations, the DLIR Tourism Training Council, the Department of Education, the Hawaii Hotel Association, and the Maui Hotel Association.

Your Committee finds that the temporary visitor industry practicums made permanent in this bill would serve to maintain Hawaii's competitiveness in the international tourism arena and that their integration of academic and vocational learning and use of applied learning makes for greater student achievement.

Your Committees on Tourism and Labor and Public Employment and Education are in accord with the intent and purpose of H.B. No. 2783 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.
(Representative Ward did not concur.)

SCRep. 212-92 Tourism and Higher Education and the Arts on H.B. No. 2383

The purpose of this bill is to increase the executive and management-level education and training available to Hawaii residents by appropriating funds to the University of Hawaii for travel industry management courses on the neighbor islands.

Your Committee received testimony in support of this resolution from the University of Hawaii School of Travel Industry Management, the Tourism Training Council of the Department of Labor and Industrial Relations, the Hawaii Visitors Bureau, the Maui Hotel Association, and the Hawaii Hotel Association.

Your Committee finds that Hawaii's strong visitor industry has created numerous jobs at all levels and will continue to do so in coming years, particularly on the neighbor islands, where most new resorts are built. The increased management education will reduce the industry's reliance on out-of-state personnel and improve the opportunities available to neighbor island residents.

Your Committee amended the bill by adding a provision that the expending agency, the University of Hawaii, shall consult with the Department of Labor and Industrial Relations Tourism Training Council, the agency that conducted the previous phase of this program.

Your Committees on Tourism and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2383, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2383, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 213-92 Tourism and Higher Education and the Arts on H.B. No. 2534

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to assist in developing, operating and maintaining the Waipahu Cultural Garden Park.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Friends of Waipahu Cultural Garden Park, and the Hawaii Hotel Association.

Your Committee finds that Waipahu Cultural Garden Park has great potential as a visitor attraction for both tourists and residents, providing great insight into the colorful history and uniquely multi-ethnic culture of Hawaii.

Your Committee amended the bill by adding a provision that developing may include promotion and marketing.

Your Committees on Tourism and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2534, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2534, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 214-92

Tourism and Health on H.B. No. 3673 (Majority)

The purpose of this bill is to require that cruise ships provide a non-smoking area in its dining area.

Your Committees received testimony in support of this bill from the Department of Health, the American Cancer Society, and the American Lung Association.

Your Committees find that this bill would help safeguard the health of tourists and residents dining on cruise ships.

Your Committees on Tourism and Health are in accord with the intent and purpose of H.B. No. 3673 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees.
(Representatives M. Ige and Peters did not concur.)

SCRep. 215-92

Tourism on H.B. No. 2580

The purpose of this bill is to amend the Hawaii Revised Statutes to remove references to a convention center at the International Market Place and direct the Waikiki Convention Center Authority to explore other sites, and amend Act 96 of the Session Laws of Hawaii, 1988, to extend the term of the authority.

Your Committee received testimony from the City and County of Honolulu Department of General Planning, Donald Bremner, and testimony in support of this bill from the Department of Business, Economic Development and Tourism, the Waikiki Convention Center Authority, the Hawaii Visitors Bureau, the Chamber of Commerce of Hawaii, Waikiki Improvement Association, the New Otani Kaimana Beach Hotel, Aston Hotels and Resorts, the Hawaii Convention Park Council, Pomare, the Hawaii Restaurant and Licensed Beverage Associates, HTH Corporation, and the Hawaii Hotel Association.

Your Committee finds that business travelers tend to spend more money and stay longer. Greater numbers of business travelers will reduce Hawaii's dependence on the more volatile pleasure travel market.

Conventions bring in large numbers of these business travelers and many other resort areas are building and expanding their convention facilities. National and international organizations, however, will not even discuss having a convention in Hawaii without an adequate convention center.

Your Committee further finds that the withdrawal of the International Market Place convention center proposal by the developer requires that the state renew its search for a convention center site. The convention center authority should conduct a statewide search, not restricted to any one area, and considering all lands: public lands, private lands, and private lands dedicated to the state. Furthermore, the authority should discuss with the City and County of Honolulu and First Development Inc. the possibility of providing assistance to the planning, development and operation of the proposed convention center at the Aloha Motors site, including the possibility of upgrading the project to a permanent world-class convention center.

Your Committee made the following changes to the bill:

- (1) Removing the purpose section;
- (2) In Section 206X-1, adding "world-class" to describe the convention center facility and adding emphasis to the statewide scope of the site search;
- (3) Changing the "Waikiki convention center," "Waikiki convention center authority," "Waikiki convention center district" and "Waikiki convention center development revolving fund," to "convention center," "convention center authority," "convention center district" and "convention center development revolving fund" throughout Chapter 206X, the convention center law;
- (4) Removing the project-specific requirements regarding condominium and hotel units, floor space for certain uses, the specific relocation amounts, and other factors in the convention center law; and
- (5) Adding a requirement that in its report to the 1993 Legislature on recommended sites, the convention center authority also make recommendations on the convention center floor space and other criteria.

Your Committee on Tourism 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.

SCRep. 216-92**Labor and Public Employment on H.B. No. 2980**

The purpose of this bill is to amend the Workers' Compensation Law by adding a new section that would enable an injured employee to seek vocational rehabilitation services in limited situations for a period of four years after the employee has been awarded permanent partial disability compensation and returned to work.

Under present law and practice an injured employee's entitlement to vocational rehabilitation services ceases upon a determination that the work injury has resulted in permanent partial disability. This bill proposes to continue the entitlement to such services for four years after a return to work, if the employee's job is changed and he is unable to perform the job because of the disability or the job is eliminated within such time.

Your Committee agrees that in the situations described above, the injured employee should be allowed to enroll in a vocational rehabilitation program. This would be consistent with a goal of the Workers' Compensation Law "to restore an injured worker's earning capacity as nearly as possible to that level which the worker was earning at the time of injury . . ."

At the hearing conducted by your Committee the director of Labor and Industrial Relations supported the bill but recommended that it be clarified in one respect. Your Committee has accepted his recommendation and amended the bill to extend the entitlement only where the return to work is with the employer who was the employer at the time of injury.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2980, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2980, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 217-92**Labor and Public Employment on H.B. No. 3703**

The purpose of this bill is to amend the Workers' Compensation Law so that all workers whose work injuries result in permanent partial disability will receive compensation therefor in similar amounts for similar disabilities.

Under present law there are discrepancies in the compensation payable for permanent partial disability because the law recognizes two types of permanent partial disabilities or losses and provides a different basis for computing the compensation payable for each type. Where the disability or loss is a "scheduled" one, i.e. one named in the schedule of losses delineated in section 386-32 like the loss of an arm, leg, or other limb or part of the body, the injured worker is entitled to "a weekly benefit at the rate of sixty-six and two-thirds per cent of the worker's average weekly wages, subject to the limitations on weekly benefit rates prescribed in section 386-31, for the period named in the schedule" for the particular loss. Where the disability is a "non-scheduled" one, i.e. one "in which the permanent partial disability must be rated as a percentage of total loss or impairment of physical or mental function of the whole man the maximum compensation (is) computed on the basis of the corresponding percentage of the product of 312 times the effective maximum weekly benefit rate prescribed in section 386-31."

Thus, an injured employee who loses a thumb is now entitled to permanent partial disability compensation at 66-2/3 per cent of his average weekly wages for the period named in the schedule for such loss, 75 weeks. If his average weekly wages at the time of injury were \$300, the compensation would be \$200 x 75 or \$15,000. If he happened to be a high-wage employee entitled to weekly benefits at the effective maximum rate, the compensation would be \$437 x 75 or \$32,775. Where two employees with different average weekly wages sustain similar non-scheduled disabilities, however, there would be no discrepancy in the receipt of compensation. A low-wage employee who has suffered a 10% of the "whole person" disability would receive exactly what a high-wage employee with the same disability would receive, 31.2 x \$437 or \$13,634.40.

The proposed amendment to the Workers' Compensation Law would provide the same consistent monetary basis for computing compensation for "scheduled" disabilities that is now provided for "non-scheduled" disabilities, i.e. the effective maximum weekly benefit prescribed by section 386-31. Its enactment would assure that all workers whose work injuries result in permanent partial disability would be treated equally and indemnified in similar amounts for similar disabilities.

The director of Labor and Industrial Relations acknowledged that the enactment of this measure "will result in a greater equality of awards for the same injuries." But he recommended that all compensation for permanent partial disability continue to be paid in weekly installments at the rate of sixty-six and two-thirds per cent of the injured worker's average weekly wages, subject to the maximum prescribed in section 386-31. Your Committee has accepted the director's recommendation and has amended the bill to so provide. Although there would be equality in the total compensation payable for permanent partial disability, the payment of benefits to some employees would be made over longer periods.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3703, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 218-92**Labor and Public Employment on H.B. No. 3469 (Majority)**

The purpose of this bill is to amend the Hawaii Employment Security Law so that claimants who are disqualified for unemployment insurance benefits because they left work voluntarily, were discharged for misconduct, or failed to apply for or accept suitable work can qualify for benefits after serving fixed periods of disqualification.

Under present law an individual who left work voluntarily without good cause, was discharged for misconduct connected with work, or failed without good cause either to apply for available and suitable work when directed to do so by the Department of Labor and Industrial Relations or to accept suitable work when offered is disqualified for benefits until he has earned wages in covered employment equal to five times his weekly benefit amount. This bill proposes to delete the foregoing requalification requirement and impose instead a six-week disqualification period when a claimant is denied benefits for any of the reasons above.

From its enactment in 1939 and for nearly four decades thereafter, the Employment Security Law imposed durational disqualifications on claimants who were denied benefits for the foregoing reasons. The maximum disqualification period was related to data furnished by the federal Bureau of Labor Statistics on how long it took an unemployed person to find work. The policy of the law was not to extend disqualification beyond this because the claimant's continued unemployment could well be attributed to the state of the economy and conditions in the labor market.

The requalification requirement was enacted in 1976 as part of an effort to replenish a depleted unemployment compensation fund. But the requirement can be an unduly harsh penalty when jobs are scarce and even a diligent search for work by an unemployed person would not be likely to result in new employment and earned wages in an amount sufficient to requalify him for benefits. Your Committee agrees that a return to the policy of not penalizing claimants for unemployment attributable in large part to the state of the economy is now in order. The unemployment compensation fund has been replenished, measures have been taken to prevent a recurrence of what happened in 1976, and the country is now in the throes of a recession.

The Department of Labor and Industrial Relations agreed with the general intent of the bill to mitigate existing disqualification provisions. It deemed the return to the prior policy "particularly significant during recessionary periods when an individual's unemployment is prolonged due to prevailing economic conditions." The Department, however, raised three concerns:

- (1) The bill did not comply with relevant provisions of the Federal Unemployment Tax Act;
- (2) The proposed durational disqualification period was not consistent with data compiled by the Bureau of Labor Statistics on the average length of time it takes for an unemployed person to secure new employment; and
- (3) Durational disqualifications were inappropriate in cases where the claimant's flagrant misconduct caused the discharge and where the claimant's actions prolonged his unemployment.

Your Committee has addressed each of these concerns and amended the bill in accord with the Department's suggestions. The present requalification requirement has been retained for cases involving gross misconduct and failure to apply for or accept suitable work. In cases of voluntary leaving of work and discharge for ordinary misconduct, disqualified claimants will be subject to durational disqualifications of seven weeks. But requalification through the receipt of wages in covered employment has been retained as an alternative means for these claimants to purge themselves of disqualification. And the conformity problem has been dealt with by the inclusion of statutory language offered by the Department.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3469, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 219-92

Labor and Public Employment on H.B. No. 2755

The purpose of this bill is to effect the following changes to the Hawaii Public Employees Health Fund Law to:

- (1) Permit the exclusive representative of a collective bargaining unit to request that all members of the bargaining unit be limited to participation only in the employee organization's group life benefit program or group life insurance program; and
- (2) Require, in such cases, that the Health Fund transmit to the exclusive representative an amount equivalent to the monthly contribution for all employees of that bargaining unit; provided that any bargaining unit employee who declines to participate in the employee organization's group life benefit program or group life insurance program shall not be allowed to participate in the Health Fund's group life insurance plan and the monthly contribution for that employee shall be returned to the Health Fund.

Your Committee finds that the State's collective bargaining law provides as a mandatory subject of collective bargaining the amount of contributions by the State and the counties to the Health Fund for group life insurance benefits. Existing law limits the role of exclusive representatives in this process. This measure would enable the collective bargaining units to aggressively pursue, develop, and design a group life insurance plan and benefit levels that meet the needs of their members.

Testimony was submitted by the Hawaii Public Employees Health Fund and the United Public Workers.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2755 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 220-92**Labor and Public Employment on H.B. No. 3603**

The purpose of this bill is to require the Governor to appoint a retiree of the Employees' Retirement System to serve on the Board of Trustees of the System with the advice and consent of the Senate.

Your Committee finds that Hawaii's retirees have a continuing interest in the management of their retirement system and that providing for the participation of a retiree member of the Board would be beneficial to all members.

In addition, the composition of the Board of Trustees of the Employees' Retirement System should reflect the System's constituency as closely as possible. With the large number of retirees in the State, this measure would ensure that retirees are properly represented.

Testimony was submitted by the Employees' Retirement System.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3603 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 221-92**Labor and Public Employment on H.B. No. 3467**

The purpose of this bill is to amend Hawaii's private and public sector employment relations laws to make the permanent replacement of employees who lawfully engage in strikes an unfair labor practice under the private sector law and a prohibited practice under the public sector law.

Chapter 377 and Chapter 89 of the Hawaii Revised Statutes grant employees within their respective jurisdictions the right to form, join, or assist labor or employee organizations for purposes of collective bargaining and the right to engage in lawful concerted activities to further such purposes. A strike is a lawful concerted activity; it is a temporary work stoppage to support collective bargaining demands. This bill proposes to prohibit the permanent replacement of striking employees or the grant of employment preference to their temporary replacements at the conclusion of a strike.

Hawaii's employment relations laws provides that wages and other working conditions are to be set through the collective bargaining process. The process can only be a fair and effective means for determining conditions of employment if there is a balance of power between negotiating parties, and employees must be able to engage in lawful concerted activities, including a strike, to support their collective bargaining demands if the desired balance is to be maintained. The laws, therefore, grant employees a right to engage in such activities. But the right to strike would be more illusory than real if employees could only exercise the right to stop work temporarily at the risk of being permanently replaced.

Your Committee agrees that where employees have been granted the right to engage in lawful concerted activities, they should be able to exercise the right without fear of permanently losing their jobs.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3467 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 222-92**Labor and Public Employment on H.B. No. 3051**

The purpose of this bill is to amend the Occupational Safety and Health law by increasing State civil and criminal penalty levels.

The amendments will change penalty amounts in order to reflect the existing federal maximums, set by the Section 17 amendment of the Omnibus Reconciliation Act of 1990. This increased civil penalties by seven times for employers in violation of Chapter 386 standards, rules and regulations.

A maximum penalty of \$7,000 will be assessed for serious, failure to abate, and posting violations. A maximum penalty of \$70,000 and minimum of \$5,000 will be assessed for willful and repeat violations.

The Occupational Safety and Health Act of 1970 requires that State-Plan States (Hawaii) must provide for standards of enforcements that is "at least as effective" as federal OHSA's program. Failure to conform with federal standards will result in OSHA initiating a plan of withdrawal action.

Favorable testimonies were submitted by the Department of Labor and Industrial Relations and the U.S. Department of Labor Occupational Safety and Health Administration.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3051 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 223-92**Labor and Public Employment on H.B. No. 3053**

The purpose of this bill is to increase the percentage used for calculating the temporary disability Insurance weekly benefit amount from 55 to 58 percent of the average weekly wage. The effective date of this measure applies to disabilities occurring after June 30, 1992 to ensure the proper administration of this increase.

Your Committee finds that since the inception of the temporary disability insurance Law, the calculation of the weekly benefit amount has corresponded with the Employment Security Law. With the passage of Act 68, Session Laws of Hawaii 1991, the Employment Security Law's calculation of the weekly benefit amount increased by three percent effective January 1, 1992.

This measure would bring the basis for calculating the weekly benefit amount for Temporary Disability Insurance in line with the basis used by the Employment Security Law.

Your Committee received testimony from the Department of Labor and Industrial Relations and the Chamber of Commerce of Hawaii.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3053 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 224-92**Labor and Public Employment on H.B. No. 2463**

The purpose of this bill is to appropriate funds for eight additional positions, operating costs, and equipment for the Hawaii Civil Rights Commission to investigate the backlogged cases and the large number of new complaints.

The Hawaii Civil Rights Commission was established to set a uniform procedure for the enforcement of the State's discrimination laws in employment, real estate transactions, public accommodations, and access to State and State-funded services.

This measure would enable the Commission to better fulfill its purpose of enforcing Hawaii's discrimination laws. Increasing the number of positions would promote greater efficiency, decrease employee burnout, and prevent new complaints from going unassigned.

Testimony supporting the intent of this measure was submitted by the Department of Labor and Industrial Relations and the Hawaii Civil Rights Commission. Testimony in opposition to this measure was submitted by the Chamber of Commerce of Hawaii.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2463 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 225-92**Labor and Public Employment on H.B. No. 3396**

The purpose of this bill is to grant permanent status to 12 Hawaii Civil Rights Commission ("Commission") employees who have been occupying permanent, civil service positions on a temporary, exempt basis.

Your Committee finds that Act 299, Session Laws of Hawaii 1990, and Act 296, Session Laws of Hawaii 1991, provided funding for these 12 positions that are permanently assigned to the Commission.

Section 368-3, Hawaii Revised Statutes, requires that investigators and support staff assigned to the Commission be civil service employees. However, to meet the legislative deadline of December 31, 1990, when enforcement jurisdiction was transferred from other state agencies to the Commission, 12 of the persons employed to fill civil service positions were hired on an exempt basis for limited terms. This exemption was justified because the Commission needed time to classify these positions subject to civil service procedures, to complete organization, to adopt rules, and to set up its operations.

The Commission has invested considerable resources in training these 12 employees regarding the laws, investigating skills, processing of cases, clerical handling of cases, screening complaints, and maintenance of the Commission's internal and federally-linked computer information system. Your Committee finds that it would create a hardship to the Commission and the State's civil rights enforcement efforts if these employees are not granted permanent status.

Your Committee received testimony in support of this measure from the Hawaii Civil Rights Commission.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3396 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 226-92**Labor and Public Employment on H.B. No. 3052**

The purpose of this bill is to replace subjective requirements for elevator safety inspector qualifications with objective qualifications as adopted by the American Society of Mechanical Engineers and the American National Standards Institute Standards for the Qualification Elevator Inspectors Committee.

The amendment to Section 397-6, Hawaii Revised Statutes, complies with national consensus criteria for qualified inspectors, which in turn will assure a higher level of public safety in the State.

Favorable testimony was submitted by the Department of Labor and Industrial Relations of the State of Hawaii.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3052 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 227-92**Labor and Public Employment on H.B. No. 2417**

The purpose of this bill is to amend section 386-79 of the Workers' Compensation Law so that a medical examination of an injured employee by a physician or surgeon of the employer's choice, upon order of the director of Labor and Industrial Relations, shall be by a physician who is licensed to practice and actively engaged in treating patients.

Under present law and practice, the director may order the injured employee to be examined by a physician or surgeon of the employer's choice whenever the employer is dissatisfied with the progress of the case or where either major or elective surgery is contemplated by the employee's treating physician or surgeon. There is no requirement, however, that these so-called "independent medical examinations" or "IMEs" be conducted by qualified physicians or surgeons. This bill proposes to require that the examinations be conducted by physicians who are licensed to practice and are actively engaged in treating patients.

Your Committee agrees that the enactment of this proposal would assure that the examinations will be conducted by qualified physicians or surgeons rather than doctors who are primarily forensic advocates.

Another bill proposing an amendment of the same section of the law was referred to your Committee. The purpose of H.B. No. 3623 is to require a hearing on an employer's request for an "IME" before the director grants the request.

Under present law and practice as set forth in the rules of the Department of Labor and Industrial Relations, the "director, upon review of the case file and without necessity of hearing, and upon finding that the examination will assist in the expedient disposition of the case or in determining the need for or sufficiency of medical care or rehabilitation, (issues) a medical examination order." The rule provides no opportunity for employees to voice any objections they may have to being examined. And some have complained of being subjected to examination more often than necessary and by more doctors than necessary to the point of harassment.

Your Committee agrees that employees should be permitted to object to employers' requests for examinations by physicians of their choice. This would prevent the possible harassment of employees. The director, however, expressed concern that a hearing requirement in every case might be burdensome and cause unnecessary delay in the disposition of cases because many requests are summarily denied. Addressing these concerns, your Committee has amended the proposal to require a hearing only where an employee submits written objections after being notified of an employer's request. It has also amended the bill to reflect the present practice of not permitting an appeal from grants or denials of employers' requests for examination.

Your Committee has incorporated the proposal in H.B. No. 3623, as amended herein, into H.B. No. 2417, as amended. It has also amended the language of both bills for purposes of clarity and consistency.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2417, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 228-92**Labor and Public Employment on H.B. No. 3466**

The purpose of this bill is to prohibit discrimination against any person who tests positive for the human immunodeficiency virus (HIV). This measure would prohibit an employer from refusing or failing to provide medical or other insurance coverage to a person who tests HIV positive.

Your Committee finds that although a person may test HIV positive, that person may be symptom-free for many years and continue to be a productive member of society. In spite of this, once a person learns he or she tests HIV positive, the infected individual faces tremendous obstacles. For example, persons who have tested HIV positive are often unable to obtain medical insurance, or lose the insurance coverage they do have.

Although HIV positivity, or the perception of HIV positivity, has generally been interpreted by both state and federal agencies as a "handicapped status," your Committee feels that codifying this category as a protected class will be a clear statement against such unwarranted discrimination.

Testimony supporting the intent of this measure was submitted by the Hawaii Civil Rights Commission, the Governor's Commission on AIDS, the Big Island AIDS Project, the ILWU Local 42, the Hawaii State AFL-CIO, and the Hawaii Nurses' Association. The Chamber of Commerce of Hawaii submitted testimony in opposition to this measure.

Upon further consideration, your Committee has made several technical, nonsubstantive amendments to this measure 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. 3466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3466, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 229-92**Labor and Public Employment on H.B. No. 3067**

The purpose of this bill is to allow the appointing authorities discretion of crediting an employee's temporary service towards the six month minimum civil service probationary period.

The amendment would allow temporary services performed by an employee to be counted or not counted towards the probationary period based on the employee's performance, provided that the employee was initially hired from an eligible list, and has filed for civil service status immediately after being on temporary status.

This measure would also give civil service rights to an employee who has moved to a new position, while serving a new probationary period. It does not allow the newly placed employee to appeal in case of a position dismissal.

Favorable testimonies were provided by the Department of Personnel Services and the Judiciary.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3067 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 230-92**Labor and Public Employment on H.B. No. 286**

The purpose of this bill is to establish a statewide leave sharing program that would permit the transfer of paid leaves between public employees.

Your Committee finds that this measure would ease the burdens of public employees who may need to take time to recover from a debilitating physical or mental condition or to care for ailing family or household members.

Your Committee finds individuals who experience such hardships are often torn between their obligations to family and their occupational responsibilities. As a result, after using all accrued sick and annual leave, these individuals often face either an extended leave without pay or termination from employment.

Historically, public employees have supported each other in assisting fellow workers and their families cope with the physical, emotional, and financial burdens related to a long-term illness or debilitating condition. For example, several federal agencies, such as the Internal Revenue Service and the United States Environmental Protection Agency, and the State of Washington have developed similar leave-sharing programs.

Testimony was submitted by the Office of Collective Bargaining, the Hawaii Government Employees Association, and a concerned citizen.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 286 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 231-92**Labor and Public Employment on H.B. No. 3468**

The purpose of this bill is to include claimant's pain, residual symptoms, ability to perform personnel and household activities, and social functions in determining the extent of permanent partial disability.

In testimony, the Department of Labor and Industrial Relations quoted the decision by the Appeals Board (Hodai vs. Hawaii Tuna Packers) which states "we believe that physical function includes other component factors in addition to movement, flexion, extension and rotation. Such factors as power of muscles and coordination and control of the extremities should be considered in determining their impairment." Based on the Department's testimony, this bill would codify the existing practice.

Your Committee received testimony from the Department of Labor and Industrial Relations, the Hawaii Insurers Council, the Hawaii Nurses Association, the ILWU Local 142, the Chamber of Commerce, and the Hawaii State Teachers Association.

Your Committee on Labor and Public Employment 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.

SCRep. 232-92**Labor and Public Employment on H.B. No. 3702**

The purpose of this bill is to enable the surviving spouse or dependent children of a deceased contributory member to receive an option 2 or option 3 monthly pension or a lump sum death benefit whenever there is an invalid Employees' Retirement System beneficiary form. This bill will also enable the surviving spouse and dependent children of a deceased noncontributory plan member to qualify for health fund benefits if the member dies while in service and was eligible for retirement.

This bill addresses the inequity of death benefits for noncontributory plan members with contributory plan members.

Currently, if the contributory plan member's designation form is null or void, or the member has not designated a beneficiary, specified payments will be made to the deceased member's estate and possibly be subject to probate.

Under current law, the surviving spouse and dependent children of a deceased noncontributory plan member who worked for 20 or more years and died in service at age 55 or older, would not receive any health fund benefits because the member was not retired, whereas for a contributory plan member, the surviving spouse and dependent children would qualify for health fund benefits.

Favorable testimony was submitted by the Employees' Retirement System.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3702 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 233-92**Consumer Protection and Commerce on H.B. No. 3165**

The purpose of this bill is to amend chapter 235, Hawaii Revised Statutes, by adding a new part to establish an income tax surcharge which shall be in addition to any other tax levied, assessed, or collected under chapter 235.

The Department of Taxation testified in favor of this bill, while the Government Affairs Committee of the Hawaii Association of Realtors and the Tax Committee of the Chamber of Commerce opposed the measure. Testimony was also submitted by the Tax Foundation of Hawaii.

The intent of this bill is to provide some mitigation from speculative investment in Hawaii real property. The bill is modelled on a Vermont statute which has been in effect for six years and has achieved this effect. The bill allows for a surcharge on real estate sold within a relatively short period of time. The sliding tax rate scale is determined by the number of months or years the interest is held, with a 6 year maximum and the percentage to which the gain is of the adjusted basis.

At the highest end of the tax, if a sale occurs when the transferor has owned the real property four months or less, and the capital gain is 200 per cent or more of the adjusted basis, the surcharge will be 80 per cent on the capital gain. This is in addition to the federal and State income taxes paid on capital gains, and the result may be as high as 123 per cent on the capital gain. The lowest end of the tax, if a sale occurs after five years, but before the sixth year, the surcharge would be 5 per cent of the capital gain.

In addition, the bill provides fourteen exemptions from the imposition of the income tax surcharge, such as sales due to military orders, or sales due to condemnation, or foreclosure, or disability.

Your Committee is in agreement with the intent of the bill, but made the following amendments:

- (1) Lowered the maximum number of years to which the surcharge applies from six to two. Most speculation occurs in the first year that property is owned;
- (2) Commercial and industrial property are exempted;
- (3) The effective date of transfer for intra-family transferees shall be the date that the transferor obtained the real property.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3165, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3165, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 234-92**Consumer Protection and Commerce on H.B. No. 3163**

The purpose of the bill is to revise and update the manner in which financial institutions are taxed, to provide a more equitable and up-to-date method of taxation and to prepare the State to take the second step which is the taxation of interstate banking.

Your Committee received testimony from the Department of Taxation, the Hawaii Bankers Association, the Hawaii Financial Services Association and the Tax Foundation of Hawaii.

Currently, financial institutions pay a franchise tax in lieu of the net income and general excise taxes. The provisions of the franchise tax have remained essentially unchanged since its adoption in 1957. There was a recognized need for an overhaul of the franchise tax; this bill reflects extensive discussions and compromise between the financial institutions, the Tax Foundation of Hawaii and the Department of Taxation. While there are still areas of disagreement, your Committee finds that the bill presents necessary revisions to the current franchise tax and exemptions.

Following is a summary of the major substantive provisions:

- (1) The blanket general excise tax exemption is eliminated. Instead, only "bank-unique" activities (e.g. interest, financing leases of tangible personal property, fees relating to the administration of deposits, certain gains from foreign currency exchanges, income received by trust companies in administering private trust and custodial agreements, retirement plans, fiduciary or custodial accounts, and in the case of interbank brokers, brokerage fees) will be exempt from the general excise tax.

Your Committee specifically considered the question of whether the inclusion of financing leases as an activity exempt from general excise taxation was appropriate. After extensive discussion, your Committee agrees that it is appropriate, as currently, only financial institutions are offering financing leases on a broad basis to consumers. However, your Committee requested that the Department of Taxation keep track of leasing activity, and to the extent that it appears the activity should no longer appropriately be considered a "bank-unique" activity, then an appropriate revision to the statute to subject such activity to the general excise tax would be warranted.

- (2) The definition of financial institution is expanded to include trust companies, mortgage loan companies and financial holding companies and subsidiaries of financial holding companies. The inclusion of trust companies and mortgage loan companies as financial institutions codifies attorney general opinions to that effect. The definition of a financial institution under §241-1, Hawaii Revised Statutes, is a corporation dealing with moneyed capital that is in competition with national banks. It was felt that trust companies and mortgage loan companies compete with banks to a substantial degree in areas where moneyed capital is employed.
- (3) This bill will also exempt certain interest from the general excise tax. Your Committee heard testimony that if this interest is taxed under the general excise tax, our financial institutions would be placed at a competitive disadvantage with other out-of-state institutions. Accordingly, this interest probably should not be taxed at this time.
- (4) This bill also amends chapter 241, Hawaii Revised Statutes, to eliminate the deduction for federal income taxes and the deduction for one-half of capital gains.
- (5) The bill revises the franchise tax rate of 11.7 percent to an appropriate revenue neutral level.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3163 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 235-92**Consumer Protection and Commerce on H.B. No. 3156**

The purpose of this bill is to allow affiliated corporations an income tax deduction for dividends received from other members of an affiliated group, and to incorporate a change in the percentage a corporate taxpayer may deduct from other dividends.

Testimony was submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this measure will allow corporations that are able to report income and file federal income tax returns on a consolidated basis to reduce their Hawaii taxable income by the full amount of dividends received from other members of the affiliated group of corporations. Without this allowance, taxable income reported on a consolidated return may include both the income earned by one corporation and the dividends paid by that corporation to another corporation reporting income on the same consolidated return. This measure prevents the double taxation of this income. Also, Section 243 of the Internal Revenue Code includes this same provision for determining taxable income at the federal level.

Your Committee further finds that this measure would adopt a 1988 federal amendment to the Internal Revenue Code that would reduce the deduction for certain dividends received from eighty percent to seventy percent. For Hawaii's Income Tax Law, such dividends are those received upon:

- (1) The shares of stock of corporations that are at least 95 percent owned by corporations doing business in Hawaii if the dividend paying corporation is subject to an income tax in another jurisdiction other than at the federal level;
- (2) Dividends received upon the shares of stock of a bank or insurance company organized and doing business under the laws of Hawaii; and
- (3) Dividends received upon the shares of stock of another corporation, if at least 15 percent of the corporations' business is attributable to Hawaii for the taxable year preceding the payment of the dividend.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3156 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 236-92

Consumer Protection and Commerce on H.B. No. 3283

The purpose of this bill is to amend Section 237-14(19), Hawaii Revised Statutes (HRS), regarding the general excise tax to provide an exemption from the tax on amounts received for common expenses by a nonprofit homeowners or community association existing pursuant to covenants running with the land.

Hawaii Loa Ridge Owners Association, Waikale Community Association, Wailoloan Village, Wailea Community Association, Taxation and Finance Subcommittee of the Hawaii Association of Realtors Government Affairs Committee, Newtown Estates Community Association, Hawaii Council of Associations of Apartment Owners, Hawaii Chapter of Community Associations Institute and three management firms, Realty Management Corporation, Hawaiiana Management, and Chaney Brooks & Company, and a private citizen testified in support of the bill noting that currently condominium associations are exempt. The Department of Taxation opposed the bill because of the anticipated decrease in revenues. The Tax Foundation of Hawaii also submitted testimony.

The bill refers to the mandatory dues or assessments collected by homeowners and community associations to maintain recreational facilities, roads, and other common property for the use and benefit of their members who are residents of the subdivision. HRS presently provides exemptions for similar fees collected by condominium and cooperative associations.

Though the passage of this bill may result in some loss of revenue to the State, it will probably be minimal. The Department of Taxation's Tax Release 65-79 led many of the associations who will be affected by this bill to believe that they are currently exempt, and therefore, have not and do not pay taxes on this income. Thus, any revenue loss as a result of this measure would be minimal. On the other hand, equity warrants treating nonprofit homeowners or community associations on a par with condominium and cooperative associations with regard to common expenses, dues, or assessments.

Your Committee amended the bill by changing the effective date to July 1, 1992.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3283, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 237-92

Health on H.B. No. 3090 (Majority)

The purpose of this bill is to:

- (1) Extend the repeal date of Act 291, Session Laws of Hawaii 1990, the Act establishing the Governor's Blue Ribbon Panel Studying Hawaii's Health Care Delivery System (Panel), from June 30, 1992 to June 30, 1993; and
- (2) Extend the deadline for submitting the final report of the Panel from twenty days prior to the convening of the Regular Session of 1992 to twenty days prior to the convening of the Regular Session of 1993.

Your Committee received testimony in support of this bill from the Department of Health, the Panel, and the Hawaii Medical Association.

Your Committee has mixed opinions and feelings regarding the extension of the life of the Panel. The following are the key concerns expressed by Committee members:

- (1) The Panel appears to duplicate the mission of the State Health Planning and Development Agency (SHPDA), and accordingly, it may be advisable to appropriate resources to enable SHPDA, rather than the Panel, to carry out the purposes of Act 291.
- (2) Commitment of the Administration is unclear as it took an inordinate amount of time not only to appoint the Panel members, but for the Panel to begin its work.

- (3) It is unclear whether or not the Panel has actually met any of its goals and is moving on to broader considerations, or whether it is just getting started on its basic mission, i.e., to help develop an understanding of the business of health care;
- (4) The Legislature should not reward efforts which do not meet stated deadlines. The deadline for filing of the Panel's preliminary report was twenty days prior to the convening of the 1991 Regular Session. However, to date this report has not been submitted to the Legislature and it is over a year past the deadline.
- (5) The need for the Panel has disappeared amid the more intense national and state debate over health care reform.

Your Committee rejected the Panel's request for more state funds because previously appropriated funds have not been exhausted. Moreover, your Committee strongly believes that the private sector should continue to contribute to the work of the Panel in order help us all save money. For the foregoing reasons, your Committee strongly advises against the appropriation of additional State funds to the Panel.

Your Committee has amended the bill by changing its effective date to July 1, 1993, thus embedding a "fatal flaw" that will require the bill to go to conference committee, if it is passed by both houses of the Legislature.

In spite of the foregoing reservations, your Committee recommends passage of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3090, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Bainum and M. Ige did not concur.)

SCRep. 238-92 Health on H.B. No. 3686

The purpose of this bill is to amend the certificate of need law to:

- (1) Designate that the chairperson of the Statewide Council shall be the chairperson of the Reconsideration Committee;
- (2) Designate that the chairperson of the Review Panel shall be the vice-chairperson of the Reconsideration Committee;
- (3) Allow the chairperson of the Reconsideration Committee to appoint any member of the Statewide Council or appropriate Subarea Council to replace a member of the Reconsideration Committee who is unable to attend a committee meeting; and
- (4) Repeal the provision prohibiting the chairpersons of the Statewide Council, Subarea Health Planning Councils, or Review Panel from being employed by or married to health care providers.

Your Committee received testimony in support of this bill from the State Health Planning and Development Agency and the Hawaii Statewide Health Coordinating Council.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3686 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 239-92 Health on H.B. No. 2814 (Majority)

The purpose of this bill is to, among other things:

- (1) Establish licensing requirements for nurses in advanced practice; and
- (2) Grant nurses in advanced practice who meet certain requirements, limited authority to prescribe drugs.

Voluminous testimony was submitted on this measure.

Your Committee finds that the issue of limited prescriptive authority for nurses in advanced practice involves far more than whether or not the "system on paper" should theoretically include the legal right of advanced practice nurses to prescribe a limited number of drugs in a collaborative relationship with physicians.

Reality has a way of interfering with prejudice and ideology. For example, while the current system requires physicians to "sign off" on prescriptions, it does not require those physicians to actually see and examine the patient receiving the drugs. In practice it is fairly common, as testified by a number of informed health professionals, for physicians to trust the history and assessments of well-respected nurse practitioners and for the nurses' recommendations as to prescribed drugs to be accepted and approved. As one advanced practice nurse who has had prescriptive rights under the federal system since 1979 noted, "It's difficult for me to fathom the logic in having one health care provider to do the total

evaluation and another prescribe the treatment. It also seems very inefficient to take up two health care providers' time to see one patient, yet, this is what is required by Hawaii's current system."

The law also allows a licensed physician, who has, for example, spent little time in treating heart patients, to prescribe drugs for such patients, or for any other specialty, regardless of experience, how long the physician has been out of medical school, etc. The presumption has been that every qualified graduate of a medical school is equally (under the law) qualified to prescribe all drugs. The fact that responsible physicians would never dream of prescribing outside their areas of expertise or experience is not reflected in the current law. Nor is there a licensing requirement that as new drugs come on line, comparable education about those drugs is received.

The connection between assessment and prescription, the current practice of often accepting the assessments and "diagnosis" of qualified and experienced advance practice nurses, and the actual experience and education in specific drugs, are all issues which relate to quality. All of these issues are addressed in this bill.

Third party knowledge, incomplete knowledge, and misinformation often have characterized the debate. For example, several opponents argued that access to physicians was not a problem in Hawaii, or at least not a big problem. Even the Hawaii Medical Service Association (HMSA) seemed unaware of the demanding requirements which medically underserved areas and populations have to demonstrate in order to receive special status from the federal government. In fact, several health clinics have already successfully made the case that access to physicians is indeed lacking. In some cases, this lack of access has been demonstrated by surveying physicians in a particular area to find out how many were not taking medicaid and SHIP patients.

As Karen Young, a nurse practitioner at Wai'anae Comprehensive Health Center testified, "Nearly all my clients are low income, indigent or Medicaid-insured, frequently homeless, and about 75 percent are part-Hawaiian. Many have been refused services by private physicians."

To their credit, physicians recognize the difficulty in pinpointing access gaps and have joined an informal task force on primary care which will even better address the issue of underserved populations or areas. The Hawaii State Primary Care Association testified that estimates of the uninsured in Hawaii range from 22,000 to over 100,000, and this does speak to the issue of whether or not there is an available physician in the area.

There also appears to be quite a few scientific studies on the quality and cost-effectiveness of prescriptive authority for nurses. These studies suggest that quality is not compromised and that giving nurses in advanced practice limited prescriptive authority is cost effective. No evidence was presented to the contrary; local opponents were unable to cite any studies to support their arguments. For example, Dr. Patricia Chinn indicated that based on her discussions with the State Director of the UPW in Hawaii, the UPW was opposed to the bill. Upon investigation, however, this assertion was found to be completely inaccurate.

Dr. Sharon Bindliff, a Professor of Surgery and Pediatrics at the John A. Burns School of Medicine had this explanation: "I hear, and see, the opposition to this legislation from my own medical community and I ask why. My answer is that I think they lack the kind of favorable experience that I had, to know that these nurse professionals do not take away, but add to our ability to deliver health care, not illness care, to a society sorely in need."

Finally, Dr. Fredrick Dodge, who is a family practitioner at the Wai'anae Coast Comprehensive Health Center added, "Within the framework of their training, nurse practitioners in my opinion and experience, are consistently more appropriate and less variable than some physicians."

Clearly, this is not a nurse versus doctor issue, but a struggle to reconceptualize our complex health care system to better serve a changing society.

Other issues raised over this particular bill include the following:

- (1) Do the nationally recognized credentialing organizations, which the bill requires an applicant to receive approval from, represent a respected national standard on which we can rely? (Your Committee believes these organizations do.)
- (2) Can the formulary committee be restructured to ensure that several physicians would always get their input when decisions are made? (Your Committee has amended the bill to restructure the Committee and require physician input.)
- (3) Are thirty clock hours of classroom instruction in particular drugs sufficient? (Your Committee has allowed for the addition of educational requirements in association with specific drugs.)
- (4) Is there a way to incorporate a collaborative decision making process involving physicians and nurses within the health care facility? (Your Committee has amended the bill to limit prescriptive privileges to institutional settings.)
- (5) Could there be an appeal process once the formulary board makes its decisions? (Your Committee has restored the Chapter 91, Hawaii Revised Statutes, rulemaking process, requiring public hearings.)
- (6) Should the lead agency be the Board of Nursing and the Department of Commerce and Consumer Affairs? (Your Committee has so amended the bill.)

The bill has also been amended by:

- (1) Clarifying that a licensed nurse in advanced practice is authorized to prescribe drugs from a limited applicable formulary; and
- (2) Adding a definition of "institutional setting" and replacing every reference to "health care facility" with "institutional setting."

In addition, technical, nonsubstantive amendments have been made to the bill for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2814, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2814, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

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

SCRep. 240-92

Health on H.B. No. 79

The purpose of this bill, as reported to your Committee, is to provide an exemption from the general excise tax for amounts of money received by any health care facilities or health care providers.

Testimony received by your Committee was overwhelmingly in support of the intent of this bill. Representatives from the Hawaii Medical Association, the Healthcare Association of Hawaii, The Hawaii State Chiropractic Association, The Hawaii Nurses Association, and numerous other health care providers concurred with the purpose of the bill. One representative of the American Association of Retired Citizens pointed out that it should not be the policy of the State to tax misery, sickness, and misfortune; your Committee concurred.

While in agreement with the intent of your bill, representatives of organizations testifying felt that the definitions of medical care providers in the bill, as reported to your Committee, was narrow and did not accurately reflect the intent of the Committee. The Committee concurred with this testimony. Thus, the bill has been amended to include the broad and encompassing definitions of health care provider and health care facility as they currently appear in HRS 327 D-2.

Much of the testimony received highlighted the many positive effects on the State that passage of this bill would produce. As a result of this testimony, the Committee reports that it stands in agreement with the following points. Exemption of health care services from the general excise tax will:

- (1) Reduce the costs of health care to the public whether or not the provider is a for profit or nonprofit caregiver, creating greater opportunities for the poor and the elderly to access high quality medical care.
- (2) Reduce paper work and costs associated with medicaid by eliminating the inefficiency of taxing medicaid services, collecting the taxes, and later re-disbursing the money to medicaid. Savings to medicaid might be as high as 4% of expenditures.
- (3) Provide a fair tax break to the residents of Hawaii at a time when they might soon be asked to pay an additional 0.5% in general excise tax to fund a rapid transit system for Honolulu.

Thus, the purpose of this bill as amended by your Committee is to exempt medical health care services in the broadest sense from the general excise tax.

your Committee on Health is in accord with the intent and purpose of H.B. No. 79, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 79, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 241-92

Health on H.B. No. 3080

The purpose of this bill as received is twofold: to amend Section 325-101, Hawaii Revised Statutes, to 1) allow the Department of Health to do contact/partner notification of an HIV infected person and 2) enable the formation of a confidential registry of jointly infected HIV and suspected TB infected persons, by name, to allow the TB Program to monitor the patient and the patient's contacts for TB.

Representatives from the following agencies testified in support of the bill: Hawaii State Department of Health, State Fire Council, Governor's Committee on AIDS, Big Island AIDS Project, Hawaii Federation of Physicians and Dentists, and Hawaii Medical Association.

The following agencies submitted testimony in opposition to the bill: The Life Foundation, The American Civil Liberties Union of Hawaii, Hemophilia Foundation of Hawaii, and a professor of Philosophy, University of Hawaii.

Much confusion resulted over 1) the purpose of this bill, 2) the current law believed, according to the American Civil Liberties Union of Hawaii, to permit limited disclosure by physicians to the Department of Health for purpose of partner notification, and 3) the orders as received by the Department of Health from the Office of the Attorney General to amend existing statute, for purpose of permitting contact/partner notification of an HIV infected individual. Various organizations initially in support of the bill, restated their position as one of opposition as the hearing continued.

Your Committee requested that the Department of Health, the American Civil Liberties Union of Hawaii and the Office of the Attorney General to submit compromise language for the purpose of clarification, to the satisfaction of all parties concerned. The following amendments have been adopted based on the recommendations received by your Committee:

1. The purpose of the bill is to amend Section 325-101, Hawaii Revised Statutes, to 1) allow the Department of Health or physicians to do contact/partner notification of an HIV infected person provided that the identity of the index patient is not disclosed, 2) allow physicians to report the identity of persons who are both HIV seropositive and TB positive to a person within the Department of Health for purposes of evaluating the need for or the monitoring of tuberculosis chemotherapy for the person and the person's contacts at risk of developing TB, and 3) allow individuals who successfully sue to enforce the confidentiality of HIV related information the ability to recover attorney's fees. (Under current law, §325-102, such individuals can recover court costs, but not attorney's fees.).

Amendments to Section 1(a), Section 325-101, Hawaii Revised Statutes read (summarized when possible) as follows:

2. (4) Release [to or by] is made from a physician licensed pursuant to chapter 453 or 460 to the department of health [is necessary to...as specified in paragraph (5)] to inform the sexual or needle sharing contact of an HIV seropositive patient where (A) there is reason for the physician to believe that the contact is or has been at risk of HIV transmission as a result of the index patient having engaged in conduct which is likely to transmit HIV; (B) the index patient has first been counseled by the physician of the need for disclosure and the physician believes that the patient is unwilling to inform the contact directly or is unwilling to consent to the disclosure of the index patient's HIV status by the physician or the department of health; and (C) the identity of the index patient shall not be disclosed. Any determination made by a physician to disclose or withhold disclosure of an index patient's sexual contacts to the department of health pursuant to this subsection which is made in good faith shall not be subject to penalties under this part or otherwise subject to liability for damages under the laws of the State;
3. (5) Release is made by the Department of Health...HIV infection, ARC, AIDS, or to the sexual or needle sharing contacts of an HIV seropositive index patient for purposes of contact notification as provided in subsection (4), provided that the identity of the index patient, if known, shall not be disclosed; provided that release of information...with this part;
4. (11) Release is made pursuant to court order,...of the records[.]; or
5. (12) Disclosure by a physician, on a confidential basis, of the identity of a person who is HIV seropositive and who also shows evidence of tuberculosis infection, to a person within the department of health as designated by the director of health for purposes of evaluating the need for or the monitoring of tuberculosis chemotherapy for the person and the person's contacts who are at risk of developing tuberculosis.

Section 2 of the bill has been amended to include the following revision of Section 325-102, Hawaii Revised Statutes:

6. "§325-102 Civil penalty. Any person or institution who willfully violates any provision of this part shall be fined not less than \$1,000 nor more than \$10,000 for each violation plus reasonable court costs and attorney's fees as determined by the court, which penalty and costs shall be paid to the person or persons whose records were released."

In summary, the Committee's amendments to H.B. No. 3080 include: 1) the complete revision of subsection (a)(12); 2) the deletion of subsection (a)(13) and (14); 3) additional language to subsection (a)(5); 4) addition and deletion of language in subsection (a)(4); and 5) the addition of Section 325-102, Hawaii Revised Statutes, under Section 2. Punctuation and spelling amendments are included for the purpose of clarity.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3080, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 242-92

Health on H.B. No. 3799

The purpose of this bill is to charge the Department of Health with the responsibility of (1) facilitating the establishment of a statewide network of community-based primary care health centers; (2) establishing standards for these centers; and (3) suggesting opportunities for the use of these centers as pilot sites for innovative ideas in health care.

Testimony in support of the bill, with various recommendations, was received from the Department of Health, the Hawaii State Primary Care Association, Kalihi-Palama Health Clinic, Waikiki Health Center, State Health Planning and Development Agency, and Hawaii Nurses' Association. The Hawaii Medical Association submitted testimony in opposition.

Recommendations from organizations in support suggested the following; (1) that an adequate needs assessment be concluded in recognized "underserved areas"; (2) that FQHC guidelines be deleted as such guidelines may not be in the best interest of the organizations involved; (3) that dental care, mental health and substance abuse services be included in the focus of the "network". The Hawaii Medical Association opposed the bill based on predicted competition between private physicians and members of the primary health care network.

Your Committee has recognized the concerns of the testifiers and has amended the bill as received in the following manner:

1. Deleted the date in section 2, "no later than July 1, 1993", for the establishment of the network.
2. Added the requirement that community based needs assessments be completed prior to the designation of primary care centers.
3. Included the cooperation of the Department of Health, the State Health Planning and Development Agency and the Hawaii Primary Care Association in examining the ten areas of the State for health care access and needs.
4. Added an additional subsection under section 4, listed as subsection 5, to include; "Strategies to promote centers which complement existing primary care services and which avoid duplication or competition;"
5. Amended sections of the bill with technical and nonsubstantive changes for the purposes of style, clarity and consistency.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3799, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 243-92 Health on H.B. No. 2507

The purpose of the bill, as reported to your Committee, is to ensure that the rights of patients suffering from a psychotic condition are respected even when the patient is unable to actively participate in decisions about themselves and their medical care and treatment.

Testimony was received in support of both the intent and content of the bill. Your Committee was in agreement that no changes, substantive or otherwise, needed to be made.

Your Committee on Health 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 Judiciary.

Signed by all members of the Committee.

SCRep. 244-92 Energy and Environmental Protection on H.B. No. 3522

The purpose of this bill is to appropriate funds to develop a cadre of professional trainers who will conduct training and educational seminars, workshops, and one-on-one sessions for county building officials and members of the private sector regarding energy conservation and efficiency guidelines in new and renovated buildings.

Your Committee on Energy and Environmental Protection finds that county building officials, developers, and contractors lack up-to-date information about energy conservation measures that are available for new and renovated buildings. The services of trained professionals will provide the knowledge and training which can then be implemented in the planning, design and construction of building projects.

The Department of Business, Economic Development and Tourism testified in support of the appropriation of \$150,000 to implement the purposes of this measure.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3522 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 245-92 Energy and Environmental Protection on H.B. No. 3546

The purpose of this bill is to appropriate funds for a feasibility and site selection study, and preliminary engineering design for a thirty-five megawatt hydroelectric power plant that generates electricity by drawing up and then expending pumped seawater.

Your Committee on Energy and Environmental Protection finds that utility companies have a surplus of electrical power at night, but a shortage during peak day hours. A pumped storage tank system will use the surplus night power to pump water into an elevated storage tank at night, and then release it during the day to produce hydroelectric power to satisfy the peak day demands. Your Committee further finds that this procedure will decrease Hawaii's dependence on fossil fuels for generating electricity, as well as have the potential for decreasing costs for the generation of power.

Your Committee received supportive testimony from the Department of Land and Natural Resources, the Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company. It was pointed out that while

transitional pumped storage hydroelectric units require two reservoirs at different elevations, our State would require only one since the ocean would serve as the lower reservoir from which water would be pumped and returned.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3546 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 246-92 Energy and Environmental Protection on H.B. No. 3505

The purpose of this bill as received by your Committee on Energy and Environmental Protection is to appropriate funds to the Electric Vehicle Association of Hawaii to demonstrate the feasibility and acceptability of converting vehicles that run on fossil fuels to alternate fuels or electricity. The funds shall also be used to establish a network of alternate fuel dispensing stations, and to provide a public information center in Puna, Hawaii.

Your Committee on Energy and Environmental Protection finds that in consideration of the high level of dependency on fossil fuels for vehicles in our State, a vigorous effort to investigate the feasibility of using alternate fuels for vehicles used in transportation is warranted. Your Committee finds that since the Electric Association of Hawaii represents one of the few attempts to consider the use of alternate fuels, it is the logical recipient for this appropriation.

Supporting testimony was heard from the Department of Business, Economic Development and Tourism; the Electric Vehicle Association of Hawaii; the Department of Research and Development, County of Hawaii; and several concerned residents of Puna, Hawaii.

The Department of Business, Economic Development and Tourism testified that it felt that the amount of funds would be inadequate for both the study and the establishment of dispensing stations for alternate fuels.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3505, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 247-92 Energy and Environmental Protection on H.B. No. 2321

The purpose of this bill is to amend Chapters 342B, 342D, 342H and 342J to strengthen the enforcement of Hawaii's air, water, solid waste, and hazardous waste laws by increasing penalties for violations from \$10,000 to \$25,000 for each separate offense. Each day of violation is considered a separate offense.

Your Committee recognizes the importance of maintaining and improving the quality of Hawaii's environment, and that violators who contaminate our air, water and land must be assessed penalties severe enough to deter such actions. It is believed that the increase in penalties will serve as a deterrent.

Testimonies in support of this bill were submitted by the Department of Health and the Sierra Club. The Department of Health testified that the amendment to the air pollution law, increasing the penalty for violations to \$25,000 for each offense, will make Hawaii's law consistent with that of the federal government.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2321 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 248-92 Energy and Environmental Protection on H.B. No. 2760

The purpose of this bill is to amend Section 235-7, Hawaii Revised Statutes, to exclude from gross income, adjusted gross income and taxable income the value of any rebate provided by an electric utility to a customer for the purchase and installation of any energy conservation measure.

Your Committee on Energy and Environmental Protection finds that the exclusion of rebates from taxable income will make energy conservation measures more attractive and more widely accepted by utility customers. Your Committee also finds that this bill is consistent with our State's desire to improve the efficiency of our economy and reduce our consumption of fossil fuels.

Testimonies were received from the Hawaiian Electric Company, the Department of Taxation, and the Tax Foundation.

The Hawaiian Electric testified in favor of this bill, recommending that heat pump water heaters be specifically included as one of the conservation measures, and that both electric utility and gas utilities be included.

The Department of Taxation expressed concern that this bill would be taking the State another step away from conformity with the Internal Revenue Code, since there is no federal version for exclusion of the costs of conservation measures from gross income.

The Tax Foundation of Hawaii testified that the costs for installation of energy saving devices should stand on their own merits, rather than requiring tax incentives.

Your Committee has amended this bill by including heat pumps as energy savings devices. Your Committee has further amended this bill by including both electric and gas utilities in the provision of rebates.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2760, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 249-92 Energy and Environmental Protection on H.B. No. 2925

The purpose of this bill is to establish an environmental protection hotline and to appropriate funds for its implementation.

Your Committee on Energy and Environmental Protection finds that Hawaii's citizens are becoming greatly concerned about such environmental protection issues as solid waste management, environmental clean-up, water pollution, protection of our natural resources, and recycling. A hotline resource will provide greater public access to information, as well as facilitate the ability of the public to report abuses, make suggestions and ask questions.

Testimonies were received from the Department of Health, the Environmental Center of the University of Hawaii, Sierra Club, and the Hawaiian Sugar Planters' Association.

The Department of Health recommended that a study be made prior to funding in order to address needs not being met by the existing ASK-2000 information and referral phone system. The Environmental Center questioned whether the proposed system was the best means for providing public access. The Sierra Club testified that public outreach is a key component of environmental protection.

The Hawaiian Sugar Planters' Association opposed the bill on the basis that less costly improvements can be made to facilitate public concerns.

Your Committee has amended the bill by providing for an appropriation of \$1 to further discussion of this bill.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2925, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2925, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 250-92 Energy and Environmental Protection on H.B. No. 2977

The purpose of this bill is to appropriate funds for the Natural Energy Laboratory of Hawaii Authority to plan and design the Spark Matsunaga National Center for renewable energy resources.

Your Committee on Energy and Environmental Protection finds that this facility will be built primarily with federal funds from the United States Department of Energy and located near Keahole Point on the island of Hawaii on land dedicated for research and development to the Natural Energy Laboratory of Hawaii Authority.

The Department of Business, Economic Development and Tourism, the University of Hawaii, School of Ocean and Earth Science and Technology, and the Natural Energy Laboratory of Hawaii Authority Board submitted testimony in favor of this bill.

The University of Hawaii's School of Ocean and Earth Science and Technology testified that Keahole Point has the ideal location in its combination of high solar irradiance, its supply of clean, deep cold water and the commitment of its staff to renewable energy technology. Renewable energy will be an asset to Hawaii's economy, since it will reduce the State's dependency on imported fossil fuels.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2977 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 251-92 Energy and Environmental Protection on H.B. No. 3049

The purpose of this bill is to enlarge the pilotage waters area at Barbers Point to provide for more adequate space and to increase safety for ships and the harbor.

Your Committee on Energy and Environmental Protection finds that the present area of pilotage waters at Barbers Point is inadequate for ships to anchor while waiting for entrance into the harbor or to obtain fuel while anchored. The enlargement of the pilotage area will improve safety for vessels and protect the harbor from oil spills since a licensed pilot will be required for vessels in this area.

The State Department of Transportation, the Sierra Club and the Hawaii Pilots Association testified in support of this measure. The Department of Transportation agreed that the additional pilotage space is essential. The Pilots Association testified that dramatic increases in traffic at Barbers Point necessitates a larger area for anchorage. The Sierra Club offered several recommendations relating to operations, but your Committee felt that these suggestions did not fit into the purpose of this particular bill.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3049 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 252-92 Energy and Environmental Protection on H.B. No. 3226

The purpose of this bill, as received by your Committee on Energy and Environmental Protection, is to encourage the purchase of electric and hybrid vehicles by providing a tax credit not to exceed thirty-five per cent of the actual cost of the vehicles.

Your Committee finds that tax credits motivate people to make purchases that they otherwise might not make. It is believed that income tax credits for the purchases of electric or hybrid vehicles will assist buyers until production increases to the time when prices will be comparable with gasoline-propelled vehicles.

Testimonies in support of this measure were received from the Gas Company and the Electric Vehicle Association of Hawaii. The Gas Company recommended that provisions be extended to include a broad range of clean fuels, rather than limiting the bill to electric or hybrid vehicles. The Electric Vehicle Association testified that electric vehicles can become an important alternative to conventional combustion engine-powered vehicles with significant reduction in the use of fossil fuels.

The Department of Taxation testified that tax credits only subsidize purchasers and not the general public, that fossil fuels will continue to be used for generating electricity to recharge batteries, and that a decline in tax revenues for the State will result.

Your Committee on Energy and Environmental Protection has amended this bill by including vehicles powered by clean air fuels, rather than limiting the bill to electric and hybrid vehicles. Your Committee has further amended this bill by including a definition of clean fuels in Section 235-12e, Hawaii Revised Statutes.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3226, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 253-92 Energy and Environmental Protection on H.B. No. 3230

The purpose of this bill is to appropriate funds for the completion of a study to assess the infrastructure requirements for a large-scale introduction of electric vehicles in Hawaii.

Your Committee on Energy and Environmental Protection finds that Hawaii must develop and implement means for reducing the consumption of oil for energy needs for several reasons: (1) Oil is a limited resource; (2) Emissions from oil-based fuels are harmful to the environment; and (3) There are alternatives to fossil-fueled vehicles. Your Committee further finds that electric vehicles are an alternative to gasoline-powered vehicles, but that types and costs of infrastructures for large scale utilization of electric vehicles are unknown. The proposed study will supply some of the answers about infrastructure needs and costs.

The Department of Business, Economic Development and Tourism and the Electric Vehicle Association of Hawaii testified in support of this bill. The Department of Business, Economic Development and Tourism prefers to change the date for submitting a report to the Legislature from 1993 to 1994.

Your Committee on Energy and Environmental Protection has amended this bill by inserting an appropriation in the amount of \$50,000 for implementing this study. Your Committee has further amended this bill by changing the date of which the study is to be completed to 1994.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3230, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3230, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 254-92 Energy and Environmental Protection on H.B. No. 3286

The purpose of this measure is to appropriate funds to the State Water Pollution Control Revolving Fund from the general revenues to provide financial assistance to governmental agencies for the planning, design, and construction of

wastewater treatment works owned by a governmental agency. The sum of \$200,000,000 is to be expended by the Department of Health for the purposes of this Act.

Your Committee on Energy and Environmental Protection recognizes the need for providing new wastewater systems and updating existing facilities to protect the environment and the health of Hawaii's residents and visitors.

Supportive testimonies were received from the Department of Health and the City and County of Honolulu. Hawaii's Thousand Friends confirmed the need for water pollution abatement, but testified that better guidelines are needed if the funds are to result in a meaningful impact.

The Department of Health testified that the State will be unable to keep its environment safe without taking immediate action to finance wastewater treatment shortfalls. The State should consider funding wastewater treatment from property taxes, sewage fees and impact fees, rather than just from revenue bonds.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3286 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 255-92 Energy and Environmental Protection on H.B. No. 2320

The purpose of this bill is to appropriate funds to conduct a statewide household hazardous waste collection and disposal project.

Your Committee on Energy and Environmental Protection finds that improper disposal of household hazardous waste contaminates landfills when discarded with regular rubbish at curbside. Hazardous substances may also pose a health hazard to residents when stored in their homes or garages. It becomes essential that funds be appropriated to remove household hazardous waste, pending a permanent solution for this problem by the counties.

Testimonies in support of an appropriation in the amount of \$350,000 for this project were submitted by the Department of Health, the Environmental Center, the City and County of Honolulu, the Recycling Association of Hawaii and the Sierra Club. The Department of Health testified that this appropriation would ensure that a household hazardous waste collection program continues to be available to the general public until the counties are able to implement their own plans.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2320 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 256-92 Energy and Environmental Protection on H.B. No. 2486

The purpose of this bill is to prevent the unauthorized removal of recyclable materials from designated collection sites.

Your Committee on Energy and Environmental Protection finds that recyclable materials that have been segregated from solid waste and placed at sites for collection and recycling are being removed by unauthorized persons. This pilferage defeats both the purpose and the motivation for those arranging for the collection and recycling of these materials.

Information from some of the schools indicates that materials which are left at their collection sites are being removed when no one is attending the collection and storage areas. The Department of Health testified that this bill is necessary in order to clarify ownership of materials left at curbside or at drop-off collection sites.

Your Committee on Energy and Environmental Protection has amended this bill by replacing Chapter 342H, Hawaii Revised Statutes, with Chapter 340A-, the corrected reference.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2486, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 257-92 Energy and Environmental Protection on H.B. No. 2326

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new chapter establishing a used tire disposal program which will charge the consumer a \$1 per tire deposit for every motor vehicle tire purchased at retail or wholesale cost. The revenues which accrue as a result of the deposit shall be deposited into the used tire collection and disposal revolving fund, which is created by this new chapter. The Department of Health shall administer this fund and use the proceeds of this fund to establish a statewide system for the collection and disposal of used motor vehicle tires.

Your Committee on Energy and Environmental Protection finds that the disposal of used tires is a rapidly growing problem for all counties in the State. Currently, tires are taking up valuable space in landfills which are already close to maximum capacity. In order to alleviate this problem, tires must be diverted from landfills as much as possible and

counties must be allowed to handle used tires as best suits their area and needs. Your Committee finds that alternative handling and disposal techniques must be encouraged to conserve landfill space. Furthermore, your Committee finds that technologies which incorporate used tires exist and should be encouraged throughout the State.

Testimonies supporting the intent of this measure were received from the Department of Health and the Recycling Association of Hawaii.

The Department of Health strongly supported the intent of this bill to provide proper disposal of used tires and to divert them away from landfills. However, the Department feels that the proposed deposit system would be cumbersome and inefficient to administer, both for the retailer and the Department. Instead of the deposit, the Department recommends the use of an advance disposal fee collected from all wholesalers upon import of motor vehicle tires into the State.

The Recycling Association of Hawaii testified that consumers are generally not interested in getting money for used tires but simply want to know how to dispose of their used tires properly. The Association also recommended that the deposit system be replaced by an advance disposal fee system.

Your Committee on Energy and Environmental Protection has amended H. B. NO. 2326 by proposing that it amend chapter 342H, HRS, rather than proposing the creation of a new chapter. Furthermore, your Committee has replaced the deposit fee system with an advance disposal fee to be paid by wholesalers importing motor vehicle tires into the State. The used tire collection and disposal revolving fund has been replaced by the used tire incentive special fund which shall receive revenues from the advance disposal fee system, or from funds appropriated by the Legislature, and from which the Department of Health may expend for the purpose of encouraging county used tire recovery programs.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2326, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 258-92 Energy and Environmental Protection on H.B. No. 3463

The purpose of this bill as received by your Committee on Energy and Environmental Protection is to advance the development of electric vehicle production and use in Hawaii by contracting the Electric Vehicle Association of Hawaii to host an international electric vehicle conference and rally.

Your Committee on Energy and Environmental Protection finds that although electric vehicles are a viable alternative for reducing the State's dependence on imported oil for vehicular use, this technology has not been readily accepted by the people in Hawaii. Hosting an international conference and rally is likely to provide the necessary incentive for developing interest in electric vehicle technology.

The Department of Business, Economic Development and Tourism; the Electric Vehicle Association of Hawaii; and the Gas Company testified in support of this measure.

The Department of Business, Economic Development and Tourism testified that an international conference and rally will provide an excellent opportunity to educate the public about the status of electric vehicle development and its potential for use in Hawaii. The rally will enable the people to observe and experience the performance of these vehicles in action.

The Electric Vehicle Association of Hawaii pointed out that other states have made or are considering legislation to require the use of electric vehicles, and that as production increases, costs will decrease.

The Gas Company testified that other technologies using clean fuels should also be included in the proposed conference and rally.

Your Committee on Energy and Environmental Protection has amended H. B. NO. 3463 by extending the breadth of the conference to include vehicles using nonpolluting fuels in addition to electricity. Your Committee has further amended this bill by delaying the required report to the Legislature until 1994.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3463 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3463, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 259-92 Energy and Environmental Protection on H.B. No. 2518

The purpose of this bill is to encourage the recycling of used motor vehicle oil by setting up a mechanism for so doing and by providing incentives. Specifically, a "used motor vehicle recycling fund" is created using funds collected from wholesalers of motor vehicle oil by the Department of Health (\$0.50 per quart of oil sold). Every person or company who accepts used motor vehicle oil (i.e. service stations) will refund to consumers returning the oil a deposit, made at time of purchase, of not less than \$0.50 per quart returned. In turn, the Department of Health refunds the persons or companies who collect the used oil the amount of \$0.50 per quart plus an extra incentive of not less than \$0.10 when they turn the oil in to an approved disposer of oil.

Your Committee on Energy and Environmental Protection heard supporting testimony from the Department of Health, the Hawaiian Sugar Planters' Association, Pacific Resources, Inc., the City and County of Honolulu, the County of Kauai, Chevron U. S. A., the Recycling Association of Hawaii, the Hawaii Food Industry Association, and the Environmental Center, University of Hawaii.

The comments and suggestions of testifiers are addressed in H.B. 2518, H.D. 1.

Your Committee on Energy and Environmental Protection has amended this bill as follows:

- (1) Clarifying that it will be only those accepting the used motor vehicle oil who will be refunding deposits to consumers returning used oil, and not all retailers.
- (2) Adding a provision giving incentive monies to those who accept the used motor oil as they turn in their oil to authorized collectors;
- (3) Adding a provision authorizing immediate refunds of deposits to those users who are authorized to dispose of or burn their own used oil;
- (4) Inserting the amount of \$0.50 as the designated deposit refund sum;
- (5) Inserting the amount of \$0.10 per quart as the incentive figure;
- (6) Inserting \$1000 as the fine for violations of this measure; and
- (7) Inserting the sum of \$1 as the appropriation necessary to implement this Act.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2518, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2518, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 260-92 Energy and Environmental Protection on H.B. No. 2804

The purpose of this bill is to amend section 5 of Act 326, Session Laws of Hawaii 1991, by increasing the appropriation from \$250,000 to \$800,000 for fiscal year 1992-1993 to be deposited into the natural area partnership program.

Your Committee finds that the natural area partnership fund administered by the Department of Land and Natural Resources, which authorizes the expenditures of state funds on a two-for-one basis with private funds for the management of private lands for the purpose of permanent conservation, is an innovative means for addressing the threats and pressures facing Hawaii's biological resources. Three such projects were approved and funded by the initial appropriation of \$500,000 to the natural area partnership fund for the 1991-1993 biennium.

Testimonies supporting this measure were received from the Nature Conservancy of Hawaii and the Land Use Research Foundation of Hawaii.

The Nature Conservancy brought attention to the fact that while all of the available funding for fiscal year 1992-1993 had been allocated to the aforementioned three projects, four new partnership projects, three of which have already qualified for the natural area partnership program, are in need of funding. An additional \$586,000 is needed to fund these projects, which will be matched by \$293,000 in private funds, for fiscal year 1992-1993. Thus, the total appropriation needed for fiscal year 1992-1993 is \$836,000 which includes the already allocated \$250,000 plus the additional \$586,000 needed for new projects.

The Land Use Research Foundation of Hawaii supports the natural area partnership program and testified that adequate funding, whether by this bill or another vehicle, is critical to the success of the program.

Your Committee on Energy and Environmental Protection has amended H.B. No. 2804 by increasing the appropriation from \$250,000 to \$836,000 to be deposited into the natural area reserve fund for the natural area partnership program for fiscal year 1992-1993. Your Committee finds that without the increased appropriation, the four natural area partnership projects now requiring funding will not be established. Furthermore, the authorization of an increased appropriation of \$586,000 above the initial appropriation of \$250,000 is necessary in order to release chapter 42 grant in aid moneys as they are approved.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2804, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2804, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 261-92 Energy and Environmental Protection on H.B. No. 3062

The purpose of this bill is to amend sections 195-9 and 195F-4, Hawaii Revised Statutes, to dedicate up to \$4,000,000 annually from the proceeds and income of the public land trust to the natural area reserve system, the natural area partnership program, and the forest stewardship program; to change the status of the natural area reserve fund and the

forest stewardship fund from special to revolving; and to exempt the natural area partnership program and the forest stewardship program from chapter 42D.

Your Committee finds that this is a crucial period for natural area and watershed management. In Hawaii, we have already lost nearly two thirds of our native forests, including fifty per cent of our rain forests. We depend on our remaining forests for our fresh water supply, habitat for native plants and animals, valuable timber resources, and our natural beauty and mild climate. Many of Hawaii's remaining pristine areas are being threatened by outside intrusions such as non-native plants and animals, insect pests, land conversions to alternative uses, and wildfires. To successfully guard against the destructive impacts of such intrusions, an uninterrupted source of revenue is necessary. The dedication of up to \$4,000,000 from the proceeds and income of the public land trust would provide the long term commitment of funds needed to guarantee the continuous management of Hawaii's natural and watershed areas.

Your Committee also recognizes that a clear State commitment to constant funding of the natural area partnership and forest stewardship programs is important to secure the long term commitments required from private landowners. Without the guarantee of continued State funding, many private landowners may not be willing to participate in these critical partnership programs. A dedicated source of funding is needed to demonstrate to landowners that the State is truly committed to continuing these programs.

Testimonies supporting this measure were received from the Department of Land and Natural Resources, the Nature Conservancy of Hawaii, the Sierra Club, the University of Hawaii's Environmental Center, and Conservation Council for Hawaii.

The Department of Land and Natural Resources recognizes the need for a stable and dedicated funding source for the management of Hawaii's natural areas, valuable watershed lands, and unique ecosystems. It finds that a dedicated funding source is especially important to attract private landowners to enter into long-term partnership agreements with the State and to ensure the long-term management of Hawaii's natural area reserves system. The Department offers the following specific amendments to H.B. 3062:

Amend sections 195-4, 195-6.5, 195-6.6, 195-9, 195F-4, and 195F-6, Hawaii Revised Statutes, to:

- (1) Require a public hearing before a natural area partnership (NAP) contract is terminated;
- (2) Clarify the conservation easement dedication commitment for the NAP;
- (3) Allow qualified landowners to manage their own lands in the NAP;
- (4) Develop a reporting mechanism for funding levels for the partnership programs; and
- (5) Amend minimum and maximum funding levels for the partnership programs.

The Sierra Club supports H.B. 3062, and the Nature Conservancy of Hawaii, the Conservation Council for Hawaii, and the University of Hawaii's Environmental Center strongly support H.B. 3062, with the amendments recommended by the Department of Land and Natural Resources. The Conservation Council orally testified that it is currently trying to encourage a private landowner to participate in one of the partnership programs, and that dedicated funding would strengthen their negotiations.

Your Committee recognizes that the long-term management of State and private natural areas is critical to ensure their protection. Your Committee also believes that the natural area partnership and forest stewardship programs are the most cost effective means to ensure the protection of important private natural areas at minimal public expense. The State must send a clear message to landowners that we are committed to these programs. Your Committee supports the \$4,000,000 funding limit, as it will provide for modest, planned growth of these programs from approximately \$2,900,000 in fiscal year 1993 to up to \$4,000,000 over the next few years. Dedicated annual funding from the public land trust would provide the \$4,000,000 annually needed to permanently protect our most valuable natural resources. Therefore, your Committee supports H.B. 3062 with the following amendments:

- (1) To provide for public review and encourage public participation in the natural area partnership program, your Committee has amended section 195-4(b) to "require a public hearing prior to terminating State funding for an approved management plan under the natural area partnership program," including notice in a newspaper of general circulation.
- (2) Your Committee has amended section 195-6.5(b)(1) to clarify that the dedication of private lands in perpetuity through a transfer of fee title or a conservation easement "may be revoked only if State funding is terminated without concurrence of the landowner and cooperating entity. If a private landowner or cooperating entity withdraws from the natural area partnership program, the perpetuity of the easement remains in effect."
- (3) Your Committee has amended section 195-6.5(b)(2) to specifically allow management of natural area partnership lands "by the cooperating entity or qualified landowner." This change will allow the Department to approve partnership proposals where the landowner is capable and willing to perform the day-to-day management duties for their natural areas. Without this amendment, the landowner must also qualify as a cooperating entity in order to manage their own lands.
- (4) Your Committee has amended section 195-6.6(5) to require that the annual report to the Legislature include "the amount to be deposited into the natural area reserve fund" for the next fiscal year. Similarly, we have amended section 195F-6(e) to require a report on "the amount to be deposited into the forest stewardship

fund for the next fiscal year." This information would be useful for projecting annual lease revenues due to the general fund.

- (5) As funding will be provided by transfers from State lease revenues and not from the general fund, your Committee has amended section 195F-4(a) to change the forest stewardship fund from a "special" fund to a "revolving" fund.
- (6) Your Committee has also amended the minimum and maximum funding levels proposed in section 195-9(b) as follows:
 - (a) Your Committee recommends "no less than \$2,750,000 nor more than \$3,750,000" be deposited into the natural area reserve fund, so the minimum will cover the current \$2,000,000 annual budget for the natural area reserves system and the demonstrated need for at least \$750,000 for the natural area partnership program.
 - (b) Within the natural area reserve fund allocation, your Committee recommends "no less than \$750,000 nor more than \$1,750,000" be used for the natural area partnership program. This increase would provide for the statewide expansion of the program as expected within the next few years.
- (7) Similarly, your Committee has amended the minimum and maximum funding levels proposed in section 195F-4(b) so that "no less than \$250,000 nor more than \$1,250,000" be deposited into the forest stewardship fund. In this way, all three programs have equal opportunity to expand, while limiting the total funding to no more than \$4,000,000 per year.

Your Committee would also like to clarify how State funding through the natural area partnership program affects the permanence of a conservation easement. Some easements are in perpetuity regardless of State funding. However, if a conservation easement between a cooperating entity and a private landowner is contingent upon State funding and the Department of Land and Natural Resources elects to discontinue funding of a project through the natural area partnership program, the easement can end.

Similarly, if the State decides to partially fund a project, the easement may end. If the amount to be provided by the State is in dispute, a board of arbitration may be convened. If the State elects not to fund the arbitrated amount, the landowner may terminate the easement. However, if the private landowner elects not to accept the arbitrated amount and chooses to withdraw from the natural area partnership program, the conservation easement remains in effect.

Your Committee would also like to clarify the disposition of improvements funded under the natural area partnership program. Most improvements funded will be fencing projects which have a limited lifespan and will continue to benefit the natural resources even if more active management programs have ceased. If the State withdraws from a natural area partnership agreement, the private landowner can keep all improvements and pay no penalty. If the private landowner withdraws, a penalty payback clause is invoked, which reimburses the State for all State funds committed to the project for the previous six years, plus interest and a 10 per cent penalty. In the natural area partnership program, a cooperating entity may also elect to "non-renew." Non-renewal of a contract by a cooperating entity allows its management agreement with the State to "wind down" over a six year period (though the easement stays in effect). In the event of non-renewal, all improvements would stay with the cooperating entity. However, the State would have six years notice of the non-renewal which would give them the opportunity to stop any additional funding of improvements.

Improvements under the forest stewardship program would work in a similar manner, except that there is a one-time, 10 year contractual agreement. Although improvements under this program may include small nurseries or irrigation systems, they would be of a minimal nature and in strict adherence with the goals of the program. Public review of the plans and the annual monitoring and reporting procedures established by law will ensure that State monies are well spent.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3062, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 262-92

Energy and Environmental Protection on H.B. No. 3213

The purpose of this bill is to encourage State agencies to recycle their office paper and other materials by allowing these agencies to collect and utilize the income generated from recycling.

Your Committee on Energy and Environmental Protection finds that much of the office paper and other materials used by State agencies could be recycled, but there is little incentive for office workers to devote the extra effort required in a recycling program. Your Committee believes that office workers would be encouraged to participate in a recycling program if they could use the proceeds from sales of recycled products to purchase equipment, supplies, inservice training or any other agency-related use.

Supportive testimonies for this measure were heard from the Department of Health, the Department of Accounting and General Services, Island Recycling, Inc., the Recycling Association of Hawaii, and a condominium resident. The Department of Accounting and General Services expressed concerns about the handling of the funds.

Your Committee on Energy and Environmental Protection has amended this bill by inserting new language that will add clarity and accountability for participating agencies.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3213, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 263-92 Energy and Environmental Protection on H.B. No. 3814

The purpose of this bill as received by your Committee on Energy and Environmental Protection is to appropriate funds in the amount of \$970,000 to monitor and evaluate nonpoint source pollution in Kaiaka Bay and Waialua Bay on Oahu.

Your Committee finds that the United States Department of Agriculture is committed to assisting the State in protecting its important groundwater and recreation areas from nonpoint source pollution, pledging to invest more than \$300,000 annually for the next five years for this protection. Your Committee further finds that this bill will demonstrate that Hawaii is willing to become a full participating partner in this effort by providing funds for monitoring the impact of land treatment measures to determine how nutrients, pesticides and sediment impact our water resources.

Testimonies in support of this measure were received from the Department of Health; the Water Resources Research Center, University of Hawaii; the Hawaiian Sugar Planters' Association; and the Hawaii Chapter of the Soil and Water Conservation Society of America.

The Department of Health expressed concern that the nonpoint source pollution program within the Department is not being funded.

The Hawaiian Sugar Planters' Association testified that nonpoint source pollution is a major environmental problem in Hawaii, and that monitoring is essential for this project. The Water Resources Research Center testified on its desire to undertake the monitoring component of this undertaking.

Your Committee on Energy and Environmental Protection has amended this bill by inserting \$182,183 in place of \$970,000 to reflect the funding required for the first year of the monitoring project.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3814, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3814, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 264-92 Energy and Environmental Protection on H.B. No. 3838

The purpose of this bill is to direct the Department of Health (DOH) to establish permit fees to cover the direct and indirect costs required to develop, support, and administer the water pollution permit program. Fees would be based on mass emission (i.e. tons of suspended solids) allowed or discharged by the permitted sources and would be adjusted each year according to changes in the consumer price index. Moneys collected would be deposited into a clean water special fund.

Currently, the DOH issues discharge permits through the National Pollutant Discharge Elimination System (NPDES) program which was delegated to the DOH by the Environmental Protection Agency (EPA). This program is currently funded by the State and EPA.

The DOH, the City and County Department of Public Works, and the Sierra Club, Hawaii Chapter testified on this bill. The DOH supported the concept but testified that a study is needed to analyze the impacts and legal issues that such a permit fee system would raise. The Department of Public Works strongly opposed the bill, because it would allow the DOH to charge fees for NPDES permits to administer the program, thereby adding to the financial burden of Honolulu sewer users.

Your Committee finds that this bill would ensure that sufficient funding is available for the DOH to properly monitor and enforce the conditions of the NPDES permits. Upon further consideration, the following amendments were made to this bill:

- (1) Replacing references to the "permit program" with the "clean water program" in line 9, page 1 and line 5, page 3 of the original bill;
- (2) Inserting the sums of not less than \$25 per ton of suspended solids and no less than \$5 per million gallons of discharge per year in subsection (c);
- (3) Postponing the effective date of this measure in Section 4 from "upon its approval" to July 1, 1994; and
- (4) Correcting technical drafting errors.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3838, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 265-92 Energy and Environmental Protection on H.B. No. 3843

The purpose of this bill is to amend Chapter 342C, Hawaii Revised Statutes, to strengthen the Ozone Layer Protection Law. This bill prohibits a person from purchasing, distributing, manufacturing, importing, selling, or offering for sale any portable fire extinguisher that contains a halon or other ozone-depleting compound; or repairing, servicing, or performing maintenance on any portable fire extinguisher system or unit without using a reclamation system approved by the Department of Health.

Your Committee on Energy and Environmental Protection finds that halons used in many portable fire extinguishers are very destructive to our ozone layer, and that there are nonozone-depleting substitutes for these halons available.

Your Committee also finds that this proposed law will reduce the release of destructive compounds into the air by prohibiting the sale of portable fire extinguishers using halons, and prohibiting the repair or maintenance of exist fire extinguishers using halons without ;using an approved reclamation system.

Your Committee on Energy and Environmental Protection heard supportive testimonies from the Department of Health and the Mediation Center, Windward Oahu. The Mediation Center questioned the adequacy of the civil penalty for violations of the provisions of this bill.

Your Committee on Energy and Environmental Protection has amended this bill by increasing the fine for violations of the provisions of this bill from \$100 to \$1000 for each separate offense.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of HB. 3843, as amended herein, and recommends that it pass Second Reading in the form attached as H.H. No. 3843, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 266-92 Energy and Environmental Protection on H.B. No. 3596

The purpose of this bill is to appropriate funds to be expended by the Governor's Agriculture Coordination Committee to continue biomass research for energy and alternate uses.

Your Committee on Energy and Environmental Protection finds that our State must continue to search for alternate sources for the generation of electricity to reduce our dependence on imported oil. The use of biomass when developed to its potential will not only decrease our dependence on fossil fuels, but also will provide new employment opportunities in areas of forestry and wood products. Your Committee finds that although limited research has been conducted, expanded efforts must be made to determine the physical and economic potentials for the utilization of biomass for the production of energy.

Testimonies supporting this measure were received from the University of Hawaii, the Agriculture Coordinating Committee, and the Hawaiian Sugar Planters' Association.

The University of Hawaii testified that funding in the amount of \$222,650 will support efforts to demonstrate the economic viability of short-term forestry through additional improvement programs. The Agriculture Coordinating Committee prefers to have the Department of Economic Development and Tourism be the expending agency, although it has assumed this role in the past.

The Hawaiian Sugar Planters' Association, which has been actively involved in biomass research, identified two areas of research as being critical: (1) Selection of better germplasm for high yield biomass production; and (2) Improvement in harvesting techniques.

Your Committee on Energy and Environmental Protection 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.

SCRep. 267-92 Energy and Environmental Protection on H.B. No. 3612

The purpose of this bill is to appropriate \$120,418 in general funds during fiscal year 1992-1993 to implement the State Nonpoint Source Pollution Control Program within the Department of Health.

You Committee on Energy and Environmental Protection finds that funds are needed by the Department of Health to develop proposals for Nonpoint Source Pollution Projects in order to qualify for federal grants, and to continue existing projects.

Supportive testimonies for this bill were received from the Department of Health; the United States Department of Agriculture, Soil Conservation Service; and the Hawaii Association of Conservation Districts.

Your Committee on Energy and Environmental Protection 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.

SCRep. 268-92 Energy and Environmental Protection on H.B. No. 3618

The purpose of this bill is to provide additional opportunities for the government and the public to enforce the State's environmental laws and to resolve environmental conflicts by creating the Office of Environmental Intervenor.

Your Committee on Energy and Environmental Protection finds that Hawaii's laws relating to protection of the environment lack effectiveness due to weaknesses in enforcement. Your Committee further finds that the Public Intervenor would hear public and agency complaints and have enforcement powers if laws were being disregarded.

Supportive testimonies were received from the Office of Environmental Quality Control and the Sierra Club. Chevron U.S.A. and Public Affairs Consultants-Hawaii testified that the proposed Environmental Intervenor would be an unnecessary extra layer of the government and potentially disrupt government-industry relationships with existing agencies. The Hawaii Resort Developers Conference opposed passage of this bill pending action on the establishment of a Department of Environmental Protection.

Your Committee on Energy and Environmental Protection has amended this bill by having the Office of the Environmental Intervenor attached to the Department of the Attorney General, rather than the Department of Budget and Finance. Your Committee has further amended this bill by inserting an appropriation in the amount of \$100,000 for the Office of the Environmental Intervenor.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3618, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 269-92 Energy and Environmental Protection on H.B. No. 3640

The purpose of this bill is to appropriate funds for the operation of a demonstration closed cycle OTEC plant at Keahole Point.

Your Committee on Energy and Environmental Protection finds that this project will bring this technology one step closer to commercial viability. Keahole Point is an ideal location for the development of the generation of electrical energy through this process, since it has ample supplies of cold seawater, warm surface seawater, and solar radiation.

Your Committee received testimonies from the Department of Business, Economic Development and Tourism; the Natural Energy Laboratory of Hawaii; and the Environmental Center, University of Hawaii.

The Department of Business, Economic Development and Tourism testified that the proposed project offers a relatively low-cost and rapid approach to an operating OTEC demonstration plant in Hawaii. The Natural Energy Laboratory foresees this technology as the development of a new industry which can be exported throughout the world.

The Environmental Center testified that the demonstration period should be considered over, since successes in demonstrating this technology have already occurred, and suggested that the demonstration of slant drilling at Kahe Point might be more productive.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3640 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 270-92 Energy and Environmental Protection on H.B. No. 3642 (Majority)

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$5,000,000 to assist Wailuku River Hydroelectric Power Company, Inc. in the development of a hydroelectric power plant.

Your Committee on Energy and Environmental Protection finds that it is in the public interest to issue revenue bonds to encourage the development of nonfossil electricity generating resources to reduce our dependency on imported oil. Your Committee further finds that the Wailuku River Hydroelectric Power Company, Inc. is engaged in the development of a hydroelectric power plant project that will generate electricity for sale to the Hawaii Electric Light Company, Inc.

Your Committee heard supportive testimony from the Department of Business, Economic Development and Tourism. Hydroelectric power was pointed out as being an important energy technology for the production of clean, non-polluting renewable energy from Hawaii's streams to help replace imported petroleum along with the serious environmental consequences associated with fossil fuels.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3642 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 271-92 Energy and Environmental Protection on H.B. No. 3643 (Majority)

The purpose of this bill is to authorize the issuance of revenue bonds in an amount not to exceed \$50,000,000 for the purpose of assisting Kawaihae Partners to establish a cogeneration facility and related water production facilities.

Your Committee on Energy and Environmental Protection finds that it is in the public interest of the State of Hawaii to issue general revenue bonds to encourage the development of nonfossil electricity generating resources to reduce our dependency on imported oil. Your Committee further finds that Kawaihae Partners is engaged in the development of a cogeneration facility project that will sell its electric energy to the Hawaii Electric Light Company, Inc. and its water to existing and planned water systems.

Testimonies in support of this bill were heard from the Department of Business, Economic Development and Tourism; Office of the Mayor, County of Hawaii; and Waimana Enterprises. The Department of Business, Economic Development and Tourism testified that the County of Hawaii has a severe shortage of generating capacity, as well as a shortage of water in some areas, and that the proposed commercial power/desalinization unit will serve both purposes.

Your Committee on Energy and Environmental Protection has amended this bill by omitting the reference to being a Hawaii partnership, since partnership status has not been legally established at this time.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3643, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 272-92 Energy and Environmental Protection and Housing on H.B. No. 2319

The purpose of this bill is to reduce the State's consumption of fossil fuels as well as lower energy costs to residents by requiring the implementation of energy-saving water heating devices in State-owned residential housing development projects. This bill requires the Housing Finance and Development Corporation (HFDC) to require the installation of solar water heating equipment or heat pumps as a condition of approval of State-supported residential development projects.

Your Committees received testimony from the Department of Business, Economic Development, and Tourism; Hawaiian Electric Company, Inc.; The Gas Company; Hawaii Solar Energy Association, Inc.; Sierra Club, Hawaii Chapter; and the University of Hawaii at Manoa's Environmental Center. The Gas Company claimed that the bill would prohibit the use of gas in such housing projects and thereby limit The Gas Company's ability to compete in the residential market.

Upon further consideration, your Committees have amended this bill to require not only solar water heating equipment but also other energy saving options as well. This requirement applies to all units approved by HFDC between 1993 and 1995 and would be accomplished in the following manner: HFDC would require all residential development projects constructed with State funds, located on state lands, or otherwise subsidized by the State to be equipped with energy-efficient water heating systems. Such energy-efficient water heating systems include heat pumps, high-efficiency gas water heating systems, and high-efficiency electric water heating systems. However, an exception would be made for a certain percentage of units that would be required to install solar water heating equipment. The percentage of affected units would be phased in between 1993 and 1995. Certain types of projects would be exempt from the requirement to install solar water heating equipment.

The amended bill also:

- (1) Directs HFDC to evaluate whether these water heating systems proved to be cost-effective or not; and
- (2) Sets a repeal date on January 1, 1996.

Your Committees on Energy and Environmental Protection and Housing are in accord with the intent and purpose of H.B. No. 2319, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2319, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Bunda.

SCRep. 273-92 Human Services on H.B. No. 3938

The purpose of this bill is to provide financial incentives for recipients of assistance from the Federal Aid to Families with Dependent Children program to participate and remain in the job opportunities and basic skills training program.

It is estimated that the implementation of a gap budgeting method for the AFDC program will require an additional \$3,124,371 in general funds and \$3,205,713 in federal funds for FY 1993.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3938, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3938, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 274-92 Human Services on H.B. No. 3852

The purpose of this bill is to support family caregivers by providing grants for the expansion of respite care services for the elderly.

Your Committee has amended the bill to reduce the amount of monies given to the Honolulu Elderly Affairs Division from \$125,000 to \$75,000 for the reason that the Honolulu Elderly Affairs Division receives in excess of \$849,000 in federal funds. Some of these funds are able to be utilized to cover respite care on Oahu.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3852, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 275-92 Human Services on H.B. No. 3864

The purpose of this bill is to appropriate funds for one temporary staff position for the Governor's Executive Office on Aging to monitor and assist grantees of the Long Term Care Service Development Grant Fund (LTCSD fund) program.

Your Committee received testimony in support of this bill from the Executive Office on Aging, the Hawaii Public Health Association, and several recipients of grants from the LTCSD Fund, including the Salvation Army Adult Day Center, Options for Elders, and the Moiliili Community Center.

The testimony indicated that the LTCSD fund provides much needed financial support to private sector organizations to allow them to develop and expand community-based services for the provision of long-term care to Hawaii's residents. The temporary staff position proposed by the bill is needed not only to ensure contract compliance, but to provide technical assistance to grantees in such critical areas as marketing, pricing, and management. The provision of such assistance is a significant factor in ensuring continuation and expansion of community-based long term care services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3864 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. 276-92 Human Services on H.B. No. 2379

The purpose of this bill is to provide for increases in the payment of the different levels of domiciliary care based on increases in the consumer price index.

Testimony was submitted by the Department of Human Services (DHS), the American Association of Retired Persons, the Molokai United Group Operators, the Alliance of Residential Care Administrators, the Hawaii Long Term Care Association, the United Group of Home Operators, and a concerned care home operator.

Upon further consideration, your Committee has amended this bill by:

- (1) Requiring the DHS to provide for the annual increases proposed by the bill in its budget;
- (2) Providing that the first increase under the bill shall take effect on July 1, 1993;
- (3) Requiring the DHS to submit a report to the Legislature twenty days before the convening of the 1994 Regular Session on the fiscal impact of payment increases for domiciliary care providers based on the consumer price index; and
- (4) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2379, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 277-92 Human Services on H.B. No. 2994

The purpose of this bill is to allow a person making an application for funeral payments to the Department of Human Services ("Department") on behalf of a deceased medical or financial assistance recipient or for an unclaimed body, sixty days within the date of death of the deceased, to submit the application to the Department.

Testimony in support of this measure was submitted by the Department of Human Services and a concerned citizen.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2994 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. 278-92 Human Services on H.B. No. 3136

The purpose of this bill is to repeal Section 350-4, Hawaii Revised Statutes, which exempts children treated in good faith through spiritual means, by an accredited practitioner in accordance with the tenets and practices of a recognized religious denomination, from being considered medically neglected.

The Department of Human Services (DHS) and the Department of the Prosecuting Attorney of the City and County of Honolulu submitted testimony in support of this measure. The DHS emphasized that the repeal of Section 350-4 is necessary in order to comply with the Federal Child Abuse and Neglect, Prevention, and Treatment Act. Such compliance enables the DHS to maintain eligibility for federal grants through the National Center on Child Abuse and Neglect of the Department of Health and Human Services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3136 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. 279-92 Human Services on H.B. No. 3161

The purpose of this bill is to increase the allowable household renter's income tax credit from \$50 per qualified exemption to \$85 per qualified exemption.

Testimony in support of this bill was submitted by the Tax Foundation of Hawaii; the Department of Taxation; the National Association of Retired Federal Employees, Hawaii State Federation of Chapters; and LEEDA.

The testimony indicated that renters are overtaxed in comparison to homeowners because renters are not eligible for the generous home exemption that homeowners enjoy. While the proposed credit increase has only a small impact on closing the foregoing disparity gap, it does afford renters with needed relief.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3161 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. 280-92 Human Services on H.B. No. 3923

The purpose of this bill is to appropriate funds for the establishment of a family visitation center for abused and neglected children, from birth up through 18 years of age, who are in foster care.

Your Committee received testimony in support of this bill from the Department of Human Services, the Susannah Wesley Community Center, Child and Family Service, Hale Kipa Emergency Youth Shelters, the Domestic Violence Clearinghouse and Legal Hotline, PACT (Parents and Children Together), Friends of Foster Kids, the Hawaii Chapter of the National Association of Social Workers, and a foster parent.

The testimony indicated unanimously that the establishment of a visitation center would provide the support which is essential for family reunification to succeed. For example, the center would enable frequent, structured visitations between family members in a supportive, non-threatening, and safe environment. Center staff would provide positive role modeling in parenting skills and work with parents in a hands-on fashion as well as monitor and assess the family's functioning over a period of time. Additionally, the center would offer parents the flexibility of meeting with their children during evenings and weekends so further hardship will not be caused by parents missing work to visit their children.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3923 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. 281-92 Human Services on H.B. No. 3886

The purpose of this bill is to appropriate funds to enable the continuation of current services in public schools statewide by the Seniors Actively Volunteering in Education (SAVE) program.

Your Committee received testimony in support of this bill from the Governor's Executive Office on Aging; the Department of Education; the Office of the District Superintendent of the Department of Education; the Department of Human Concerns of the County of Maui; several schools participating in the SAVE program, including Lanakila Elementary School, Kalihi-Uka Elementary School, and Thomas Jefferson Elementary School; the Founder's Group of the Kokua Council for Senior Citizens; Catholic Charities; the Volunteer Information and Referral Service; numerous volunteers participating in the SAVE program; and others. The testimony indicated that SAVE is a successful program that provides invaluable opportunities for a wide variety of meaningful intergenerational activities, communication, and learning for the benefit of students, teachers, and senior citizens alike.

Upon further consideration, your Committee has amended the bill by appropriating \$118,000 to the program for fiscal year 1992 to 1993.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3886, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 282-92 Human Services on H.B. No. 3734

The purpose of this bill is to appropriate funds needed to provide necessary shelters, food, and counseling services to victim of domestic violence.

Your Committee has received strong support from the Commission on the Status of Women, the Hawaii State Committee on Family Violence, the Windward Spouse Abuse Coalition, and the public.

On Oahu alone, the Honolulu Police reported 2,638 incidents of domestic violence in 1991, and 1,337 incidents of child abuse. Police also receive more than 1,000 calls a month reporting domestic violence. Only 46 spaces are available at the two shelters serving the Oahu population of 836,231. Therefore, it is your Committee's strong belief that something must be done to help the victims of domestic violence and child abuse.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3734, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 283-92 Human Services on H.B. No. 3880

The purpose of this bill is to make an appropriation for the expansion of training programs and other daycare programs for Hawaii's children.

Your Committee received favorable testimony from Hawaii Community Services Council; Hawaii Association for the Education of Young Children; People Attentive To Children; and many family day care providers.

Your Committee has amended the bill to include the total appropriation of \$355,651 for fiscal year 1992-1992.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3880, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 284-92 Human Services on H.B. No. 3900

The purpose of this bill is to establish a special fund within the State Treasury known as the detention facility special fund.

Your Committee on Human Services received favorable testimony from the Department of Public Safety.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3900 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. 285-92 Human Services on H.B. No. 2771

The purpose of this bill is to establish a multi-agency blue ribbon task force to conduct an assessment of parenting adolescent students and the need for access to child care services.

Your Committee received favorable testimony from the Department of Education; the Hawaii State Commission on the Status of Women; the Social and Employment Services Incubator Project; the Hawaii Association for the Education of Young Children; Prevent Child Abuse Hawaii; Hawaii Public Health Association; and many others.

Your Committee has amended the bill to correct the naming of the Hawaii Association for the Education of Young Children, add the Department of Health, the Department of Education, the Office of Children and Youth, and the Office of Youth Services to be added in Section 3, appropriate \$50,000, and other non-substantive amendments.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2771, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2771, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 286-92 Human Services on H.B. No. 3857

The purpose of this bill is to establish the family center demonstration project, with family centers to demonstrate the effectiveness of the community based family center concept and to test different models of services delivery.

Your Committee has amended the bill to recommend that the concept of community development and community organization be strengthened in the bill.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3857, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 287-92 Human Services on H.B. No. 2510

The purpose of this bill is to:

- (1) Establish a half-way house prerelease program (program) for juvenile offenders committed to the Hawaii Youth Correctional Facility;
- (2) Appropriate monies for the program; and
- (3) Allow the Director of the Office of Youth Services (OYS) to:
 - (A) Place a person committed to the Director's custody in the program; and
 - (B) Require that no person shall be paroled unless that person has first spent at least six months in the program.

Your Committee received testimony in support of the bill from the OYS and the Office of the Public Defender of the State of Hawaii. Both OYS and the Public Defender felt there was no need to require placement of all committed youths in the program for at least six months as a prerequisite of parole. Rather, the decision to place the youth and the length of placement should be discretionary with the Director in accordance with individualized treatment plans, and the availability and appropriateness of other alternatives to incarceration.

Additionally, OYS stated that existing statutes already allow youth to be placed in in-community alternative programs.

Upon further consideration, your Committee finds that in-community residential treatment should not be limited to youth in prerelease situations.

Your Committee has amended the bill by:

- (1) Expanding the scope of the program to cover in-community residential treatment;
- (2) Deleting the requirement that a person must spend at least six months in the program in order to be paroled;
- (3) Appropriating \$350,000 for no less than seven in-community residential treatment slots as alternatives to incarceration for juvenile offenders; and
- (4) Making technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee hopes that efforts will be made to utilize a portion of the funds appropriated for in-community residential treatment slots on the neighbor islands in accordance with neighbor island needs.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2510, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2510, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 288-92 Human Services on H.B. No. 3902

The purpose of this bill is to establish a public safety repair and maintenance special fund (fund) to be used to repair and maintain State correctional facilities.

Supportive testimony was submitted by the Department of Public Safety (PSD).

Your Committee finds that this bill reaffirms the State's commitment to providing adequate levels of funding for the physical plants and operating systems of correctional facilities, and ensures that correctional facilities are maintained in compliance with State and county safety codes.

Your Committee has amended this bill by:

- (1) Authorizing the PSD to expend fund monies;
- (2) Deleting the reference to the deposit of gifts, donations, and grants from public agencies and private persons into the fund; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3902, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 289-92 Human Services on H.B. No. 3139

The purpose of this bill is to clarify that any applicant for or recipient of public assistance with assets in excess of \$1,000 shall be ineligible for such assistance.

The Department of Human Services submitted testimony in support of this measure indicating that the proposed clarification will dispel the misconception that the Department will not disqualify households with assets in excess of the \$1,000 threshold established under Section 346-29, Hawaii Revised Statutes.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3139 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. 290-92 Human Services on H.B. No. 3865

The purpose of this bill is to appropriate monies to plan and develop pre-conference structure, procedures, methodology, events, and activities which comply with federal guidelines in preparation for Hawaii's involvement in the 1993 White House Conference on Aging.

The Executive Office on Aging (EOA) submitted testimony in support of the bill which indicated that the proposed appropriation will enable the EOA to employ one staffperson to prepare for Hawaii's involvement at the national conference.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3865 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. 291-92 Human Services on H.B. No. 3878

The purpose of this Act is to continue financial support for agencies comprising the Hawaii Youth Services Network at the level in fiscal year 1992-1993 as they received in fiscal year 1991-1992.

Your Committee on Human Services received favorable testimony on Department of Human Services Office of Youth Services; Hale 'Opio Kauai, Inc.; Hawaii Youth Services Network; The Salvation Army and others.

Your Committee has amended this bill to appropriate \$1,767,781, or so much thereof as may be necessary for the fiscal year 1992-1993 for the support of the Hawaii Youth Services Network.

Your Committee on Human Services concurs with the intent and purpose of H.B. No. 3878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3878, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 292-92 Human Services on H.B. No. 3887

The purpose of this bill is to appropriate monies for the fiscal year of 1992-1993 for the "No Hope in Dope" program.

Your Committee received favorable testimony from the Department of Public Safety.

Your Committee amended the bill to include \$78,101 for FY 1992-1993 for the purpose of establishing three full time Adult Correctional Officer positions and purchasing one van.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3887, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3887, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 293-92 Human Services on H.B. No. 3881

The purpose of this bill is to establish a sex offender treatment program for the State's correctional facilities.

Your Committee received testimony in support of this bill from the Judiciary of the State of Hawaii, the Department of Public Safety, and the Hawaii Paroling Authority. The Department of Public Safety indicated that the proposed program would include treatment groups for 60 medium security inmates and a therapeutic community for 45 to 60 of the most serious sex offenders.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3881 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. 294-92 Human Services on H.B. No. 3873

The purpose of this bill is to establish a revolving fund to be known as the correctional industries revolving fund to be administered by the department.

Your Committee on Human Services received favorable testimony from the Department of Public Safety.

Your Committee has amended the bill to delete the underlined material on line 15 and 16 of page 1 and to insert a new Section 2 with regards to training and employment.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3873, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 295-92 Human Services on H.B. No. 3876

The purpose of this bill is to continue the networking activities initiated by the Department of Public Safety to ensure that the master plan is successfully implemented through a coordinated approach.

Your Committee on Human Services has amended the bill to:

- (1) Make the Department of Public Safety the lead agency, ensuring that they work closely with the Department of Health, the Department of Human Services, Judiciary, and the Hawaii Paroling Authority;
- (2) To formalize the work of the Sex Offender Treatment Program Council;
- (3) Create a permanent treatment coordinator position; and
- (4) To appropriate monies to be used for FY 1992-1993.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3876, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 296-92 Human Services on H.B. No. 3856

The purpose of this bill is to provide for the expansion of parenting educational programs throughout the State of Hawaii. Specifically this bill would expand the families for real program, provide funding for the parent line, and expand the parent connection.

Your Committee has amended the bill to specifically state what the monetary breakdown for each of the three programs would be.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3856, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3856, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 297-92 Human Services on H.B. No. 3898

The purpose of this bill is to allow the Department of Human Services to impose minimum health and safety requirements required by federal law on child care providers that are exempt from state licensure. This will enable Hawaii's families to pay "license-exempt" child care providers with federally-funded child care subsidies under the Child Care and Development Block Grant.

Testimony in support of this measure was submitted by the Department of Human Services and the Office of Children and Youth.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3898 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. 298-92 Human Services on H.B. No. 3890

The purpose of this bill is to re-establish the Inmate Grievance Project in Hawaii's correctional facilities.

Supportive testimony was submitted by the Department of Public Safety (PSD) and the American Civil Liberties Union of Hawaii.

The testimony indicated that a reduction in funded positions in fiscal year 1991-1992 resulted in reduced mediation services to inmates. PSD employees have been unable to process the grievances and complaints filed by inmates in an effective or timely manner, and as a consequence, many complaints that could have been settled out of court have been referred to the courts for mediation and adjudication.

Your Committee has amended this bill by inserting a purpose clause emphasizing the need for the project and making technical, nonsubstantive revisions for the purpose of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3890, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3890, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 299-92 Human Services and Health on H.B. No. 3853

The purpose of this bill is to appropriate monies for sign interpreters to provide services for the deaf, hard-of-hearing, and deaf-blind persons at public hearings.

Your Committees received favorable testimony from the Commission on Persons with Disabilities; the Hawaii State Coordinating Council on Deafness; and others.

Your Committees have amended the bill to appropriate \$10,000 to the expending agency which would be the Commission on Persons with Disabilities. Your Committees have also made other non-substantive technical changes.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 3853, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3853, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell and Peters.

SCRep. 300-92 Human Services on H.B. No. 3850

The purpose of this bill is to establish one position within the Department of Human Services to provide multi-lingual case management services to non-English speaking clients of the job opportunities and basic skills training program.

Your Committee has amended the bill appropriate \$40,000 and to allow JOBS to provide for multi-lingual services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3850, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 301-92 Human Services on H.B. No. 3879

The purpose of this bill is to appropriate monies for financial support for the Hawaii Youth Services Network.

Your Committee on Human Services received favorable testimonies from the Police Department of the City and County of Honolulu, the Hawaii Youth Services Network, PACT, and others.

Your Committee has amended the bill to appropriate \$213,375 for FY 1992-1993 and has amended the bill to correctly state the biennium of 1991-1993.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3879, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 302-92 Human Services on H.B. No. 3877

The purpose of this bill is to issue general obligation bonds for the acquisition of a facility to house a spouse abuse shelter in Windward Oahu, and to appropriate funds to operate the shelter.

Your Committee has amended the bill to appropriate \$550,000 in general obligation bonds for the purchase of a spouse abuse shelter in the Windward area of Oahu and \$454,000 for the operating expenses of this spouse abuse shelter.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3877, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 303-92 Human Services on H.B. No. 3901

The purpose of this Act is to convert the religious program manager's position in the Department of Public Safety to permanent status.

Your Committee on Human Services received favorable testimony from the Department of Public Safety ; Windward Coalition of Churches; The Hawaii Council of Churches; and others.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3901 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. 304-92 Human Services on H.B. No. 3871

The purpose of this bill is to appropriate funds to be expended by the Department of Human Services for the establishment, development, and implementation of a "seemless" system of child care within the job opportunities and basic skills training program.

Your Committee has amended the bill to appropriate \$54,000 for a permanent program specialist and a permanent clerk.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3871, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 305-92 Human Services on H.B. No. 3893

The purpose of this bill is to develop and implement a statewide comprehensive automated child support system for Hawaii's Child Support Enforcement Program.

The development and implementation of a statewide comprehensive automated child support system will help to ensure fast and effective agency response to client inquiries and concerns, reduce the percentage of non-paying cases, and increase collections.

Testimony in support of this measure was submitted by the Department of Attorney General.

Your Committee has amended this bill by appropriating \$1,256,407 for fiscal year 1992-1993.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3893, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 306-92 Human Services on H.B. No. 3894

The purpose of this bill is to appropriate funds to improve the ability of the Child Support Enforcement Agency (CSEA) to meet the financial needs of Hawaii's children by providing for office equipment and personnel positions statewide.

The establishment of personnel positions and the provision of office equipment is necessary to enable CSEA to eliminate backlog, take corrective action on deficiencies, and implement the operations necessary to meet new federal requirements.

Testimony in support of this measure was submitted by the Department of Attorney General.

Technical, nonsubstantive amendments were made for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3894, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3894, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 307-92 Human Services on H.B. No. 3620

The purpose of this bill is to regulate persons engaged in the profession of social work by setting minimum qualifications for those who wish to practice social work. This bill will create exclusive titles corresponding to the level of qualifications and will provide for disciplinary sanctions to be imposed against persons who do not meet or adhere to the qualifications and standards set out in this chapter.

Your Committee has amended the bill to:

- (1) Excluding social workers and all persons performing duties equivalent from the public sector, including employees of the State and the Counties;
- (2) To specify the reimbursement of the board;
- (3) Add in language with regards to grandfathering social workers; and
- (4) Other technical, non-substantive changes.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3620, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 308-92 Human Services and Health on H.B. No. 2917

The purpose of this bill is to establish the PACE demonstration project in the Department of Health's Maluhia Long Term Care Health Center.

Your Committees received favorable testimony from the Department of Human Services; the Executive Office on Aging; the National Association of Retired Employees; the Center of Aging at the University of Hawaii at Manoa; and others.

Your Committees have amended the bill to delete the items 9 and 10 from the bill since \$140,000 has already been placed into the Department's budget.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 2917, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2917, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 309-92**Finance on S.B. No. 2884**

The purpose of this bill is to make an emergency appropriation to the medical assistance program to ensure that sufficient funds are available to reimburse the health care providers for the current fiscal year.

Your Committee has received a message from the Governor stating that a critical funding emergency exists in the medical assistance (Medicaid) program and requesting the Legislature to make an emergency appropriation to ensure the continuation of the Medicaid program. This appropriation is needed to ensure that the State:

- (1) Will be able to make Medicaid payments to qualified recipients for the remainder of this fiscal year; and
- (2) Will not lose its qualification to receive federal matching funds from the federal Medicaid program.

The Department of Human Services testified in favor of this bill, noting that the Medicaid program will have a funding shortfall before the end of the fiscal year because of unanticipated health care cost increases and a growing service utilization rate.

While the State Administration in the original version of this bill and H.B. No. 3137 has recommended a funding level of \$54,507,832, the Department of Human Services has recently revised its estimate of the shortfall to \$64,000,000. Your Committee at this time approves the amount requested by the Department of Human Services to ensure that the necessary funds are available should this revised estimate more accurately reflect the shortfall. Given the State's tight fiscal constraints, however, your Committee instructs the Department of Budget and Finance to submit an expenditure report of the amounts appropriated in this bill to the Legislature no later than April 10, 1992.

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

- (1) Adding a new section stating the reasons why and declaring the amount and percentage that the appropriation contained in this bill will cause the state general fund expenditure ceiling to be exceeded; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2884, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2884, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Alcon and Tajiri.

SCRep. 310-92**Transportation and Intergovernmental Relations and International Affairs on H.B. No. 3164 (Majority)**

The purpose of this bill is to:

- (1) Revise the computation method of the county surcharge excise tax credit;
- (2) Allow only taxpayers residing in a county that has a county surcharge excise tax in effect to claim the tax credit; and
- (3) Increase the medical services excise tax credit to 4.5 per cent for residents residing in a county that has a county surcharge tax in effect.

Your Committees find that a revision in the computation method of the county surcharge tax credit will compensate for much of the regressiveness of the surcharge and provide additional relief for middle and lower income residents. Your Committees further find that resident individuals who reside in a county that has not enacted a county excise surcharge tax should not be allowed to claim the county surcharge excise tax credit on their income tax return. Your Committees also find that penalty provisions are necessary for taxpayers who claim the county surcharge excise tax credit, the 4.5 per cent medical services tax credit, or the 4.5 per cent capital goods excise tax credit when the county in which they reside or conduct business has not enacted the surcharge.

Your Committees received testimony from the State Department of Taxation, City and County Department of Finance, and the Tax Foundation of Hawaii.

Your Committees have amended this bill by:

- (1) Mandating that resident taxpayers who claim the county surcharge tax credit reside for more than two hundred days of the taxable year in a county which has enacted the surcharge;
- (2) Mandating that all surcharges collected in Honolulu but not used for the purpose of developing a fixed rail rapid transit system shall be returned to Honolulu residents who resided in the county for more than two hundred days of the taxable year; and
- (3) By including various non-substantive amendments.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3164, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3164, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.
(Representatives Hashimoto, Horita and Ward did not concur.)

**SCRep. 311-92 Transportation and Intergovernmental Relations and International Affairs on H.B. No. 3692
(Majority)**

The purpose of this bill is to modify the repeal date of the Transit Capital Development Fund.

Your Committees find that Act 183, enacted by the Fifteenth State Legislature, established the Transit Capital Development Fund to provide financial assistance to the counties for mass transportation capital and construction costs. \$53,000,000 a year is to be appropriated beginning in fiscal year 1992 through fiscal year 2008 for deposit into the Fund. Funds from the Transit Capital Development Fund were to be matched dollar for dollar by the counties. For their matching requirements, the counties were given the flexibility to use private source and county revenues, but not federal funds. The Act further required that the executive branch of each county seeking money from the fund enter into a development agreement with the State subject to the disapproval of the Legislature. The development agreements were to include information pertinent to the project, including the type of mass transportation project, anticipated ridership, the areas to be served, and financing. Act 183 also specifically required that the State Director of Finance evaluate the adequacy of private source revenues relating to the mass transit project and submit a report of findings to the Legislature.

The Act further specified that if the State Director of Finance determines, and the Legislature concurs, that private source revenues are inadequate to meet the fund's matching requirements, that no additional moneys may be expended pursuant to such development agreement from the Transit Capital Development Fund. The Act also specifies that any unencumbered moneys remaining in the fund as of December 31, 1992 shall lapse into the general fund.

Your Committees find that it would be prudent to preserve use of the Transit Capital Development Fund as an option available for the funding of mass transportation until such time an alternate method of financing is formally enacted.

Your Committees received testimony from the Department of Transportation and the Tax Foundation of Hawaii.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3692 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.
(Representatives Hashimoto, Horita and Ward did not concur.)

**SCRep. 312-92 Transportation and Intergovernmental Relations and International Affairs on H.B. No. 3697
(Majority)**

The purpose of this bill is to clarify that private source revenues received in each year that the general excise and use tax surcharge is in effect will be committed to the funding of the capital cost of the fixed rail rapid transit system.

Your Committees find that private source revenues were originally intended to be used as county matching funds for the Transit Capital Development Fund. Since it does not appear that any private source revenues will be used to match state funds, this measure specifies that any private source revenues received in each year that the general excise and use tax surcharge is in effect be used to fund the capital costs of the fixed rail system.

In addition, your Committees find that this measure would enable the maximization of private source revenues to fund the capital costs of the fixed rail rapid transit system and to reduce the duration of the general excise and use tax surcharge.

Your Committees received testimony supporting the intent of this measure from the Department of Transportation, the Department of Budget and Finance, and the Tax Foundation of Hawaii.

Based on the recommendations of the Department of Budget and Finance, your Committees have amended this measure by clarifying that the definition of "capital cost" includes debt service. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3697, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3697, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.
(Representatives Hashimoto, Horita and Ward did not concur.)

SCRep. 313-92 Transportation on H.B. No. 3047

The purpose of this bill is to create penalty provisions for employers who knowingly allow unqualified drivers to drive commercial motor vehicles.

Your Committee finds that although Section 286-234, Hawaii Revised Statutes, describes specific responsibilities of employers, it does not contain a penalty for employers who intentionally fail to live up to their responsibilities. Your Committee further finds that the creation of penalties will discourage the use of unqualified drivers to drive commercial motor vehicles and thus result in improved highway safety.

Your Committee received testimony from the Department of Transportation, Mothers Against Drunk Driving, and the Hawaii Transportation Association.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3047 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 314-92 Transportation on H.B. No. 2302

The purpose of this bill as received is to require the evaluation and documentation of off-hour roadwork for all public contracts and in-house maintenance work that will increase traffic congestion or require the closure of any travelling lane.

Your Committee finds that off-hour construction that occurs between 6:00 P.M. and 6:00 A.M. is a viable alternative to day-time construction. Your Committee also finds that the implementation of off-hour construction projects will help to minimize adverse traffic impacts and the number of public inconveniences caused by road construction. Your Committee further finds that a mandatory evaluation and documentation requirement for all road construction projects may increase design costs and prove impractical in certain instances.

Your Committee received testimony from the Department of Transportation and the City and County's Department of Public Works.

Your Committee has amended this bill by specifying that the feasibility of off-hour construction shall be considered for all public contracts that result in significant traffic congestion and by deleting the mandatory evaluation and documentation requirement.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2302, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 315-92 Transportation on H.B. No. 2304

The purpose of this bill is to mandate that all motor vehicle safety inspection certificates include information from the motor vehicle owner's no-fault insurance identification card.

Your Committee finds that adding the no-fault insurance card information to the inspection certificate will document that the Safety Inspection Station has checked for no-fault insurance. Your Committee further finds that this documentation will enhance the enforcement of this procedure.

Your Committee received testimony from the Department of Transportation, the City and County Department of Finance and the Hawaii Automotive and Retail Gasoline Dealers Association.

Your Committee has amended this bill by changing the effective date to January 1, 1993 to provide for the preparation of the new motor vehicle inspection certificates.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2304, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 316-92 Transportation on H.B. No. 2312

The purpose of this bill is to discourage the printing of unauthorized information on temporary motor vehicle number plates.

Your Committee received testimony in support of this bill from the City and County Department of Finance.

Your Committee finds that the purpose of temporary motor vehicle license plates is to allow the operation of a new motor vehicle until the dealer has processed the proper documents for registration and the permanent motor vehicle license plates have been obtained. Your Committee further finds that the purpose of the information required on the temporary motor vehicle license plate is to identify the vehicle owner and to indicate the expiration date of the temporary motor vehicle license plate.

Your Committee finds that several automobile dealers are printing unauthorized information on temporary motor vehicle number plates.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2312 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 317-92 Transportation on H.B. No. 2455

The purpose of this bill is to allow stolen or destroyed motor vehicle safety inspection stickers to be replaced without reinspection or charge if the owner or operator furnishes proof of a current certificate of inspection.

Your Committee finds that currently, motorists who have their vehicle safety inspection stickers stolen or destroyed more than three months after the original date of inspection must obtain another safety inspection at their own expense and in addition, pay for the cost of a replacement sticker.

Your Committee received testimony from the Department of Transportation, Hawaii Automotive and Retail Gasoline Dealers Association, and a concerned citizen.

Your Committee has amended this bill by authorizing the Director of Transportation to adopt rules to determine a fee for the replacement of inspection stickers which have been lost, stolen, or destroyed.

Your Committee on Transportation 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 Judiciary.

Signed by all members of the Committee.

SCRep. 318-92 Transportation on H.B. No. 2340

The purpose of this bill is to remove the repeal date of September 30, 1992 contained in Act 206, Session Laws of Hawaii 1991 which amended Act 342, Session Laws of Hawaii 1986. This bill will maintain the current legal drinking age of 21 years old.

Your Committee finds that some of the reasons for maintaining the minimum drinking age at 21 include the reduction of the number of traffic accidents involving young adults, the mitigation of other social problems such as juvenile crime and poor school performance, and the prevention of the loss of federal highway funds for the State as a consequence of Public Law 98-363.

Your Committee further finds that a 1987 Supreme Court decision for the South Dakota vs. Dole case did not find unconstitutional, federal mandates that linked receipt of federal highway funds with the adoption of the national minimum drinking age of 21 years of age. The State of Hawaii may lose 10 per cent of the federal highway funds designated for our State if the drinking age in Hawaii is lowered to less than 21 years of age. Although the potential loss of an estimated \$10 million is not the primary reason for the passage of this bill, it is still an important consideration.

Your Committee received testimony from the Department of Transportation, the Office of the Attorney General, Mothers Against Drunk Driving, Hawaii Insurers Council, Hawaii Food and Beverage Association, and the Honolulu Police Department.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2340 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 319-92 Transportation on H.B. No. 2820

The purpose of this bill is to include container consignees as a party which may be penalized for motor vehicle weight violations which involve the transportation of sealed containers and to authorize the Director of Transportation or any Motor Carrier Officer the discretion to impose or apportion fines for such violations.

Your Committee finds that under current statutes, citations for weight violations are issued to only the driver of the motor vehicle or the driver's employer. Your Committee also finds that many problems such as improper weight distribution which result in weight violations can be attributed to the improper loading of the containers.

Your Committee received testimony from the Department of Transportation, the Hawaii Food Industry Association, and the Hawaii Transportation Association.

Your Committee has amended this bill by:

- (1) Deleting the provision which authorizes the Department of Transportation to impose or apportion fines with regard to the degree of fault for the violation; and

- (2) By changing the effective date to October 1, 1992.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2820, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2820, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 320-92 Transportation on H.B. No. 3044

The purpose of this bill is to authorize the Department of Transportation to accept credit card payments for amounts owed to the State for products or services furnished to airport users.

Your Committee finds that the Department of Transportation has a total of 1,746 active accounts statewide, and that airport tenants have frequently voiced a desire to remit payment on accounts due to the State by way of credit cards. Your Committee also finds that by authorizing the Department of Transportation to accept credit card payments for airport charges, deposit receipts can be transferred electronically and the amount of cash handled by the staff will be reduced.

Your Committee received testimony in support of this bill from the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3044 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 321-92 Transportation on H.B. No. 3046

The purpose of this bill as received is to eliminate the five per cent tolerance when a vehicle is weighed using a permanently installed axle load scale. This bill also makes the fines for violation of section 291-37(a) mandatory.

Your Committee finds that present statute allows a five per cent tolerance primarily in consideration of portable scales which may cause weight discrepancies because of possible adverse field conditions where the scales are set up for weighing. Your Committee also finds that a permanently installed axle load scale maintains greater accuracy levels and thus requires minimal tolerance.

Your Committee received testimony from the Department of Transportation, Hawaii Food Industry Association, Hawaii Transportation Association, and Mercantile Trucking Service, Ltd.

Your Committee has amended this bill by creating a two per cent tolerance for permanently installed axle load scales.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3046, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 322-92 Transportation on H.B. No. 3327

The purpose of this bill is to:

- (1) Require drivers involved in an accident which results in substantial bodily injury to stop and remain at the scene of the accident; and
- (2) Provide definitions to clarify the degree of injuries involved in traffic accidents in order to establish applicable penalties for violation.

Your Committee finds that at present, Section 291C-12, Hawaii Revised Statutes, imposes a penalty which includes a maximum potential jail sentence equivalent to that of a Class B felony for a driver of a vehicle who fails to immediately stop and remain at the scene of an accident which results in injury to any person. This bill will classify the penalty for failing to stop and remain at the scene of an accident according to the degree of the injuries received by the victim.

Your Committee received testimony from the Department of Transportation, the Department of the Prosecuting Attorney, and Mothers Against Drunk Driving.

Your Committee has amended this bill by:

- (1) Providing that failure to stop and remain at the scene of an accident involving substantial bodily injury shall be sufficient cause for the revocation of driving privileges;
- (2) Including the provisions of this bill in Section 291C-14 for the purpose of consistency; and
- (3) To include various non-substantive amendments.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3327, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 323-92 Transportation on H.B. No. 3430

The purpose of this bill, as received, is to provide that no change may be made to any rate or fee pertaining to harbors, wharves, and properties managed and operated by the Department of Transportation without legislative action.

Testimony on this measure was submitted by the Department of Transportation, Hawaii Cruise Boat Owners Association, and Paradise Cruises.

Upon further consideration, your Committee has amended this measure by:

- (1) Requiring that any future changes in the rates or fees pertaining to harbors, wharves, and other properties managed and operated by the Department of Transportation may not be made without being subject to disapproval by concurrent resolution by the Legislature;
- (2) Requiring that moorage fees for small boat harbors may not be changed without being subject to disapproval by concurrent resolution by the Legislature; and
- (3) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3430, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3430, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 324-92 Transportation on H.B. No. 3746

The purpose of this bill is to provide statutory guidelines regarding the issuance of driver's licenses to persons with epilepsy.

Your Committee finds that the State of Hawaii presently does not have statutory guidelines for the issuance of driver's licenses to persons with epilepsy. Your Committee also finds that the Medical Advisory Board, which is responsible for the medical evaluation of persons whom an examiner of drivers has reason to believe has a mental or physical condition which may impair their driving ability, currently uses guidelines published by the Department of Transportation, National Highway Traffic Safety Administration for the issuance of driver's licenses to persons with epilepsy. Your Committee further finds that evidence is available which supports the establishment of a seizure-free period which is less than that suggested by the National Highway Traffic Safety Administration.

Your Committee received testimony from the Department of Transportation and the Epilepsy Foundation of Hawaii.

Your Committee has amended this bill to clarify the term of the driver's license for people with epilepsy after the first ten years of the initial issuance of the license.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3746, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3746, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 325-92 Transportation on H.B. No. 1180

The purpose of this bill is to amend Section 291-11 HRS to provide a reasonable rate of compensation to towing companies who remove trespass and abandoned vehicles primarily from private property and to allow the towing companies to have a possessory lien on the vehicle and its contents.

Your Committee finds that towing companies serve the public by removing trespass and abandoned vehicles from public and private property. Although the Legislature approved a slight increase in rates in 1990, the costs of removing these vehicles and operating a towing business have increased more substantially than has the compensation for these services. In recognition of the decreasing number of towing companies willing to tow trespass and abandoned vehicles from public property, the City and County of Honolulu recently increased the rates for their towing contracts. A copy of the rate schedule negotiated between the City and County was received by your Committee.

Your Committee received testimony from a concerned citizen.

Your Committee finds that towing from City streets is relatively simple when compared to towing from private buildings with low ceilings and cramped quarters. Those circumstances require specially constructed tow trucks and skilled

employees. There are few towing companies willing to tow from private property because of the low rates and high cost of storage space.

Your Committee believes that it is in the public interest for private towing companies to continue to provide this service. Therefore, your Committee has amended the rates for towing services as follows:

- (1) from \$35 to \$45 for a regular tow,
- (2) from \$40 to \$60 for a dolly tow,
- (3) provided a flat mileage charge of \$4 per mile towed,
- (4) increased the storage rates from \$6 per twenty-four hour period to \$10 for the first seven days and \$5 for each day thereafter, and
- (5) provided for a \$10 overtime surcharge for tows which occur between the hours of 6 P.M. and 6 A.M.

The bill has been further amended to delete the reference to possessory lien. Finally, your Committee has made other technical, non-substantive corrections to conform this measure to amendments made to Section 290-11 (b) by the 1991 Legislature.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1180, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 326-92 Transportation on H.B. No. 2300

The purpose of this bill is to establish a minimum and a maximum fine for a violation of the minimum vehicle occupancy requirements for high occupancy vehicle lanes.

Your Committee received testimony from the Department of Transportation, the Office of the Public Defender, the Honolulu Police Department, and the Leeward Oahu Transportation Management Association.

Your Committee finds that high occupancy vehicle lanes were designed to encourage ridesharing by providing a travel time saving incentive for vehicles transporting two or more persons during peak traffic periods. Your Committee further finds that traffic citations for motorists utilizing high occupancy vehicle lanes with less than the minimum vehicle occupancy requirement are increasing substantially. Your Committee further finds that establishing a minimum fine will encourage voluntary compliance of the minimum vehicle occupancy requirement by the motoring public.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2300 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 327-92 Transportation on H.B. No. 3045

The purpose of this bill is to:

- (1) Expand Section 286-240(a)(2) such that it includes driving a commercial motor vehicle while the driver's blood contains any amount of a controlled substance;
- (2) Define alcohol concentration to include both blood and breath alcohol concentration consistent with other parts of the Hawaii Revised Statutes and testing technology;
- (3) Clarify the intent of Section 286-242(b), which is to issue a 24-hour out-of-service order to a driver of a commercial motor vehicle who has a blood alcohol concentration of 0.01 or more, and not just to those who have a concentration of 0.01 through 0.03;
- (4) Extend the use of the out-of-service order to drivers who have a controlled substance in their blood;
- (5) Extend the scope of Section 286-242 from relating only to alcohol to include both alcohol and controlled substances;
- (6) Provide a procedure for holding hearings for drivers of commercial motor vehicles who are alleged to be in violation of Section 286-243(e) which prohibits driving a commercial motor vehicle while having a blood alcohol concentration of 0.04 or more; and
- (7) Provide a way of holding hearings for drivers who are alleged to be driving a commercial motor vehicle while having in the driver's body a controlled substance.

Your Committee finds that Federal law requires all states to include in statute a prohibition against driving a commercial motor vehicle while under the influence of a controlled substance. Your Committee also finds that an out-of-

service order should be issued to drivers suspected of having any amount of a controlled substance in their blood or an alcohol concentration greater than .01. The purpose of the order is to immediately prohibit drivers from driving until all the alcohol or controlled substance in the driver's system has been metabolized. Your Committee further finds that the hearing process for commercial driver's license holders was inadvertently deleted and must be reincorporated to clarify the procedure.

Your Committee received testimony from the Department of Transportation, the Honolulu Police Department, and Mothers Against Drunk Driving.

Your Committee has amended this bill by deleting the reference to a conviction regarding a first violation, since the determination of a violation will be made pursuant to an administrative hearing.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3045, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 328-92 Transportation on H.B. No. 2315

The purpose of this bill as received is to establish minimum and maximum fines for a violation of child passenger safety restraint requirements in a motor vehicle.

Your Committee finds that the use of child passenger safety restraints saves lives and reduces injuries resulting from motor vehicle accidents. Your Committee also finds that Hawaii's compliance with child passenger safety restraint requirements is presently at 57 per cent. Your Committee further finds that the Driver Education Section of the Judiciary has established a two-hour course which will commence instruction in March of 1992 to educate motorists on the benefits of child passenger safety restraints.

Your Committee received testimony from the Department of Transportation, Office of the Public Defender, and the Honolulu Police Department.

Your Committee has amended this bill by:

- 1) Maintaining the present fine for violations of the child passenger restraint law; and
- 2) Mandating that all persons violating child passenger restraint requirements shall attend a Child Restraint Safety Training course approved by the State Director of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2315, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 329-92 Transportation on H.B. No. 2308

The purpose of this bill is to allow foreign nationals to retain their invalidated foreign driver's license upon issuance of a Hawaii driver's license.

Your Committee finds that foreign nationals working or residing in this State are experiencing a tremendous economic burden and inconvenience when they return to their home country, surrender their Hawaii driver's license, and reapply for a new driver's license. Your Committee also finds that the process is simplified and costs are minimized should the foreign national surrender the original invalidated foreign driver's license whereupon the application is treated as a renewal.

Your Committee received testimony on this bill from the Department of Transportation and the City and County Department of Finance.

Your Committee has amended this bill by requiring the examiner of drivers to notify the foreign driver license issuing authority of the return of the invalidated foreign national's driver's license and subsequent issuance of a Hawaii driver's license in order to avoid multiple license records in different countries.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2308, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 330-92 Transportation and Consumer Protection and Commerce on H.B. No. 2567

The purpose of this bill is to encourage the use of safety helmets for motorcycle and motor scooter riders by:

- (1) Establishing a two-tiered fee schedule for vehicle registration and the driver education fund underwriters fee;
- (2) Utilizing the additional revenue to enhance the driver education program for operators of motorcycles and motor scooters; and
- (3) Mandating a 15 percent reduction in insurance premiums for helmeted riders.

This measure seeks to promote the use of safety helmets through various incentives. Motorcycle education programs would also encourage motorcyclists and motor scooter operators to drive safely and defensively on the road.

Your Committees received testimony supporting the intent of this measure from the Department of Transportation, the Department of Health, the Department of Commerce and Consumer Affairs, the University of Hawaii, the Injury Prevention Advisory Committee, the City and County of Honolulu Department of Finance, the Office of the Public Defender, GEICO, the Hawaii Medical Association, the Hawaii Independent Insurance Agents Association, the Hawaii State Chiropractic Association, the Chamber of Commerce, and other concerned individuals.

Upon further consideration, your Committees have amended this measure by:

- (1) Making it unlawful for the registered owner, operator, or passenger of a motorcycle or motor scooter that is registered for a helmet wearer to operate or ride the motorcycle or motor scooter without an approved safety helmet. A violator would be fined no less than \$100 and no more than \$500;
- (2) Requiring that a distinguishing license plate be used to indicate whether a motorcycle or motor scooter is registered by a helmet wearer instead of requiring colored vehicle tags or emblems. Also requires the county directors of finance to adopt rules in this regard;
- (3) Increasing the annual vehicle registration fee for non-helmet motorcycle or motor scooter registrants from \$35 to \$60. Also provides that \$40 of the \$60 collected be deposited into the Special Drivers' Education Fund Account;
- (4) Making it unlawful for the insured owner of a motorcycle or motor scooter with a proof of insurance card indicating that the operator is registered as a helmet wearer to: (a) operate the motorcycle or motor scooter without an approved safety helmet; or (b) allow any other operator or passenger to operate or ride the vehicle without an approved safety helmet. A violator would be fined no less than \$100 and no more than \$500;
- (5) Limiting the 15 percent reduction to premium charges the insurer assesses for each new and renewal policy for all coverage relating to personal injury;
- (6) Deleting sections appropriating money for the establishment of motorcycle safety education program sites on the Neighbor Islands;
- (7) Requiring the Director of Transportation to annually submit a report on the effectiveness of this measure in reducing the number and severity of accidents involving motorcycles and motor scooters;
- (8) Specifying that if fewer than 75 percent of the motorcycles and motor scooters registered are registered by helmeted operators in 1994, then the annual vehicle registration fee for non-helmeted vehicles would be \$90; and
- (9) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Transportation and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2567, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2567, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yonamine.

SCRep. 331-92

Transportation and Consumer Protection and Commerce on H.B. No. 2301

The purpose of this bill is to modify the definition of "rental motor vehicle" or "vehicle" with regard to the rental motor vehicle surcharge tax.

Your Committees find that under present statutes, all motor vehicles rented or leased for less than six months are subject to a rental motor vehicle surcharge tax. Your Committees further find that presently, this law also applies to the rental of large commercial vehicles such as trucks, truck-trailers, tractor semi-trailer combinations, and truck-trailer combinations.

Your Committees received testimony from the State Department of Taxation.

Your Committees have amended this bill by:

- (1) Including language to exclude trucks and truck-trailers from the rental motor vehicle surcharge;
- (2) Deleting the provision exempting vehicles which do not use the highway from the rental motor vehicle surcharge tax; and

- (3) Changing the effective date to July 1, 1992.

Your Committees on Transportation and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2301, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2301, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 332-92 Transportation and Labor and Public Employment on H.B. No. 2530

The purpose of this bill is to plan, develop, promote, and coordinate a flexible work hour program for State employees. As received by your Committees, this bill also deletes as one of the responsibilities of the Department of Transportation the planning, development, promotion, and coordination of alternate work and school hour programs.

Your Committees find that the flexible work hour program is an important method for reducing peak-hour traffic congestion that has also resulted in enhanced employee morale and increased productivity. Your Committees also find that the Department of Personnel Services should assume responsibility for the promotion of flexible work hours within the State government, and that this program should be coordinated with the Department of Transportation. Your Committees further find that the Department of Transportation should maintain responsibility for promoting flexible work hours to the private sector and continue to monitor the overall effectiveness of this transportation systems management strategy.

Your Committees received testimony from the Department of Transportation, State Department of Personnel Services, Chamber of Commerce, and the Leeward Oahu Transportation Management Association.

Your Committees have amended this bill by:

- (1) Specifying that the Department of Personnel Services coordinate the flexible work hour program with the Department of Transportation;
- (2) Maintaining the Department of Transportation's responsibility for the planning, development, promotion and coordination of alternate work and school hours programs within the State; and
- (3) Changing the effective date to January 1, 1993 to allow the Department of Personnel Services time to coordinate and administer this program.

Your Committees on Transportation and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 2530, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2530, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 333-92 Human Services and Health on H.B. No. 2382

The purpose of this bill is to establish the adult residential care home respite care special fund to develop respite care services for residential care home operators and maintain a pool of persons qualified to provide such services.

Your Committees received favorable testimony from care home operators; Long Term Care Association of Hawaii; United Group Home Operators; and others.

Your Committees have amended the bill to appropriate \$1.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 2382, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2382, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell and Peters.

SCRep. 334-92 Human Services and Health on H.B. No. 2381

The purpose of this bill is to expand the provision of health and human services to Hawaii's elderly by furnishing financial compensation to those adult residential care home operators who furnish special meals to patients as prescribed by a physician or other appropriate health care professionals.

Your Committees received favorable testimony from the Hawaii Long Term Care Association; care home operators; Healthcare Association of Hawaii; United Group Home Operators; and others.

Your Committees have amended the bill to appropriate \$1.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 2381, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2381, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 335-92 Human Services on H.B. No. 2381

The purpose of this bill is to provide moneys for reimbursements to operators of adult residential care homes for direct daily resident care services.

Testimony in support of this bill was submitted by the Alliance of Residential Care Home Administrators; Molokai United Group Operators; and others.

Your Committee on Human Services has amended the bill to appropriate the sum of \$2,323,249, or so much thereof as may be necessary for fiscal year 1992-1993.

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 Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 336-92 Human Services on H.B. No. 3141

The purpose of this bill is to provide the Department of Human Services with the authority to establish an imprest fund for work-related expenses to assist Job Opportunities and Basic Skills (JOBS) participants with payment for extraordinary and emergency expenses related to education, training, and employment activities, or with emergency cash assistance during family crises.

The Department of Human Services submitted testimony in support of this measure. This testimony indicated that imprest authority provides the JOBS program with needed flexibility in facilitating the participation of the JOBS participant and in meeting the needs of the participants and their families. This flexibility is critical to the progress and success of program participants.

The testimony also indicated that the imprest authority established by this bill replaces the temporary authority that was granted by legislative proviso in Section 54 of Act 296, Session Laws of Hawaii 1991.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3141 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. 337-92 Human Services and Consumer Protection and Commerce on H.B. No. 3862

The purpose of this bill is to respond to the needs outlined in this section and to Governor Waihee's own commitment as expressed in his state-of-the-state address to the sixteenth state Legislature by establishing the Hawaii long term care fund authority to design and administer a State long term care program for Hawaii's people.

Your Committees has amended the bill to:

1. Add one more member to the advisory board;
2. Appropriate \$680,000, or so much thereof as may be necessary for fiscal year 1992-1993 to carry out the purpose of this Act, including hiring of necessary staff and the provision of statewide community and public education on the Family Hope Program; and
3. Other non-substantive amendments.

Your Committees on Human Services and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 3862, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3862, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Peters and Ward.

SCRep. 338-92 Human Services and Consumer Protection and Commerce on H.B. No. 3851

The purpose of this bill is to provide assistance to foster parents by affording these parents rights; and expectations of agency volunteers; and also prohibiting insurance companies from considering a policy holder's foster child differently from the policy holder's natural or adopted child for purpose of determining premium rates on homeowner's or renter's insurance.

Your Committees received favorable testimony from the department on human services; foster parents; and others.

Your Committees have amended the bill by deleting any reference to medical expenses and other non-substantive technical amendments.

Your Committees on Human Services and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 3851, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3851, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Peters and Ward.

SCRep. 339-92 Human Services and Judiciary on H.B. No. 3732

The purpose of this bill is to designate the Department of Human Services as the lead agency in domestic violence and sexual assault matters, provides for the planning and provision of services in these areas through a master contractor, and exempts the master contractor and subcontractors from the requirements of chapters 42D, 102, and 103.

Your Committees have amended the bill to:

- (1) Reduce the funding for the first year start up costs to be \$229,514;
- (2) To delineate the program's responsibilities, the terms "domestic violence" and "sexual assault" to be defined clearly;
- (3) To designate that the Department of Human Services be the lead agency;
- (4) To eliminate rehabilitation of offenders under this program;
- (5) To allow the transfer of funds for the program startup from the Department of Health to the Department of Human Services;
- (6) And other non-substantive amendments made for the purpose of style and clarity.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 3732, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3732, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Peters and Ward.

SCRep. 340-92 Human Services and Judiciary on H.B. No. 3863

The purpose of this bill is to provide the Hawaii Paroling Authority with eight permanent full-time positions to enable specialized community supervision for parolees with special needs, including chronic substance abusers, females, the mentally ill, domestic violence abusers, and young adult offenders.

Testimony in support of this bill from the Department of Public Safety, the John Howard Association of Hawaii, the Hawaii Paroling Authority, and the Department of Health, was submitted.

Your Committees have amended the bill by adding a purpose clause which, among other things, sets forth the Legislature's recognition of the need for and effectiveness of specialized community supervision for parolees with special needs.

Technical, nonsubstantive amendments to the bill for the purposes of clarity and style have also been made.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 3863, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3863, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Peters and Ward.

SCRep. 341-92 Human Services and Judiciary on H.B. No. 3866

The purpose of this bill is to appropriate monies for the operation of the substance abuse treatment program.

Your Committees received favorable testimony from the Department of Public Safety; the Hawaii State Commission on the Status of Women; the University of Hawaii-Women's Study Program; and others.

Your Committees has amended the bill to specifically state what the appropriation of \$174,346 will be used for the FY 1992-1993.

- (1) \$137,346 for personnel services;
- (2) \$27,000 for current expenses; and
- (3) \$14,000 for equipment.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 3866, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3866, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Peters and Ward.

SCRep. 342-92 Housing on H.B. No. 3559

The purpose of the bill is to appropriate funds for an urban land institute panel advisory service study to identify innovative strategies to produce adequate affordable housing and increase opportunities for homeownership among Hawaii citizen while maintaining and enhancing Hawaii's environment and quality of life.

Testimony was submitted by the Urban Land Institute and the Land Use Research Foundation of Hawaii.

Upon careful consideration, your Committee as amended the bill by:

- (1) Clarifying the urban land institute advisory service panel assignments;
- (2) Mandate the Urban Land Institute on various criteria of their study;
- (3) Mandate the Office of State Planning to encourage involvements, by entities and individuals, in the implementation of the study recommendation;
- (4) Change "appropriation" to "transfer" to authorize the Director of the Department of Budget and Finance to transfer \$125,000 from the homes revolving fund to the Office of State Planning; and
- (5) Technical, non-substantive revisions were made for the purposes of clarity and style.

Your Committee on Housing 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 referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 343-92 Housing on H.B. No. 3558

The purpose of this bill is to require that the Housing Finance and Development Corporation (HFDC) shall submit an annual report to the Legislature on all programs and funds established under the HFDC.

Testimony was submitted from the Housing Finance and Development Corporation and a concerned citizen.

Upon careful consideration, your Committee has amended the bill by:

- (1) Clarifying in the report which funds are in which programs administered by HFDC;
- (2) Providing that the bill take effect July 1, 1992; and
- (3) Technical, non-substantive revisions were made for purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3558, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 344-92 Housing and Intergovernmental Relations and International Affairs on H.B. No. 2505 (Majority)

The purpose of this bill is to streamline the State and County land use development approval process for constructing housing.

Your Committees find that Hawaii's land use approval process is perceived as being time-consuming and cumbersome to developers, adding to the already high cost of housing in the State. Your Committees also note that the intent of such governmental approvals at both the State and County levels is to ensure proper, effective, and planned growth in the State. At the same time, the approval process is also meant to preserve the State's physical, economic, and social resources.

Your Committees received testimony from the Office of State Planning, the Department of Public Works of the City and County of Honolulu, the Department of Land Utilization of the City and County of Honolulu, the Land Use Research Foundation of Hawaii, the Hawaii Association of Realtors, the Honolulu Board of Realtors, and the Hawaii's Developers' Council.

Upon further consideration, your Committees have amended this measure to:

- (1) Allow the counties to enact ordinances increasing the total time required for county processing from 12 to 18 months;
- (2) Require each county to enact such ordinances as necessary to decrease to no more than six months the total time to process and approve subdivision, grading, building, and other ministerial development permits;
- (3) Extend the deadline for counties to enact ordinances from December 31, 1993 to December 31, 1994;
- (4) Provide that each county task force include members of the city council and any agency responsible for policy and technical issues regarding housing development permits;
- (5) Provide that the Governor's Task Force include state government agencies, boards, commissions, or entities responsible for policy or technical issues regarding housing development permits; and
- (6) Make technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Housing and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2505, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2505, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.
(Representative M. Ige did not concur.)

SCRep. 345-92

Housing on H.B. No. 2502

The purpose of this bill is to establish a rental housing trust fund to provide low interest loans or grants for housing projects that address the housing needs of persons and families.

Your Committee finds that there is an extreme shortage of rentals available for Hawaii's people. In addition, current efforts have failed to help the greatest need, the need for affordable rentals.

Rental housing trust funds have been proven in other states and governmental jurisdictions to be a very effective way in producing affordable housing units in a timely fashion.

Your Committee finds that creating an independent commission of seventeen members which will have the authority to expend trust fund moneys will enable the fund to respond to community concerns and needs along with expediting the approval process. It is important to have public members, such as, non-profit developers, tenant advocates, construction union members, real estate brokers and low income tenants who represent areas that will utilize the fund, with the logic being that those who use the fund will be best able to decide the priorities of distributing the fund. In order to ensure neighbor island input, the director of housing for each county shall serve as a voting member of the commission.

Any project built utilizing the trust fund shall make at least half of the available units for persons and families with incomes at or below 60% of the median family income, based on the median income for the area that the project is built. Because affordable units are in demand even for moderate income people, the remaining units of a trust fund project are for persons and families with incomes at or below 100% of the median income of the area. This will also aid in keeping a healthy economic mix of residents in any one project.

In addition, the bill defines what activities shall be eligible for assistance from the fund, and what types of units should be considered. Your Committee finds that it is important to move away from the traditional thought of single-family homes and build units that require the least amount of subsidy.

The commission shall have the authority to accept or deny applications based on how it rates each project's ability to serve the target population, for what length of time and the type of unit to be built. The bill recommends that the commission establish a point system for ranking each application on a case-by-case basis. This point system shall ensure that only projects that meet the standards set forth in this bill, and in the administrative rules created to support the intent of this legislation will be built with trust fund moneys.

Your Committee finds that not-for-profit organizations have had difficulty competing in the development of affordable housing due to the large amounts of capital needed for a project. The intent of this bill is to ensure that not-for-profit organizations will be able to compete in the affordable housing market based on the merits of the projects they propose, not on the amount of capital they possess. With this in mind, the commission is directed in its point ranking system to accept the not-for-profit project rather than a for-profit project if the projects rank equally based on the criteria set forth in the bill.

Your Committee is aware that previous programs designed to encourage housing development have failed to meet demand, in part because of excessive regulatory and paperwork requirements imposed on applicants. The commission is encouraged to develop rules to ensure that the processing of applications for funding can be carried out in the simplest and most expeditious manner consistent with its obligation to protect the interests of the fund.

Your Committee strongly believes that the rental housing trust fund should serve the entire state. An innovative system has been created to ensure that organizations in each county shall be able to access trust fund moneys. Each fiscal year, the commission shall set-aside 75% of the trust fund money, apportion this amount to each county based on its percentage of the state's population. This money shall not be actually appropriated to the counties, but reserved for applications that meet the appropriate criteria that come from organizations in the counties. The remaining 25% of the trust fund will be considered "at-large" funds that any county may tap into if it exceeds the amount allotted to it. This will keep

organizations from being limited by the amount of money allotted to its county, rather to plan projects that will best suit the community it serves.

Your Committee also strongly believes that a serious financial commitment must be made for this trust fund to be as successful as it has the ability to be. To fulfill this commitment, the bill is amended with the following:

- (1) Change the funding mechanism to a \$100,000,000 annual appropriation from the general funds, to begin July 1, 1993;
- (2) Authorize the director of the Department of Budget and Finance to transfer \$100,000,000 from the homes revolving fund to the rental housing trust fund; and
- (3) Reduce the amount of trust fund money that can be used for administrative purposes from 2% of the total appropriations to 1%.

Supportive testimony was received from the City and County of Honolulu Department of Housing and Community Development, the Hawaii Housing Authority, the Rental Housing Trust Fund Coordinating Committee, the Hawaii Community Reinvestment Corporation, the Honolulu Neighborhood Housing Service, Inc., the Hawaii Association of Realtors, Unity House, Inc., Waikiki Tenants United, Hawaii Centers for Independent Living, Catholic Charities: Catholic Services to the Elderly, YMCA Single Parent Advocacy Network, Founders Group Kokua Council for Senior Citizens, and the Waikiki Resident's Association. Supportive testimony with recommendations from the Land Use Research Foundation of Hawaii, a private citizen, and the Hawaii Developers' Council. The HFDC submitted testimony supportive of the concept, but with reservations and recommendations.

In addition, other technical, nonsubstantive amendments have been made for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2502, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 346-92 Housing on H.B. No. 2599

The purpose of this bill is to establish a new mortgage financing program to be administered by the Housing Finance and Development Corporation (HFDC) which provides low-income families with mortgage loans at below market interest rates that are adjusted on the basis of the changing income level of the borrowers. The bill also establishes the Low-income Borrower Housing Loan Revolving Fund to finance, pursuant to the foregoing program, the purchase of HFDC-developed affordable units.

The HFDC submitted testimony in support of the intent of the measure.

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

- (1) Deleting the reference to financing "project" loans since the intent of the proposed program is to finance "individual" loans; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2599, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 347-92 Transportation and Intergovernmental Relations and International Affairs on H.B. No. 3239

The purpose of this bill is to amend Chapter 291, Part III, Hawaii Revised Statutes (HRS), to conform to the federal guidelines promulgated pursuant to Public Law 100-64 to establish a uniform system for parking for persons with disabilities. This measure defines the terms necessary to implement the regulations.

Your Committees find that adoption of these amendments will enhance access and the safety of persons with disabilities who are limited or impaired in their ability to walk. Further, consistency with the federal guidelines will ensure reciprocity with other states.

Testimony was received in support of this bill from the Department of Transportation and the Commission on Persons with Disabilities.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3239 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 348-92 Transportation and Intergovernmental Relations and International Affairs on H.B. No. 3248

The purpose of this bill is to amend Section 286-42, HRS to allow the County Director of Finance to: (1) accept any county certificate of title as prima facie evidence of ownership for registration on or transfer of a vehicle and (2) contract with a private enterprise for the registration of and issuance of license plates to new vehicles.

Your Committees find that Hawaii is the only State that requires the comparison of the seller's signature on the certificate of title before a transfer of ownership can be made. The majority of other states accept their State's title as prima facie evidence that the recorded owner to whom the title certificate was issued has sold the vehicle. Your Committees believe that the adoption of this practice in Hawaii will facilitate the registration of transferred vehicles. In addition, this measure would expedite the registration and issuance of license plates for new vehicles by enabling the Director of Finance to contract for these services. The State of Florida, for example, has developed a successful public-private partnership program in this area.

Testimony in support of this measure was received from the City and County of Honolulu's Department of Finance on behalf of the Departments of Finance of the four counties.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3248 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 349-92 Transportation on H.B. No. 3963

The purpose of this bill is to amend the six-month inspection period for rental or U-drive motor vehicles to exempt new automobiles which are under two years of age.

Your Committee finds that many rental car companies are subject to perform six-month certifications prior to substantial vehicle use which, in some instances, takes place before the vehicle's first 7,500 miles. Your Committee also finds that requiring a six-month certification may be unnecessary when considering that many rental motor vehicle companies participate in repurchase programs wherein vehicles are returned to manufacturers after six to nine months of use.

Your Committee received testimony from the Department of Transportation, Alamo Rent-A-Car, Budget Rent-A-Car Systems, and the Car and Truck Renting and Leasing Association.

Your Committee has amended this bill by stipulating that new rental motor vehicles under one year of age are exempt from the six-month motor vehicle inspection.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3963, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3963, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 350-92 Transportation and Education on H.B. No. 2309

The purpose of this bill is to provide exemptions for the use of vehicles other than school vehicles for both public and private schools.

Your Committees find that both public and private school administrators are periodically faced with difficult transportation requirements for which use of school vehicles is impossible or impractical due to factors which are beyond the control of the school. Your Committees also find that an exemption for use of such vehicles currently exists for public schools and that this exemption should be expanded to include private schools.

Your Committees received favorable testimony from the Department of Transportation, the Department of Education, and the Hawaii Association of Independent Schools.

Your Committees have amended this bill by shifting the administrative responsibility for private school implementation of this exemption to an entity designated by the Department of Education.

Your Committees on Transportation and Education are in accord with the intent and purpose of H.B. No. 2309, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2309, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 351-92 Transportation on H.B. No. 2931

The purpose of this bill is to clarify the definition of alcohol concentration in relation to drunk driving.

Your Committee finds that this definition would provide more clarity for the courts who enforce violations of this law and allow for a simpler understanding of the term alcohol concentration for those persons subjected to tests measuring alcohol levels. Your Committee further finds that this clarification would create uniformity and continuity with the definition of alcohol concentration found in the State's Administrative Revocation of Driver's License Law and the Uniform Vehicle Code.

Your Committee received favorable testimony from the Department of Transportation and the City and County of Honolulu Department of the Prosecuting Attorney.

Your Committee has made non-substantive amendments to this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2931, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 352-92 Transportation and Consumer Protection and Commerce on H.B. No. 2349

The purpose of this bill is to modify with regard to the motor vehicle and tour vehicle surcharge tax:

- (1) The definition of tour vehicle;
- (2) The definition of tour vehicle operator; and
- (3) The passenger seat capacity of tour vehicle categories.

Your Committees received testimony from the State Department of Taxation, the Hawaii Transportation Association, and the Tax Foundation of Hawaii.

Your Committees find that at present, the tour vehicle surcharge tax is assessed only on tour vehicles which are regulated by the Public Utilities Commission. Your Committees also find that there are numerous tour vehicles not regulated by the Public Utilities Commission which subsequently are not assessed the tour vehicle surcharge tax. Because these non-regulated entities provide services which are similar in nature to tour vehicle operators who presently fall under the purview of the tour vehicle surcharge tax, your Committees find that it would be appropriate to assess non-regulated vehicles providing such services the tour vehicle surcharge tax. It is the desire of your Committees that the Public Utilities Commission and the State Department of Transportation's Motor Vehicle Safety Office assist the Department of Taxation in identifying various entities which are not regulated by the Public Utilities Commission who would fall under the purview of the tour vehicle surcharge tax.

Your Committees have amended this bill by maintaining the current number of passengers which categorize a tour vehicle. These passenger capacity numbers were maintained to avoid creating a disparity with the categorization by the Public Utilities Commission.

Your Committees on Transportation and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2349, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2349, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 353-92 Health on H.B. No. 2839

The purpose of this bill, as reported to your Committee, is to provide funds to establish the first stage of a comprehensive statewide quality assurance system for persons with developmental disabilities by establishing a mechanism for the development of a statewide plan.

The bill attempts to address the need for an independent system for quality assurance that is free from conflicts of interest in program operations. It attempts to solve current problems, acknowledged by numerous studies, that include: a lack of a consistent philosophical base in the provision of services; standards reflecting conflicting values; monitoring practices that are heavily numbers and paper oriented; a lack of attention afforded to individual outcomes; inadequate assistance for program improvement and enhancement following monitoring; virtually no coordination regarding quality assurance among entities conducting the activities; and consumers and family members' minor involvement of any element of quality assurance.

Representatives from the Department of Health, the State Planning Council on Developmental Disabilities, Hawaii University Affiliated Program, the Protection and Advocacy Agency of Hawaii, the Commission on Persons with Disabilities and other organizations submitted testimony in support of the bill.

Upon further consideration of the issues raised in testimony, your Committee has amended the bill in the following substantive ways:

Amending Section 2 to add the following duties of the committee to enable them to carry out the intent of the law:

- "(6) evaluate the monitoring of the service delivery aspects of various private and public sector projects relating to developmental disabilities;
- (7) serve as a channel for complaints by consumers of services for persons with developmental disabilities, following up on such complaints and taking such actions as may be warranted;"

Your Committee agrees with the majority of the testimony and favors a permanent committee as the most effective mechanism to monitor quality assurance for developmentally disabled individuals. The bill as reported to your Committee saw this group as an interim step: the bill has been amended accordingly.

An appropriation of \$77,752 was added to carry out the purposes of the Act.

In order to clearly delineate the new council's responsibilities, a section has been added where current duties of the State Planning Council on developmental disabilities which are redundant with the new committee's duties are repealed from its enabling statute.

Your Committee on Health 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 referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 354-92 Health on H.B. No. 3801

The purpose of the bill as reported to your committee is to expedite and improve the delivery of health care services provided by Hawaii's public hospital system. This is to be accomplished by laying a foundation for the restructuring of the way that community hospitals in Maui and Hawaii counties are governed, operated, and managed. The bill establishes two hospital commissions to develop and recommend proposed legislation, plans, and procedures to transfer these hospitals to nonprofit corporations.

The bill attempts to address some of the chronic problems that the Hawaii and Maui county hospitals face, particularly the lack of community based decision making and participation in health policy decisions by the providers and the consumers in the system.

Voluminous testimony was received in support of the intent of this bill, particularly from residents of the counties involved. A number of representatives from the Friends of Maui Memorial Hospital flew to Oahu to testify. They stated that "they had fought for autonomy for a number of years," and that this bill was a good step in planning for the further transfer of authority to the hospitals. However, the representatives of the group also pointed out that "we ... have wanted the autonomy pilot project [Act 223, SLH 1990] to work," but it appeared to be dead since certain problems with it would not be overcome before the Act's June 30, 1992 repeal date. The Committee agreed with the value of the existing program and have amended the bill's language to extend the repeal date of the autonomy pilot program until the hospitals come under the authority of nonprofit corporations as provided for in the bill.

Much testimony was received by the Committee that concerned the current 20 million dollar budget short fall that the community hospitals are now facing. Rather than forwarding a separate bill which was to have funded this short fall, the Committee felt it was preferable to incorporate the short fall into this bill, as it attempts to comprehensively address the problems of the hospitals, including the recurring budget short falls.

Your Committee also felt that the bill's language did not ensure that medical professionals would sit on the commissions. The bill was amended to ensure that of the already described members, one would be a medical doctor and one a nurse.

A representative from the Department of Health thought that the title "board of directors" was inappropriate when referring to the committees established as they are not governing bodies but rather bodies to accept community input and plan for the change of organization and governance. Your Committee concurred and the bill was so amended.

Thus the purpose of the bill as amended by the Committee is to 1) lay the foundation for a total restructuring of the way community hospitals located in the counties of Hawaii and Maui are managed that will ultimately result in the governance, operation, and management of these hospitals by nonprofit corporations 2) extend legislative provisions authorizing increased autonomy by the community hospitals while the process of restructuring them continues 3) fund the process of reorganization and 4) prevent the reduction or discontinuance of services by meeting current funding short falls.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3801, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 355-92 Health on H.B. No. 2509

The purpose of this bill, as received by your Committee, is to appropriate \$10,000,000 to the Department of Health for primary health care programs, including, but not limited to, teen health, peer education, acquired immune deficiency

syndrome (AIDS), prenatal care, homeless health, family planning, immunization, substance abuse, mental health, and other health programs.

Your Committee finds that the proposed executive budget for 1992 virtually excludes health care dollars for the homeless. In response to the health care needs of families in medically underserved areas, this bill has been expanded to include the following:

1. The purpose paragraph has been amended to read as follows: "The purpose of this bill is to reprioritize health department funding to assure primary health care services to families who are medically underserved." The purpose paragraph continues in explanation of the rationale behind the various appropriations.
2. Section 2 appropriates \$1,900,000 for the purpose of 1) establishing five mobile family health outreach teams: one each for Maui, Kauai, Hawaii, and two for Oahu (These teams may provide nursing, psychiatry, social work and dentistry services); 2) supplementing primary health care clinics and teams through the assistance of the Aloha Health Corps; and 3) facilitating needs assessments conducted by the Primary Health Care Association, in cooperation with the Department of Health, in the start up and operation of additional primary health care centers.
3. Section 3 appropriates \$1,000,000 for the expansion of the peer education program.
4. Section 4 appropriates \$400,000 to meet the additional need for drug treatment slots as provided through drug addiction services of Hawaii, Inc.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2509, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 356-92 Health on H.B. No. 3749

The purpose of this bill, as received by Your Committee, is to amend section 712-1200, Hawaii Revised Statutes, to provide that a person sentenced under this section be ordered to attend human immunodeficiency virus and sexually transmitted disease counseling as administered by the Department of Health.

Testimony in support of the bill was received from the Prosecuting Attorney of the City and County of Honolulu, and the Waikiki Residents Association. Testimony against the amendment was received from the Hawaii Nurses' Association, Hawaii Public Health Association, and Waikiki Health Center. The Hawaii State Department of Health and the Governor's Committee on AIDS support the bill's intent insofar as its aim to provide HIV and sexually transmitted disease education for sex industry workers, but do not support meeting this goal through mandatory legislation.

After much discussion over the practicality and logistics of such a mandate, your committee amended Section 1, subsection (4) (a) as follows:

- (1) Added provisions for a three-year pilot program whereby convicted prostitutes who are fined \$500, but who are not sentenced to a term of imprisonment, shall be ordered by the court to attend human immunodeficiency virus and sexually transmitted disease counseling. Such counseling will meet state Department of Health standards. The \$500 fine is to be allotted to the Department of Health to support the counseling program.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3749, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 357-92 Health on H.B. No. 2681

The purpose of this bill as received by the Committee is to establish the basic principles upon which Hawaii's health care system shall be based, and the rights and responsibilities of government, providers, and consumers with respect to this system.

The amended purpose of this bill is set forth as follows: "to provide guidance to State government in formulating and developing strategies to facilitate the best health care system for the people of Hawaii."

The Hawaii State Primary Care Association submitted testimony in support of this bill, with the Department of Health, The Hawaii Public Health Association and the Hawaii Medical Association supporting its intent, the Hawaii Medical Service Association expressing serious concern and the Hawaii Federation of Physicians and Dentists in strong opposition.

Various testimony expressed concern relating to (1) the phrasing of the bill, suggesting that the focus be changed from "rights" to goals and objectives for the State; (2) an administrative system which favors comprehensive data collection and centralized single payment; and (3) the lack of community feedback in clarifying and codifying the principles of the bill.

Your Committee has amended the bill as follows based on the various testimony received:

- (1) The purpose paragraph has been amended to read as follows: "to provide guidance to State government in formulating and developing strategies to facilitate the best health care system for the people of Hawaii."
- (2) Deleted all references to "bill of rights", "rights/the rights to" and "entitlement" and replaced wording with "public goals", "access" and "enjoy" respectively.
- (3) Deleted reference to each resident's right to tax free medical care and replaced wording with "shall enjoy affordable health care and health insurance based on community-wide ratings to widely distribute risks and costs."
- (4) Deleted the inclusion of an administrative system which favors centralized single payment and data collection.
- (5) Added provisos to the effective date, requiring that the Act be discussed in the community, among State Health Planning and Development Agency subarea committees, and that the Department of Health submit comments and suggested amendments no later than January 1, 1993.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2681, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2681, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 358-92 Health on H.B. No. 2818

The purpose of this bill is to, among other things:

- (1) Delete the requirement that foreign nursing school graduates take the Commission on Graduates of Foreign Nursing Schools (CGSFNS) exam prior to sitting for the National Council for Licensure Exam for Registered Nurses (NCLEX-RN);
- (2) Require that the transcripts of graduates of Board of Nursing-approved nursing schools in foreign jurisdictions be evaluated by professional evaluators designated by the Board of Nursing (Board); and
- (3) Provide that graduates of Board-approved nursing schools in foreign jurisdictions are eligible to apply for a nursing license if they have passed one of the English proficiency examinations prescribed in the rules adopted by the Board.

Testimony was submitted in support of the intent of this measure by the Board of Nursing, the Hawaii Nurses' Association, and the Kokua Council for Senior Citizens of Hawaii.

Your Committee has amended this bill by making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2818, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2818, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 359-92 Health on H.B. No. 3798

As received, this bill calls for an appropriation of \$1,000,000 for mental and physical health services for the homeless.

Your Committee received testimony in support of the intent of this bill from the Department of Health and the Waikiki Health Center.

The bill was amended by your Committee to specify that the funds shall be used for mental and physical health services for homeless children and adolescents.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3798, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 360-92 Health on H.B. No. 3616

The purpose of this bill, as received by your Committee, is to (1) redefine "restaurant" from retail eating establishment authorized by the Department of Health to operate as a restaurant to an eating establishment where meals or food are served for on-site consumption by seated patrons; and (2) to remove from the exception to "restaurant" definition, any seating area completely outside the building housing the restaurant.

The majority of the testimony received was strongly in support of this measure because it helps close the loopholes that are existent in the current statute. Representatives from the Department of Health reported that technically the Department authorizes food service establishments under chapter 1-A of the Sanitation Code, and restaurants are a sub-category of the larger class of food establishments. This amendment would make the law more clearly applicable to restaurants.

The Health Department and others had special concern that this change to close the current loophole include establishments where food is prepared off-site for on-site consumption, and for the eating establishments on cruise ships. The Committee agreed to amend the purpose of the bill to explicitly include these places.

Representatives of the Tobacco Institute and the Hawaii Food and Beverage Association (HFBA) supported the attempt to more clearly define the indoor eating areas of restaurants, but opposed the deletion of the current exception to regulations that outdoor seating areas enjoy. The representative of the HFBA fairly pointed out that restaurant owners can control many things, but not the wind. Complying with smoking regulations in outdoor seating areas would be difficult if in many cases. The Committee agreed with this point and amended the bill to retain the statutes' current wording on this matter.

Thus the purpose of this bill, as amended by the Committee, is to require retail eating establishments where food is prepared off-site to comply with State smoking regulations by changing the definition of "restaurant" from retail eating establishment authorized by the Department of Health to any retail eating establishment where meals or food are provided for on-site consumption by seated patrons. In addition, it would require cruise ship eating establishments operating in State waters to be treated as any other eating establishment.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3616, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3616, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 361-92 Health on H.B. No. 3453

The purpose of this bill is to amend the Hawaii Revised Statutes relating to children and adolescent mental health services to:

- (1) create a child and adolescent mental health services division in the Department of Health,
- (2) require the Department of Health to report on the quantity and effectiveness of mental health services provided per its memorandum of agreement with the Department of Education,
- (3) establish within the State Council on Mental Health and Substance Abuse and within each service area board a subcommittee on child and adolescent mental health, and
- (4) require the Director of Health by August 30, 1993, to develop the necessary rules pursuant to chapter 91 to carry out these purposes.

Representatives of the Mental Health Association, Hawaii Advocates for Children and Youth, and Catholic Charities and one individual testified in support of the intent of this bill and made various suggestions for its modification. The Department of Health testified that the bill was not necessary because its own reorganization already has provided division-level status for children and adolescent mental health services.

Your Committee has amended this bill by:

- (1) deleting language in sections 4 and 5 that would have required the establishment of subcommittees on child and adolescent mental health within the State Council on Mental Health and Substance Abuse and within each service area board.
- (2) added language to sections 4 and 5 to underscore the responsibility of the State Council on Mental Health and Substance Abuse and the various service area boards to advise the Department of Health and its service area centers on mental health and substance abuse services for children and adolescents.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3453, as amended herein, and recommends 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 Committee.

SCRep. 362-92 Housing on H.B. No. 3100

The purpose of the bill is to permit the Housing, Finance and Development Corporation (HFDC) to develop federal properties when appropriated federal authorities have approval of such developments.

The measure also allows HFDC to develop agricultural parks, subject to property approval.

Testimony was submitted by the Housing, Finance and Development Corporation and a concerned citizen.

After careful consideration, your Committee as amended the bill by deleting the words "agricultural parks" and technical, non-substantive revisions made for purposes of clarity and style.

Your Committee on Housing 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 except Representative M. Ige.

SCRep. 363-92 Housing and Intergovernmental Relations and International Affairs on H.B. No. 1656

The purpose of this bill is to require the Housing Finance and Development Corporation to utilize more manufactured or modular housing in its projects, and the projects it authorizes through private and independent developers.

Testimony was submitted from the Housing Finance and Development Corporation, the City and County of Honolulu Department of Housing and Community Development, Hawaii Building and Construction Trades Council and a concerned citizen.

Your Committees made the following changes to the bill:

- (1) Changing "shall" to "may" to allow the corporation the flexibility.
- (2) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committees on Housing and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 1656, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1656, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 364-92 Housing on H.B. No. 2078

The purpose of this bill is to require that rules adopted pursuant to sections 201E-201 and 210E-210, Hawaii Revised Statutes, shall provide that HFDC-sponsored housing projects shall not be required to meet county-imposed construction standards that are more stringent than applicable standards for affordable housing adopted by the U.S. Department of Housing and Urban Development.

Testimony regarding this bill was submitted by the Housing Finance and Development Corporation and the National Association of Retired Federal Employees-Hawaii Chapter.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2078 and recommends that it pass Second Reading and be referred to the Committee on Water, Land Use and Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 365-92 Housing on H.B. No. 3099

The purpose of the measure is to tighten lessee qualification requirement.

Testimony was submitted by Housing Finance and Development Corporation, Reinwald O'Connor Marrack Hoskins and Playdon, American Financial Services of Hawaii, Inc., Kamehameha Schools/Bernice Pauahi Bishop Estate and concerned citizens.

Your Committee on Housing are in accord with the intent and purpose of H.B. No. 3099 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 366-92 Housing and Transportation on H.B. No. 3563

The purpose of the bill is to give Hawaii Housing Authority (HHA) the power to certify vehicle that are left on property owned, managed, or operated by HHA as derelict under chapter 290, Hawaii Revised Statutes, can be removed and disposed or junked.

Testimony was received by Hawaii Housing Authority and the City and County of Honolulu Department of Finance.

Upon careful consideration, your Committees have amended the bill by removing the section in which the county agency shall remove abandoned vehicles on State property.

Your Committees on Housing and Transportation are in accord with the intent and purpose of H.B. No. 3563, as amended herein, and recommend 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 Judiciary.

Signed by all members of the Committees except Representatives Peters, Takamine and Tam.

SCRep. 367-92 Housing on H.B. No. 3353

The purpose of this bill is to authorize the issuance of revenue bonds by the Housing, Finance and Development Corporation to acquire the Queen Emma Garden Apartment complex.

Testimony was submitted by the City and County of Honolulu Department of Housing and Community Development, the Hale Coalition, the Roman Catholic Church and concerned citizens.

Upon careful considerations, your Committee has amended this bill by:

- (1) Changing the issuance of "revenue" bonds to "reimbursable general obligation" bonds;
- (2) inserting the authorization for the issuance of the reimbursable general obligation bonds amount of \$55,000,000 for the fiscal year 1992-1993; and
- (3) technical, non-substantive revisions were made for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3353, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3353, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 368-92 Housing and Health on H.B. No. 2592

The purpose of this bill is to appropriate funds to plan, design, and construct a single-room occupancy shelter for homeless individuals who are mentally ill or who are substance abusers.

Testimony was submitted by the Department of Human Services, Catholic Charities, Institute for Human Services and concerned citizens.

After careful consideration, your Committees have amended the bill by:

- (1) Inserting the authorization by the Director of the Department of Budget and Finance to transfer the amount of \$2,000,000 from the homes revolving fund to be dispensed by the Department of Health;
- (2) Clarify the plan, design, and construction of a single-room occupancy shelter for homeless individuals;
- (3) Changing the expending department from the Department of Human Services to the Department of Health; and
- (3) Technical, non-substantive revisions were made for the purposes of clarity and style.

Your Committees on Housing and Health are in accord with the intent and purpose of H.B. No. 2592, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2592, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 369-92 Housing on H.B. No. 3351

The purpose of this bill is to require the development of a set percentage of the rental housing units, self-help or owner-built single family units, and units constructed by "qualified, small-scale local contractors" in HFDC-sponsored housing development. More specifically, at least 50 percent of the total number of units in a development must be rentals affordable to residents with incomes of less than 100% of the median income of the county wherein the units are located; at least 25% of the units must be reserved for development by qualified residents through self-help or owner-builders for the construction of single family units; and any remaining units must be reserved for development of housing for qualified residents, provided that such development is undertaken by small-scale local contractors.

Testimony was submitted from the Housing Finance and Development Corporation, the City and County of Honolulu Department of Housing and Community Development, and a concerned citizen..

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3351 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 370-92 Housing and Education on H.B. No. 3525

The purpose of this bill is to appropriate funds for:

- (1) The repair and maintenance of all teacher housing in the State of Hawaii; and
- (2) Basic furnishings for teacher housing units.

Testimony in support of this measure was submitted by the Hawaii Housing Authority, the Department of Education, and an employee of the Department of Education who resides in teacher rental housing on Lanai. The testimony indicated that timely and adequate repair and maintenance, and the provision of basic furnishings such as beds, tables, and chairs would significantly improve the morale of teachers and help to resolve retention problems of new teacher recruits in isolated, rural communities.

Your Committees have amended the bill by appropriating \$340,350 for fiscal year 1992-1993 to carry out its purposes.

Your Committees on Housing and Education are in accord with the intent and purpose of H.B. No. 3525, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3525, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 371-92 Housing and Education on H.B. No. 2802

The purpose of this bill, among other things, is to require the following:

- (1) At least one site manager, who is not a member of a collective bargaining unit, at each teacher housing site in the State;
- (2) The setting, by the Hawaii Housing Authority (HHA), of minimum standards for the upkeep and maintenance of teacher housing units and sites, including the provision of basic furnishings in good condition; and
- (3) Written disclosure of certain pertinent data about teacher rental housing to each prospective teacher/tenant at least ten working days prior to the scheduled move-in date.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and a concerned citizen.

The HHA, testifying against the bill, assured your Committees that it is working diligently to resolve the issues addressed by this bill.

Upon further consideration, your Committees have amended the bill to:

- (1) Provide that it shall not take effect if the HHA resolves the issues sought to be remedied by the bill prior to the closing of the 1992 legislative session;
- (2) Require that HHA report to the Legislature, prior to the closing of the 1992 legislative session, on the status of its efforts to remedy the foregoing issues; and
- (3) Make technical, nonsubstantive amendments for the purposes of clarity and style.

As a final matter, your Committees emphasize their intent that site managers of teacher housing not be school administrators.

Your Committees on Housing and Education are in accord with the intent and purpose of H.B. No. 2802, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2802, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 372-92 Housing on H.B. No. 3567

The purpose of this bill is to establish the infrastructure development fund (fund) which shall be used by the Housing Finance and Development Corporation (corporation) to provide developers with grants for the development of necessary infrastructures related to the construction of affordable housing and rental developments for very low, low, and moderate income families.

Testimony in support of this measure was submitted by the Hawaii Developers' Council.

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

- (1) Designating that the fund shall be used for the development of necessary infrastructures related to the construction of affordable housing and rental developments for gap group income families, as well as very low, low, and moderate income families;
- (2) Designating that eligible projects shall have:
 - (A) Not less than fifty percent of the units for low and very low income families;
 - (B) Not less than forty percent of the units for moderate income families; and
 - (C) Not less than ten percent of the units for gap group income families;
- (3) Requiring that upon the transfer of housing or rental developments which have utilized moneys from the fund, the corporation shall have, for a period of twenty years after receipt by the developer of a grant from the fund, the first option to purchase the housing or rental development;
- (4) Requiring that if the corporation elects to waive its option to purchase, the developer/seller shall be required to pay to the corporation a share of the appreciation realized from the sale of the housing or rental development;
- (5) Allowing the aggregate principal sum and accumulated earnings in the rental assistance revolving fund to be utilized to make payments under rental assistance contracts entered into on or before June 30, 1992 or to subsidize tenants' rents in projects developed under Subpart IID, Chapter 201E, Hawaii Revised Statutes, and wherein the term of the subsidy began on or before June 30, 1992;
- (6) Providing that no rental assistance contract shall be entered into under Chapter 201E, Subpart IID, Hawaii Revised Statutes, after June 30, 1992;
- (7) Providing that upon the corporation's fulfillment of its obligations under each and every rental assistance contract entered into on or before June 30, 1992, Subpart IID of Chapter 201E, Hawaii Revised Statutes, shall be repealed;
- (8) Deleting the authority to issue general obligation bonds in the sum of \$50,000,000 for the fund;
- (9) Changing the effective date of the bill to July 1, 1992;
- (10) Amending the definition of "eligible borrower" in Section 201E-110, Hawaii Revised Statutes, to, among other things:
 - (A) Require that the borrower and his or her spouse not own a majority interest in any residential property in the State; and
 - (B) Include a qualified sponsor of an affordable housing project; and
- (11) Provide that an "eligible loan" means an interim or permanent loan made by a qualified sponsor for the financing of the affordable housing project.

Your Committee understands that the high cost of infrastructure is one of the greatest impediments to affordable housing production in the State. The proposed fund will bridge the gap between the cost of developing and the monthly income received from the project by providing grants for infrastructure. Because these grants are up-front, the State will not be locked into contracts which require payments over a period of many years. This results in dramatically reduced administrative costs. More importantly, because the principal sum as well as the earnings of the fund may be utilized for grants, the housing production power of fund moneys is activated and maximized.

For all of the foregoing reasons, it is the intent of your Committee that the Rental Assistance Revolving Fund be phased out and ultimately replaced by the proposed fund. Accordingly, the bill provides that the Rental Assistance Revolving Fund exist only for as long as it takes the State to fulfill its obligations under rental assistance contracts existing on or before June 30, 1992.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3567, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 373-92

Energy and Environmental Protection; Health; and Judiciary on H.B. No. 2683

The purpose of this bill is to create a Department of Environmental Protection in order to centralize now scattered and disparate programs within one administrative unit, to better enforce existing environmental statutes, to establish a legal environmental advocate through the Office of the Environmental Intervenor, and to establish a process to improve coordination, communication and conflict resolution among various departments.

Your Committees recognize that maintaining a healthy environment is the key to sustaining Hawaii's economy, our culture and our standard of living. Residents and visitors from around the world value the State's unique natural beauty, mild climate, clean air and clean water. Your Committees believe that the protection of these resources, as well as native

species and rare indigenous ecosystems, is critical to the State's economic and cultural prosperity. Your Committees also recognize that the current organization of environmental protection programs within different State departments and offices leads to inadequate coordination, a lack of enforcement regarding permit and monitoring requirements, overlapping or duplicative efforts in some areas, and a general lack of centralized authority, responsibility, and accountability which negatively impacts the environment, the regulated community, and the general public.

Furthermore, your Committees recognize that by creating a department specifically dedicated to addressing environmental protection issues at the cabinet level, environmental concerns will be able to shape and to compete more equally and visibly with the State's health, agricultural, and economic development goals.

Testimonies strongly supporting this measure were received from a broad coalition of Hawaii environmental organizations, the Hawaii Automotive and Retail Gasoline Dealers Association, the Hawaii Food Industry Association, the Hawaii Medical Association, the Young Democrats of Hawaii, the Friends of Kaneohe Bay, the Hawaii Laie Ika-Wai Corporation, the Hui Malama Aina O Laie, Church Women United, Conservation Council for Hawaii, and several individuals.

Public Affairs Consultants of Hawaii and Chevron U.S.A. support the formation of a Department of Environmental Protection but oppose the inclusion of the Office of the Environmental Intervenor.

The Office of State Planning, the Hawaii Resort Developers Conference, the Hawaii Sugar Planters Association, and the Land Use Research Foundation of Hawaii do not support the formation of the Department of Environmental Protection at this time.

Your Committees find that it is critical to the health of Hawaii's people and environment to establish the Department of Environmental Protection as soon as possible. Extending the deadline mandated by Act 293 for establishing the organizational and functional plans for the new Department will unnecessarily delay its immediate enactment.

Your Committees have amended this measure by correcting drafting errors which occurred as the result of using the 1990 rather than the 1991 Hawaii Revised Statutes. Your Committees have also amended this measure by deleting the section on the Office of the Environmental Intervenor, by transferring the functions of the Litter Control Office to the Department of Environmental Protection, and by changing references to co-jurisdictional authority between the Department of Health and the Department of Environmental Protection to the Department of Environmental Protection only.

Your Committees on Energy and Environmental Protection and Health and Judiciary are in accord with the intent and purpose of H.B. No. 2683, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2683, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Bunda, Takamine and Ward.

SCRep. 374-92 Energy and Environmental Protection and Higher Education and the Arts on H.B. No. 2566

The purpose of this bill is to establish a Pacific Sustainable Resource Systems Program at the University of Hawaii.

Your Committees on Energy and Environmental Protection and Higher Education and the Arts find it desirous to continue the development of marine and renewable energy resource industries, and the promotion of our State in such development for Hawaii's benefit, as well as for the benefit of other countries. Your Committees further find that a Pacific Sustainable Resource Systems Program at the University, to be conducted at several locations, will help to promote economic diversification, contribute toward the development of renewable resources technology, and utilize existing expertise and training in cooperation with the Hawaii National Energy Institute.

The University of Hawaii, in its supportive testimony, pointed out that Hawaii is in a unique position to foster sustainable energy programs because of the presence of an abundance of renewable energy and marine resources, and its many years of activity in research, development, and commercialization in this area. In addition, Hawaii's location places it in a good position to serve as the base for providing leadership to Pacific and Asian countries.

Your Committees on Energy and Environmental Protection and Higher Education and the Arts have amended H.B. No. 2566 by amending Section 3 to state that the funds should be deposited into the Discoveries and Inventions Revolving Fund to be expended by the University of Hawaii. Your Committee has further amended the bill by changing the terminology to the Pacific Sustainable Resource Systems Program rather than Center, since the program will be operating at several locations.

Your Committees on Energy and Environmental Protection and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2566, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2566, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Honda and Lee.

SCRep. 375-92 Energy and Environmental Protection and Judiciary on H.B. No. 2596

The purpose of this bill is to ensure that the citizens of Hawaii can enforce environmental laws as established by chapter 607-25, Hawaii Revised Statutes.

Your Committees find that the State government does not have the resources to fully protect Hawaii's public resources and the environment. Your Committees recognize that the enforcement of Hawaii's laws through private citizens' actions helps to address the shortcomings of government enforcement.

The Hawaii Chapter of the Sierra Club strongly supports H.B. 2596 and emphasizes that the measure will correct deficiencies in chapter 607-25, which was designed to facilitate citizen actions in the environmental arena but has not proven successful in this regard since its passage in 1978.

Public Affairs Consultants of Hawaii, representing the Western States Petroleum Association, opposes the passage of this measure because it believes that the bill will set a double standard for recovering litigation costs.

Your Committees are amending H.B. 2596 by deleting the language related to attorneys fees in subsection (e).

Your Committees on Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of H.B. No. 2596, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2596, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Bunda and Takamine.

SCRep. 376-92 Housing on H.B. No. 3107

The purpose of this bill is to allow general excise tax (GET) exemptions for privately-sponsored affordable housing projects on which actual construction has started between the dates of July 1, 1992 and December 31, 1993, and which are completed by December 31, 1994.

Testimony for this bill was submitted by the Housing and Finance Development Corporation, Department of Taxation, Tax Foundation of Hawaii, the Building Industry Association of Hawaii, Hawaii Association of Realtors, and a concerned citizen.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3107 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. 377-92 Energy and Environmental Protection and Judiciary on H.B. No. 3084

The purpose of this bill is to make statutory revisions to chapter 342L, Hawaii Revised Statutes, regarding Underground Storage Tank (UST) Management, for purposes of clarity, consistency, and equivalency with the federal UST law.

Your Committees find that a sound statutory framework is necessary for the Department of Health to proceed with its adoption and implementation of rules and regulations relating to the UST program so that it may secure the ultimate approval of the federal Environmental Protection Agency for this program. Furthermore, your Committees recognize the importance of accomplishing this as soon as possible so that Hawaii may begin to enforce its UST program requirements and, in doing so, protect the State's valuable groundwater and other resources from contamination by leaking underground storage tanks.

Testimonies from the Department of Health, Pacific Resources, Inc., the University of Hawaii's Environmental Center, and the Department of Business, Economic Development and Tourism were generally supportive of this measure.

The Department of Health offered the following recommendations:

- 1) That the existing definition of "owner" be changed to clarify ambiguous and overly restrictive language originally adopted from the federal statute; and
- 2) That a cut-off date of November 8, 1984 be set to reflect the federal statute on "owner" responsibility; and
- 3) That any similar limitation of operator liability to a cut-off date of November 8, 1984 would not be supported by the Environmental Protection Agency; therefore, the definition of operator in the existing statute should not be modified.

Your Committees have amended this bill by including the Department of Health's recommendations to meet the equivalency provision of EPA for program authorization purposes, clarify existing language ambiguities, address the Committees' concern over the unlimited number of "historical" responsible parties, and serve the needs of the Department to implement a program more effectively by regulating operators and the more recent owners of tanks as potential responsible parties. Your Committees have also amended this bill by changing the civil penalty from \$10,000 to \$25,000 for each separate violation of chapter 342L to be consistent with federal law and proposed legislation being considered this session.

Your Committees on Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of H.B. No. 3084, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3084, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Bunda, Peters and Takamine.

SCRep. 378-92 Energy and Environmental Protection on H.B. No. 3229

The purpose of this bill is to establish a State Solid Waste Management Fund to be used by counties to promote source reduction actions, activities relating to recycling, bioconversion, facilities for integrated solid waste management.

The Department of Health, the Department of Public Works of the City and County of Honolulu, the Council for Solid Waste Solutions, the County of Kauai, the Hawaii Food Industry Association, and others presented testimony on this measure.

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

- (1) Deleting the definition of "advance disposal fee";
- (2) Specifying that the moneys from the Solid Waste Management Fund may be used by the counties to implement waste management programs, provided that fifty per cent of any year's funding shall be used to provide incentives to recyclers, haulers, and brokers;
- (3) Allowing moneys from the Fund to also be used to promote statewide education, demonstration, and marketing development programs;
- (4) Authorizing the Department of Health to distribute funding to the counties in the form of contractual agreements while the Department adopts rules to administer the Fund;
- (5) Appropriating \$700,000 to provide an interim funding source for the Fund to be distributed to the counties to implement waste management programs including providing incentives to recyclers, haulers, and brokers;
- (6) Clarifying the parameters of the feasibility assessment study on the use of an advance disposal fee;
- (7) Inserting the sum of \$100,000 for the study and requiring the Office of Solid Waste Management to submit a report on its findings and recommendations to the Legislature not later than twenty days prior to the convening of the 1993 Regular Session; and
- (8) Making technical amendments throughout the bill to correct drafting errors and for purposes of style and clarity.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3229, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 379-92 Energy and Environmental Protection on H.B. No. 3761

The purpose of this bill is to appropriate funds for a study on the feasibility of producing refuse derived fuel as an alternative energy source. The Department of Business, Economic Development and Tourism is to consult with the Department of Health, neighbor island counties, and other relevant public and private organizations in carrying out this study.

Your Committee on Energy and Environmental Protection finds that much more solid waste could be used for the generation of energy than is presently being undertaken. Your Committee also finds that the recycling of solid waste for fuel will greatly reduce the amount of solid waste now entering our landfills.

Supportive testimonies were presented by the Environmental Center, University of Hawaii; Brewer Environmental Industries; and the City and County of Honolulu for making the proposed study.

Brewer Environmental Industries described a mechanical system which recycles solid waste, thus reducing landfill requirements, providing financial opportunities for the sale of recyclable products, and offering an alternative fuel source.

Your Committee on Energy and Environmental Protection has amended this bill by inserting an appropriation of \$1 to enable further discussion.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3761, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3761, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 380-92 Energy and Environmental Protection and Judiciary on H.B. No. 2519

The purpose of this bill is to stimulate the recovery of glass through recycling. Specifically, an advanced disposal fee of 2 cents per glass container entering the State will be paid by wholesalers who first import the glass into the State. Proceeds will be placed into a glass incentive special fund, which shall be distributed to the counties to be used for glass recovery programs.

Your Committees heard supporting testimony from the City and County of Honolulu, The Recycling Association of Hawaii, the County of Kauai, Maui Soda and Ice Works, Ltd., the University of Hawaii Environmental Center, and the State Department of Health. Their recommendations and concerns were addressed in the House Draft 1.

Your Committees on Energy and Environmental Protection and Judiciary have amended H.B. 2519 as follows:

- (1) Removing the section relating to licensing procedures due to the perceived cumbersome nature of its implementation;
- (2) Deleting the goals for the percentage of waste stream to be collected because of the different needs and goals of each county;
- (3) Deleting the automatic escalation clause to the assessment paid by the glass importer to the Department of Health after the first year;
- (4) Adding a provision instituting a cap of up to, but not exceeding 10 percent of funds for the State to retain for the purposes of conducting special demonstration projects, or for educational and administrative cost;
- (5) Clarifying the definition of glass packaging wholesalers as those that bring glass packaging into the State for sale within the State; and
- (6) Excluding imprisonment as a penalty for violating this provision.
- (7) Adding a provision exempting airlines or shipping companies that merely transport glass containers.

Your Committees on Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of H.B. No. 2519, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2519, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Takamine.

SCRep. 381-92 Energy and Environmental Protection on H.B. No. 3954

The purpose of this bill is to provide a mechanism for the regulation of preparers of environmental impact statements.

Your Committee feels that regulation of individuals who prepare environmental impact statements is reasonably necessary to protect the health, welfare, and safety of the public. Governmental agencies must rely heavily on environmental impact statements for decisions regarding land use, development and conservation. Your Committee believes that regulation will help to ensure that environmental impact statements will be produced in a fair and accurate manner.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3954 and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 382-92 Energy and Environmental Protection on H.B. No. 3946

The purpose of this bill is to amend Chapter 343, Hawaii Revised Statutes, relating to environmental impact statements (EIS)s by creating an appeal process to allow challenge of the Office of Environmental Quality Control's (OEQC) acceptance of an agency's determination of a negative declaration. Anyone who chooses not to appeal the negative declaration to the Environmental Council may seek judicial review of the agency's decision through Chapter 91 proceedings.

Your Committee received testimony opposing this bill from the Department of Accounting and General Services, the City Departments of Land Utilization and General Planning, and the University of Hawaii's Environmental Center. General concerns focused on two major issues:

- (1) It would add another layer of bureaucracy to the EIS process and result in unnecessary costs in developing projects. Groups opposing a project would have another tool to delay action; and
- (2) There are existing safeguards to protect the environment during the review of proposed projects.

The Sierra Club, Hawaii Chapter and the Sandy Beach Coalition supported this bill. The Land Use Research Foundation of Hawaii and the OEQC also testified on this measure.

Following deliberations, your Committee has essentially substituted new language to this bill. Specifically, your Committee has:

- (1) Deleted ambiguous language on page 3, lines 1 - 18 and from page 5, line 21 to page 6, line 16 of the original bill;

- (2) Required an opportunity for public review and comment on environmental assessments for a thirty-day period beginning on the day that OEQC publishes the environmental assessment availability notice;
- (3) Required the agency to respond in writing to comments received during the review and to file notice of its determination with OEQC;
- (4) Required that an EIS be prepared if the agency finds that, based on the environmental assessment and public comment, the proposed action may have a significant impact on the environment;
- (5) Authorized OEQC to make a recommendation as to the determination if requested by the agency; and
- (6) Reduced from sixty to thirty days the time during which a judicial proceeding, regarding whether an EIS is required or not, shall be initiated after the public has been informed of such a determination.

The above amendments apply to situations when an agency proposes an action as well as when an applicant proposes an action.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3946, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 383-92 Housing on H.B. No. 3565

The purpose of the bill shall authorize the Housing Finance and Development Corporation to make grants to nonprofit entities for development of low and very low cost housing.

Testimony was submitted from Housing Finance and Development Corporation and a concerned citizen.

Upon careful consideration, your Committee has amended the bill by:

- (1) Exempting the housing development grant-in-aid fund from Chapter 42;
- (2) Changing the appropriation amount of \$10,000,000 to \$5,000,000 for the fiscal year 1992-1993;
- (3) Providing that the bill take effect on July 1, 1992; and
- (4) Technical, non-substantive revisions were made for purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3565, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 384-92 Labor and Public Employment on H.B. No. 3400

The purpose of this bill is to include eligible bidders and eligible developers for the construction of any public work under "party" and to require the development or construction of experimental and demonstration housing projects to comply with section 104-2, Hawaii Revised Statutes.

Your Committee received testimony from the Department of Labor and Industrial Relations, the Hawaii Operating Engineers, Mr. Charles K.Y. Khim, Esq., the Hawaii Building and Construction Trades Council, AFL-CIO, the Building Industry Labor Association, the Hawaii Carpenters Union, and Mr. Charlie Rodgers.

Upon further consideration, your Committee has amended this bill by:

- (1) Clarifying "maintenance" as work which may not be considered construction in nature;
- (2) Specifying that section 104-2 and Chapter 46 apply only to laborers and mechanics working on that particular public works project;
- (3) Adding a new section to Chapter 46 which limits the application of Chapter 104; and
- (4) Technical, nonsubstantive amendments 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. 3400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3400, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 385-92 Labor and Public Employment on H.B. No. 3332

The purposes of this bill are to:

- (1) Dissolve the Dispersal Review Council (Council) as established in Chapter 321E, Hawaii Revised Statutes, by Act 205, Session Laws of Hawaii 1988 (Act 205); and
- (2) Transfer all Council personnel and related equipment and documents to the State Health Planning Development Agency.

Supportive testimony was submitted by the State Health Planning and Development Agency and the Department of Health.

Your Committee finds that the Council was established to ensure that group living facilities for persons who are developmentally disabled, elderly, handicapped, mentally ill, or totally disabled are dispersed throughout the State.

In the process of reviewing the application of a proposed community based intermediate care facility for the mentally retarded in 1989, the Council's regulatory authority was challenged in state circuit court. The court found that the provisions of Act 205 were in conflict with the Federal Fair Housing Law. As a result, the effectiveness of the Council is uncertain and, for this purpose, this bill is repealing the Council.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3332 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 386-92 Labor and Public Employment on H.B. No. 3601

The purpose of this bill, as received by your Committee, is to include salary ranges and requirements to enter those ranges as negotiable items in collective bargaining.

The Department of Personnel Services, the Office of Collective Bargaining, the Department of Education, the Department of Civil Service, the City and County of Honolulu, the Hawaii State Teachers Association, and the University of Hawaii submitted testimony on this measure.

Testifying in favor of this measure, the Hawaii State Teachers Association noted that the present salary schedules for teachers have been in existence for over 25 years, during which the teachers were only able to negotiate the amounts within the steps and ranges of that schedule.

Your Committee concurs that if recent initiatives to improve our public schools are to succeed, then it is essential to examine the entire structure of the public education system, including the teaching profession. Because the success of our public schools is largely dependent on the teachers, educational reform efforts must also be directed toward the teachers, including how to attract, train, reward, and retain the best teachers available. As a first step, it is necessary to review and revise the compensation and classification schedule to respond effectively to changing needs and circumstances.

Upon further review, your Committee has amended the bill by deleting the substance and adding a new section to Chapter 89, Hawaii Revised Statutes, regarding the scope of negotiations between the State and the exclusive representative for bargaining unit 5. As amended, this bill includes wages, hours, salary ranges, the requirements to enter or modify those ranges, the number of incremental and longevity steps and movement between steps within the salary range, classification, reclassification, the amounts of contributions to the public health fund, and other terms and conditions of employment as items subject to negotiations.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3601, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 387-92 Energy and Environmental Protection and Judiciary on H.B. No. 3342

The purpose of this bill is to establish a Nonpoint Source Pollution Management and Control Program in the Department of Health.

Your Committees on Energy and Environmental Protection and Judiciary find that nonpoint source pollution, water pollution that does not originate from a single identifiable source, has not had a management and control program to establish mitigation practices. This bill would have the Department of Health propose or develop plans, programs, rules, legislation and conferences to abate nonpoint source pollution.

Testimonies were received from the Department of Health; the United States Department of Agriculture, Soil Conservation Service; Koolau Agricultural Company, Ltd.; the University of Hawaii, Environmental Center; and the Hawaiian Sugar Planters' Association. Testimonies were supportive, although the Hawaiian Sugar Planters' Association testified that this legislation was premature, since the problem is still poorly understood.

Your Committees on Energy and Environmental Protection and Judiciary have amended this bill by deleting the words "whenever appropriate" in reference to the Department of Health's responsibility for drafting rules, legislation, alternate funding mechanisms, and new programs to improve the State's capacity to mitigate nonpoint source pollution.

Your Committees have further amended this bill by including an appropriation for personnel, equipment, supplies, travel, and other current expenses.

Your Committees on Energy and Environmental Protection and Judiciary are in accord with the intent and purpose of H.B. No. 3342, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3342, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Bunda, Hagino and Takamine.

SCRep. 388-92 Energy and Environmental Protection on H.B. No. 3464

The purpose of this bill is to appropriate funds to alleviate any shortfalls in the State's efforts to properly conduct its environmental management programs.

Your Committee finds that the current lack of funding for many of the State's critical environmental management programs has led to inadequate monitoring and enforcement of environmental statutes. Adequate funding of these programs is critical to maintaining and protecting Hawaii's fragile environment.

Testimonies supporting the passage of this measure were received from the Department of Health and the Department of Agriculture. The Department of Health noted, however, that the figures given for environmental management programs within the Department were not accurate and submitted its own figures which they recommended be used to amend the bill.

Your Committee has amended this measure to incorporate the correct figures submitted by the Department of Health.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3464, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Bunda.

SCRep. 389-92 Energy and Environmental Protection and Consumer Protection and Commerce on H.B. No. 3614

The purpose of this bill is to establish a new law to regulate the servicing of refrigerated appliances and machines utilizing ozone-depleting compounds; to amend laws relating to ozone layer protection, motor vehicle repairs, and contractors by placing new restrictions on the sale and purchase of chlorofluorocarbons and other ozone-depleting compounds used in coolants; to set up a training program for persons who service regulated appliances and machines; and to set up a refrigerant recovery and recycling equipment inspection program to certify the condition and safety of required equipment.

Your Committees on Energy and Environmental Protection and Consumer Protection and Commerce find that increased ultraviolet radiation, caused by breakdown in the ozone layer, can have detrimental effects on the environment and on the health of Hawaii's residents. Your Committees further find that compounds used in our refrigeration and cooling systems are the primary source of ozone-depleting chemical releases in Hawaii. Your Committees further find that our State needs to take the necessary actions to protect the environment and the health, safety and welfare of its residents, pending issuance of international and federal regulations and their implementation.

Supportive testimonies were received from the Department of Health; University of Hawaii, Chancellor for Community Colleges; the University of Hawaii, Environmental Center; the Department of Commerce and Consumer Affairs; the Hawaii Global Change Education Project; and several students.

Concerns were expressed that the bill must include funding if monitoring is to be undertaken. The Community Colleges will be able to provide the necessary training and technical assistance to carry out the provisions of this bill.

Your Committees on Energy and Environmental Protection and Consumer Protection and Commerce have amended this bill by making the Department of Health solely responsible for developing the inspection and monitoring program, rather than involving the Director of Business, Economic Development and Tourism and the Director of Commerce and Consumer Affairs.

Your Committees have further amended this bill by inserting an appropriation of \$100,000.

Your Committees on Energy and Environmental Protection and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 3614, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3614, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Bunda, Metcalf, Peters and Takamine.

SCRep. 390-92 Energy and Environmental Protection and Intergovernmental Relations and International Affairs on H.B. No. 2898

The purpose of this bill is to appropriate the sum of \$10,000,000 for the closing of sanitary landfills in Maui County.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs find that the closing of landfills is essential after they have reached capacity loads for both health and aesthetic reasons. Your Committees also find that both federal and state laws require such closures.

Testimonies in favor of this bill were submitted by the Office of the Mayor, Maui County; Hawaii Association of Realtors, Maui representative; the Recycling Association of Hawaii; and the Department of Health.

The Office of the Mayor, Maui County, testified that it is necessary to begin closing five landfills on three islands not later than October, 1993, and complete these closures by April, 1994, in order to conform to federal requirements.

Your Committees on Energy and Environmental Protection and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2898 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takamine and Yonamine.

SCRep. 391-92 Energy and Environmental Protection; Consumer Protection and Commerce; and Intergovernmental Relations and International Affairs on H.B. No. 3134

The purpose of this bill is to enhance the energy emergency response capability of the State in the event of a petroleum shortage.

This bill would amend chapter 125C, Hawaii Revised Statutes, so that the State may more effectively execute its responsibilities under the chapter.

Your Committees feel that the Department of Health should consider the provisos suggested by the county of Kauai. These provisos are:

- (1) That there be county representation on the Governor's Energy Emergency Preparedness Advisory Committee with the ability to provide input, comment, and review of the State energy emergency preparedness plan; and
- (2) That county energy emergency preparedness plans shall be consistent with the State plan, but the State plans shall provide general guidelines, with county plans providing specific rules and measures to mitigate island-specific problems so as to give flexibility for each county to address situations and problems unique to each locality.

Your Committees have also amended this bill by deleting the appropriation amount and inserting the sum of \$1 so that a more accurate determination of costs may be discussed at a later date. Your Committees have also amended this bill by changing the approval date to July 1, 1992, so that the appropriation, if approved, would coincide with the State's fiscal year.

Your Committees on Energy and Environmental Protection and Consumer Protection and Commerce and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3134 as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3134, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takamine and Yonamine.

SCRep. 392-92 Energy and Environmental Protection; Health; and Judiciary on H.B. No. 3086

The purpose of this administration-sponsored bill is to bring the State into compliance with the federal Clean Air Act by providing the Department of Health the statutory authority to implement a new permit system for air pollution sources.

This bill amends the Hawaii Revised Statutes by establishing a new chapter on air pollution control and by repealing chapter 342B.

Your Committees find that it is vital to maintain a high level of air quality in the State for health, environmental and economic reasons. To ensure that this is accomplished, the implementation of proper permitting procedures for stationary sources of air pollution in the State is an absolute necessity. Your Committees find that bringing the State into compliance with the federal Clean Air Act amendments of November 15, 1990 will improve the State's current permitting process, avoid violation of the federal Environmental Protection Agency's required deadlines for implementation of the new permitting requirements, and better protect and maintain the State's air quality for all of Hawaii's citizens and visitors.

Testimonies supporting the passage of this measure, with various additional recommendations, were received from the Department of Health, the Sierra Club, and the University of Hawaii's Environmental Center.

Based on the recommendations offered by these organizations, your Committees support the passage of H.B. 3086 with the following amendments:

- (1) The inclusion of public participation regarding settlement agreements over violations of clean air requirements. The chapter is amended by adding section 55, which requires the director to provide public notice and opportunity for comment at least 30 days before a consent order or settlement agreement is finalized. The director is required to consider any such written comments in determining whether the proposed order agreement is adequate.
- (2) A provision for citizen suits. The chapter is amended by adding section 56. Section 56(a) allows any person to commence a civil action on his own behalf against any alleged violator, including the director. Section 56(b) gives jurisdiction to the circuit court to order the enforcement of standards, limitations or orders, to direct the director to perform such act or duty, and to apply any appropriate civil penalties. Section 56(c) requires that prevailing plaintiffs be awarded costs of litigation, including reasonable attorney and expert witness fees. Section 56(d) establishes that this section shall not restrict any right under any constitutional provision, statute, or common law to seek enforcement of any emission standard or limitation or to seek any other relief. Section 56(e) requires that penalties received under subsection (b) be deposited into the clean air special fund established by section 32 for the purpose of financing air compliance and enforcement activities.
- (3) The involvement and reward of the public in finding violators of the chapter. The chapter is amended by adding section 57, which provides that the director may award up to \$10,000 to any person who furnishes information or services which lead to a criminal conviction or a judicial or administrative civil penalty of any violation of the chapter.
- (4) The addition of criminal penalty provisions as stringent as those contained in the federal Clean Air Act. Section 49(a) is amended to expand the definition of what actions constitute a violation, to change fines from \$10,000 to \$25,000 per violation, and to add a prison term not to exceed five years. Section 49(b) is amended to expand the definition of what actions constitute a violation, to change fines from \$10,000 to \$25,000, to add a prison term not to exceed two years. Two new subsections, 49(c) and 49(d), regarding the fines for persons convicted of negligent or knowing releases of any hazardous air pollutant or extremely hazardous substance which place others in imminent danger of death or seriously bodily injury, are added to section 49. Section 49(c), regarding negligent releases, imposes a fine of not more than \$25,000 and imprisonment of not more than a year, or both. Upon a second violation of this paragraph, the maximum punishment shall be doubled with respect to both the fine and imprisonment. Section 49(d), regarding knowing releases, imposes on convicted individuals a fine of not more than \$25,000 or imprisonment of not more than 15 years, or both. For an organization convicted under this paragraph, the fine is not to exceed \$1,000,000. Upon a second violation of this paragraph, the maximum punishment shall be doubled with respect to both the fine and imprisonment.
- (5) The strengthening of civil penalties to reflect the more stringent federal provisions. Section 47 is amended to increase the fines for violation of the chapter, and obstruction of monitoring or inspection of a facility, from \$10,000,000 to \$25,000 for each separate violation.
- (6) Holding corporate officers accountable for violations of the Act in the same manner that the federal statute requires. The definition of "person" in section 1 is expanded to include "responsible corporate officers."
- (7) Allowing the public a greater opportunity to participate in decision making on proposed actions impacting air quality. Section 13(a)(4) is amended to change the public review and comment period regarding departmental notices from 30 days to 60 days.
- (8) Requiring the compilation of annual reports on air quality. The chapter is amended by adding section 7, which requires the Department of Health to compile an annual report summarizing:
 - (A) Air quality data from all air quality monitoring stations;
 - (B) Annual criteria pollutant emissions;
 - (C) Annual air toxic emissions; and
 - (D) All enforcement actions.
- (9) Requiring that the department make available to the public all information regarding a proposed action. Amends section 13(a)(1)(A) by adding "All information on the subject matter."
- (1) Ensuring that the proper conditions are contained in each permit. The chapter is amended by adding section 33 on minimum permit conditions, which requires the permittee to:
 - (A) Submit to the director, no less than every six months, the results of any required monitoring and a compliance certification; and
 - (B) Disclose the annual emissions of air toxics.
- (11) Amending the sections on fees and the clean air special fund in order to reflect language contained in the federal statute. Sections 29 and 32 are amended as follows:
 - (2) Implementing and enforcing the terms and conditions of any permit [but not including any court costs associated with any enforcement action], including legal support;

- (3) Monitoring emissions and ambient air quality, including resources to audit and inspect source-operated monitoring programs [;] at least once a year;
- (8) Administering the fund.
- (12) Amends section 31 by adding subsection (e) which requires that the provisions of sections 92F-16 and 92F-17 apply to any officer, employee, or agent of the department acquiring any confidential information as defined in this section.
- (13) Provides technical, non-substantive changes for the purpose of clarifying the following:
 - (A) The definition of stationary source in section 1 is amended to read:

"Stationary source" means any piece of equipment or any activity at a building, structure, facility, or installation that emits or may emit any air pollutant.
 - (B) Section 30 on judicial review is amended to read:

The applicant and any person who participated in the public comment process may obtain judicial review in state court of the final action on a permit issuance or renewal. This is in addition to judicial review otherwise available.
 - (C) Section 61(b) is deleted and subsections (c) and (d) are re-lettered.

Your Committees on Energy and Environmental Protection and Health and Judiciary are in accord with the intent and purpose of H.B. No. 3086, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3086, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Bunda, Takamine and Ward.

SCRep. 393-92 Human Services and Judiciary on H.B. No. 3867

The purpose of this bill is to appropriate funds for one exempt correctional industries supervisor position to develop and operate a correctional industries program at the Women's Community Correctional Center (WCCC).

The Department of Public Safety submitted testimony in support of the bill indicating that the proposed program would be self-supporting after two years of operation.

Your Committees have amended the bill by adding a purpose clause which sets forth the basic reasons why the program is needed by the inmates at WCCC.

Technical, nonsubstantive amendments have also been made for the purposes of clarity and style.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 3867, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3867, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 394-92 Housing on H.B. No. 3564

The purpose of this bill is to create a revolving fund to be administered by the Housing Finance and Development Corporation, to make moneys in the fund available in loans or grants to eligible persons for innovative housing proposals and projects, including but not limited to those that aim at:

- (1) Streamlining the development and construction processes of affordable housing;
- (2) Use new products, materials, and methods that can lower housing production costs or accelerate housing production; and
- (3) Assist homeless and low- and moderate-income persons and families.

The corporation shall adopt rules to established loan and grant eligibility requirements, restrictions to the amount, and repayment procedures for loans.

Testimony was submitted from Housing Finance and Development Corporation, Hawaii Association of Realtors and the Hawaii Developers' Council.

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

- (1) Providing that the bill take effect July 1, 1992

- (2) Changing "appropriation" to "transfer" to provide the Director of the Department of Budget and Finance the authorization in the amount of \$100,000 from the homes revolving fund; and
- (3) Technical, non-substantive revisions were made for purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3564, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3564, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 395-92 Intergovernmental Relations and International Affairs on H.B. No. 3983

The purpose of this bill is to expand the boundaries of the Diamond Head State Monument, control development within the Diamond Head State Monument, and transfer parcels from the City and County of Honolulu to the State.

Your Committee received testimony from the Board of Land and Natural Resources, a Councilmember of the City and County of Honolulu, Neighborhood Board No. 5, the West Diamond Head Community Association, the East Diamond Head Association, the Outdoor Circle, Hawaii's 1000 Friends, and several residents of the Diamond Head area. All testifiers were in favor of the intent of this measure and several suggested amendments to the bill.

Your Committee has amended the bill by:

- (1) Clarifying the intent of the bill;
- (2) Clarifying and correcting the boundaries language;
- (3) Deleting references to adoption of a Diamond Head State Park plan;
- (4) Designating the Diamond Head State Monument Plan of 1979 as the official document setting forth the future direction of Diamond Head State Monument;
- (5) Allowing the Board of Land and Natural Resources to amend the Diamond Head State Monument Plan from time to time with the review and recommendations of the Diamond Head Citizens Advisory Council; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3983, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3983, H.D. 1, and be referred to the Committee on Water, Land Use and Hawaiian Affairs.

Signed by all members of the Committee except Representative Ward.

SCRep. 396-92 Intergovernmental Relations and International Affairs on H.B. No. 3148 (Majority)

The purpose of this bill is to statutorily create the Office of International Relations (Office) in the Office of the Governor. The functions, duties, and powers of the Office would include, but not be limited to, developing:

- (1) A comprehensive state plan for international activities that would establish service and program goals;
- (2) Uniform protocol procedures for State government; and
- (3) Criteria for sister-state agreements.

This measure also establishes a trust fund to help finance the operations of the Office.

Your Committee recognizes the important role of the Office of International Relations in its capacity as a coordinator of international activities involving various State agencies, and as an official representative of the Governor's Office and the State in international affairs. The statutory establishment of the office by the Legislature will emphasize Hawaii's commitment to playing a key role in international affairs and create a permanent State entity to foster, coordinate, and create international programs and policies.

Your Committee received extensive testimony from the Office of International Relations and others supporting the intent of this bill.

After deliberating on this matter, your Committee has amended this bill to more clearly define the scope and intent of the proposed trust fund in response to concerns of expenditure accountability of trust fund moneys. Specifically, your Committee has:

- (1) Deleted the provision allowing the Legislature to appropriate moneys for the trust fund because it is the intent of your Committee that the Office only receive moneys deposited by private sources and foreign entities;

- (2) Stipulated that any moneys received by the trust fund be identified as being received and intended specifically and solely for the financing of a specific project sponsored by the Office and be subject to a definite time limitation for the expenditure of the funds;
- (3) Stipulated that trust fund moneys will not be used to fund permanent staff positions for the Office, but only to fund positions as needed on an ad hoc basis, using only those moneys received by the trust fund specifically and solely for the project for which these positions are being created for; and
- (4) Stipulated that the Office must submit to the Legislature an annual report, including but not limited to, an accounting of gifts and moneys received, the essential facts of its management, and the expenditure of the income from the trust fund.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3148, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 397-92 Health on H.B. No. 2902

The purpose of the bill is to provide for the establishment of sterile needle and syringe exchange programs by the Director of Health upon the termination of the two year pilot program on June 30, 1992, as provided in Act 280, Session Laws of Hawaii 1990, to combat the spread of infectious and communicable diseases, such as the human immunodeficiency virus, hepatitis B virus and other blood borne diseases, through needle sharing among injection drug users.

The following organizations submitted testimony in strong support of the bill: Hawaii State Department of Health; Commission on Persons with Disabilities; Governor's Committee on AIDS; various representatives from the Life Foundation; Big Island AIDS Project; Maui AIDS Foundation; Drug Addiction Services of Hawaii, Inc.; HIV Coalition for Hawaii's Women, Children and Families; Hawaii Medical Association; Sterile Needle Exchange Coalition; The Salvation Army Addiction Treatment Services; Hemophilia Foundation of Hawaii; Hawaii Nurses Association; Hawaii Public Health Association; Sterile Needle Exchange Oversight Committee; Aloha Chapter of the Association of Nurses in AIDS Care; Substance Abuse Coalition; and the American Academy of Pediatrics, Hawaii Chapter.

Recommendations were made by various testifiers to expand the availability of the program in terms of location and hours of operation. The need for additional drug treatment slots was also mentioned.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2902 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 398-92 Intergovernmental Relations and International Affairs and Higher Education and the Arts on H.B. No. 3201

The purpose of this bill is to provide \$1 in general funds for every \$3 raised from private sources for the continued support of the Consortium for Teaching Asia and the Pacific in Schools.

Testimony on this bill was received from the Department of Education and the East-West Center supporting the intent of this measure.

Your Committees have amended the bill by:

- (1) Specifying the purpose for which the appropriated funds and matching funds may be expended, namely, for orientation and training for new teachers and pre-service teacher trainees in collaboration with the University of Hawaii's College of Education;
- (2) Changing the requirement of private matching funds from \$3 to \$2 for every \$1 appropriated in this act; and
- (3) Inserting a \$50,000 appropriation in Section 2.

Your Committees support expansion of funding for the Consortium for Teaching Asia and the Pacific in Schools for the purposes stated in section 2 of this act. The intention of your Committees is to allow the University of Hawaii to become a partner in the training of our international educators.

Your Committees on Intergovernmental Relations and International Affairs and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 3201 as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3201, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Honda and Lee.

SCRep. 399-92 Intergovernmental Relations and International Affairs and Education on H.B. No. 3199

The purpose of this bill is to provide an income tax credit for teachers who complete a study abroad program that is certified by the Department of Education. In addition, this bill extends the tax credit to the spouse or dependent child who accompanies the teacher on a study abroad program.

This measure would encourage Hawaii's teachers to think and teach globally by being introduced firsthand to new concepts, techniques, and curricula being implemented in the educational systems of foreign countries. An income tax credit will ease the financial burden of studying abroad and will spur teachers to take advantage of study abroad opportunities.

Your Committees received testimony from the Hawaii State Teachers Association in support of this bill. Testimony was also received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committees on Intergovernmental Relations and International Affairs and Education are in accord with the intent and purpose of H.B. No. 3199 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Bunda.

SCRep. 400-92 Intergovernmental Relations and International Affairs and Water, Land Use, and Hawaiian Affairs on H.B. No. 3982

The purpose of this bill is to expand the boundaries of the Diamond Head State Monument, facilitate implementation of the Diamond Head State Monument Park plan, and transfer parcels from the City and County of Honolulu to the State.

Your Committees received testimony from the Board of Land and Natural Resources, a Council member of the City and County of Honolulu, Neighborhood Board No. 5, the West Diamond Head Community Association, the East Diamond Head Association, the Outdoor Circle, Hawaii's 1000 Friends, and several residents of the Diamond Head area. All testifiers were in favor of the intent of this measure and several suggested amendments to the bill.

Your Committees have amended the bill by:

- (1) Clarifying the intent of the bill;
- (2) Clarifying and correcting the boundaries language;
- (3) Deleting reference to adoption of a Diamond Head State Park plan;
- (4) Designating the Diamond Head State Monument Plan of 1979 as the official document setting forth the future direction Diamond Head State Monument;
- (5) Allowing the Board of Land and Natural Resources to amend the Diamond Head State Monument Plan from time to time with the review and recommendations of the Diamond Head Citizens Advisory Council;
- (6) Deleting sections regarding the special fund;
- (7) Providing that plans be developed to relocate the Hawaii National Guard, as well as the Federal Aviation Administration facilities, from the Diamond Head Crater; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Intergovernmental Relations and International Affairs and Water, Land Use and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 3982, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3982, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Bunda, Morihara and Ward.

SCRep. 401-92 Education on H.B. No. 2641

The purpose of this bill is to appropriate funds to be expended by the Department of Education to establish nineteen full-time equivalent (19.00 FTE) library assistant positions in the public schools.

Testimony in support of this measure was received from the Hawaii Association of School Librarians, public school librarians, and interested parents. The Department of Education supported the intent of the bill. The testimony indicated that:

- (1) The responsibilities of school librarians have increased due to the addition of tasks such as maintaining the library media program, coordinating library and school programs, and integrating computers into the library system;
- (2) These additional duties have incurred a higher demand on a librarian's time, time that was previously spent performing traditional assignments such as acquiring, maintaining, and shelving books, assisting students, and coordinating curriculum plans with other faculty members;

- (3) To have the school library and its related programs function properly, librarians work non-stop through the school day (including recesses and lunch periods), and extend their work hours to after school and weekends; and
- (4) The current responsibilities of librarians can best be described as a composition of administrative, instructional and clerical duties, which may not necessarily require a professional librarian's knowledge, skills, and expertise, and which may be delegated to an assistant.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2641 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 402-92 Ocean and Marine Resources and Intergovernmental Relations and International Affairs on H.B. No. 2374

The purpose of this bill is to authorize the Department of Land and Natural Resources to participate, on behalf of the state, with other western states in a liaison program with the Center for Ocean Analysis and Prediction of the National Oceanic and Atmospheric Administration (NOAA).

While no testimony was submitted on this bill, Committee members heard commentary in support of this bill from the Vice-Speaker who serves as Chairman of the Ocean Resources Committee of Western Legislative Conference, which was instrumental in developing this liaison program.

The states of California, Oregon, and Washington have already confirmed their participation in the program which will provide a satellite link to data exchange and will encourage a more regional approach to ocean resources management.

It is doubtful that there will be any cost to the State for its participation in this program.

Your Committees on Ocean and Marine Resources and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2374 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 403-92 Education on H.B. No. 3167

The purpose of this bill is to implement the recommendation of the Task Force on Educational Governance that lump-sum budgeting be instituted for schools and that principals have authority to undertake minor repairs and maintenance work up to \$15,000.

H.B. No. 3167 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 Education is in accord with the intent and purpose of H.B. No. 3167, 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. 3167, H.D. 1.

Signed by all members of the Committee.

SCRep. 404-92 Intergovernmental Relations and International Affairs on H.B. No. 3806

The purpose of this bill is to appropriate funds to provide public access to federal and county government information through Hawaii FYI, the State's information network.

Your Committee received testimony supporting the intent of this measure from Hawaii INC and Common Cause Hawaii.

Your Committee has amended the bill by:

- (1) Incorporating the suggestions of the Hawaii Information Network by expanding the phrase "electronic information" to "electronic information and services";
- (2) Appropriating \$115,000 to facilitate public access of county government information; and
- (3) Appropriating \$25,000 for linking the State of Hawaii information network to the United States Senate Congressional information network.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3806, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 405-92 Consumer Protection and Commerce and Health on H.B. No. 3471 (Majority)

The purpose of this bill is to prohibit the display of advertisements depicting tobacco products or alcoholic beverages on the scoreboards of State-owned stadiums.

Testimony was submitted by the Department of Accounting and General Services; the Department of Health; Anheuser-Busch Companies; Hawaiian Islands Nonsmokers Organization; the American Lung Association of Hawaii; the American Cancer Society, Hawaii Pacific Division, Inc.; the Tobacco Institute; DSC Enterprise Inc.; Castle Medical Center; the Hawaii Medical Association; Mothers Against Drunk Driving; and the Outdoor Circle.

Your Committees find that the consumption of alcohol and tobacco products by minors poses a significant health risk to the people of the State of Hawaii. As demonstrated by measures enacted by previous Legislatures, the State has adopted a strong and steadfast position on this issue. Your Committees further find that the depiction of tobacco and alcoholic beverage advertisements on the scoreboards of State-owned sporting facilities may conflict with this policy. Some have argued that while the State has established a strong public policy on the sale and consumption of tobacco products and alcoholic beverages to minors, the public may view the existence of tobacco and alcoholic beverage advertisements on the scoreboards of State-owned sporting facilities to convey the appearance of the State's approval for the consumption of these products. This bill reaffirms the State's position on this policy by prohibiting the advertisement of tobacco products and alcoholic beverages on the scoreboards of State-owned stadiums.

Your Committees further find that the issue of prohibiting the depiction of tobacco products and alcoholic beverages on certain advertisements has stimulated much dialogue among the members who have brought forth valid points both in support of and in opposition to this measure. A summary of the points are as follows:

- (1) Health Issues: Tobacco use and alcohol abuse are major public health problems that are responsible for over 500,000 deaths annually and over \$2 billion in economic impacts;
- (2) Impacts on Youth: Very young children see, understand, and remember advertising. Given the serious health consequences of tobacco and alcohol consumption, the exposure of children to tobacco and alcohol advertising may represent an important health risk for the future;
- (3) Fiscal Impacts: Many top acts and spectator events are co-sponsored or underwritten by the major liquor companies. Without the support of these companies, it would not be profitable for these events and acts to go on tour. An across-the-board ban on certain types of advertising would severely hamper and place undue hardship on local promoters and licensees; and
- (4) Constitutional Issues: The United States and Hawaii Supreme Courts have long stated that to meet First Amendment (i.e., Free Speech) standards for constitutional protection, sign regulations must be content neutral. Since this bill would establish a prohibition on a specific message, it may possibly jeopardize the integrity of the State's existing "billboard" law.

After much deliberation, your Committees are in accord with the intent of this bill. However, your Committees note that:

- (1) While the provisions of this bill prohibit the advertisement of tobacco products and alcoholic beverages on the scoreboards of state-owned stadiums, the purpose as written in Section 1 states that all depictions of tobacco and alcohol advertisements shall be prohibited at State-owned stadiums; and
- (2) Because the constitutionality of certain provisions of this bill may be challenged in the courts, there is a need to affirm the Legislature's intent that the bill, in its entirety, should not be deemed invalid should any provision be declared unconstitutional.

Accordingly, your Committees have amended this bill by:

- (1) Conforming the purpose of this bill, as depicted in Section 1, with the provisions of the bill;
- (2) Inserting a severability clause to assert that the entire bill shall not be considered invalid should any provision be declared unconstitutional by the courts; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committees on Consumer Protection and Commerce and Health are in accord with the intent and purpose of H.B. No. 3471, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3471, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives M. Ige, Peters, Tatibouet and Ward.
(Representative Amaral did not concur.)

SCRep. 406-92 Consumer Protection and Commerce on H.B. No. 3964

The purpose of this bill is to continue the franchise fee imposed in 1991, whereby one-half per cent of the annual gross revenues of Hawaii's cable systems is deposited into the public broadcasting revolving fund. The fee was to have been repealed in June 1992.

Your Committee received testimony from the Department of Commerce and Consumer Affairs ("DCCA") on the bill, from the Screen Actors Guild, the American Federation of Television and Radio Artists, the Hawaii Public Broadcasting Authority ("HPBA") and the Hawaii State AFL-CIO in support of the bill and from the Department of Education and the Hawaii Cable Television Association in opposition to the bill.

Your Committee notes that the funding received from this franchise fee has helped support original local productions of quality programming, thereby raising national and international appreciation for Hawaii's culture, accomplishments and expertise and supporting the local television and motion picture industry, as well as providing quality programs for use in Hawaii's schools, colleges and libraries.

Your Committee believes that the continuation of the franchise fee to the HPBA will continue the legislative initiative begun several years ago to help the HPBA fulfill its potential as a producer of quality local programming. Your Committee has amended this bill to require the HPBA to report yearly to the DCCA on how the funds generated by this franchise fee are used.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3964, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 407-92 Ocean and Marine Resources on H.B. No. 2908

The purpose of this bill, as received, is to appropriate funds to both the Department of Land and Natural Resources (DLNR) and the University of Hawaii (UH) to establish a laboratory and reference facility that would deal with the problem of infectious diseases stemming from intensive aquaculture farming.

Your Committee received testimony in favor of this bill from the UH. The DLNR had reservations on this bill.

The State has made a considerable financial commitment to the development of aquaculture farming. As the industry has progressed, it has become evident that the intensive farming taking place here is subject to problems of infectious diseases of stock which have the potential of destroying an entire crop.

The DLNR testified that caution should be used in the development of such a laboratory facility to ensure that the research compliment DLNR's existing efforts as well as those of Oceanic Institute. In addition, the DLNR recommended that the full amount appropriated should go to the UH.

Your Committee has taken the recommendations of the department and has amended this bill by deleting Section 2 in its entirety.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2908, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2908, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 408-92 Consumer Protection and Commerce on H.B. No. 2937

The purpose of this bill is to amend section 244D-1, Hawaii Revised Statutes, to redefine "cooler beverage" for purposes of taxation to mean "an alcoholic beverage containing less than seven per cent alcohol per volume." This would include a product known as "spirit coolers."

Your Committee heard testimony in opposition to the bill from the Department of Taxation, Department of Health, Miller Brewing, American College of Emergency Physicians, Tax Foundation of Hawaii, Western States Wine Institute and Mothers Against Drunk Driving. Supporting testimony was presented by the Retail Liquor Dealers Association of Hawaii, Bacardi Imports, Distilled Spirits Council of the United States, and Better Brands, Ltd.

The liquor tax is based on types of alcohol, taxing beer at a lower rate than wine, which is taxed less than spirits. The definition of cooler beverages was added to the law when industry representatives argued that wine coolers were a growing class of low alcoholic content beverages which, if taxed at the respective rates of the different categories, would price the product out of the market before it had a chance to establish itself. Thus, lawmakers granted cooler beverages a class by itself. However, at that time, there were no such product as "spirit coolers".

Proponents of this bill noted that spirit coolers are not now sold in Hawaii because they are taxed at the distilled spirit rate, which is substantially higher than the cooler beverage rate, even though the beverage is usually four to five per cent alcohol, much like beer or wine coolers.

Opponents of the bill voiced their health concerns that the broadened definition would allow the distilled spirits industry to take advantage of the cooler beverage market, which is a relatively youthful market. It would also allow them access to television advertising, which is currently prohibited with regard to distilled spirits. The issue of whether or not this type

of advertising should also be prohibited is one which remains within the federal government's purview and your Committee does not view this bill as the vehicle on that point.

Your Committee, while noting these social policy concerns, also questions the rationale of a provision which taxes one product, cooler beverage, at a significantly lower rate than another seemingly similar product, spirit cooler. The liquor tax laws will be reviewed by the Department of Taxation in consort with industry representatives prior to the 1993 legislative session. In light of this, your Committee is hesitant to broaden the definition of "cooler beverage," thereby creating a larger constituency for retention of this separate, lower taxed category. Your Committee also notes that because cooler beverages are low in alcohol content they more closely resemble beer than any other category.

Therefore, your Committee amends this bill by deleting altogether the definition of a cooler beverage, and putting these entities into the beer category.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2937, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 409-92 Ocean and Marine Resources on H.B. No. 3059

The purpose of this bill is to amend HRS Section 187A-6 and Section 188-31 to allow the Department of Land and Natural Resources (DLNR) to adopt rules pursuant to Chapter 91 regarding fishing permits for scientific, educational, propagation, or aquarium purposes. In addition, such permits would be valid for only one year.

This bill is primarily "housekeeping" in nature as DLNR has already adopted rules and regulations pursuant to Chapter 91 for other types of fishing permits.

Your Committee received testimony from DLNR urging passage of this bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3059 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Alcon.

SCRep. 410-92 Consumer Protection and Commerce on H.B. No. 2358 (Majority)

The purpose of this bill is to establish a State motor vehicle insurance fund, a nonprofit private organization with the purpose of providing no-fault insurance at the lowest actuarially responsible price.

Your Committee received testimony from the Department of Commerce and Consumer Affairs, Hawaii Federation of Physicians & Dentists, State Farm Insurance Companies, Hawaii Independent Insurance Agents Association in opposition to the bill, and the Hawaii Academy of Plaintiffs' Attorneys, and the Hawaii State Chiropractic Association in support of the bill.

Testimony presented, both pro and con, raised concerns regarding the cost for automobile insurance premiums and methods to lower and control those costs. Your Committee notes that this bill is among a number of bills addressing auto insurance issues. As these bills are considered and as possible consensus emerges, a state-funded auto insurance fund may become part of a comprehensive auto insurance reform package. Accordingly, your Committee recommends that this bill be passed as a vehicle for raising this potential solution, with a \$1.00 appropriation.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2358, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 411-92 Consumer Protection and Commerce on H.B. No. 3277

The purpose of the bill is to amend the insurance premiums tax imposed under Chapter 431, Hawaii Revised Statutes (HRS), for domestic and foreign insurers. These amendments will repeal the preferential tax rates given to Hawaii insurers.

Opposing testimony was presented by the Department of Taxation. The Hawaii Domestic Insurers Tax Committee (HDIC) supported the bill.

The bill includes the following provisions;

- (1) All domestic and foreign authorized insurers will pay the following tax on premiums:
 - (a) 4.5 per cent of the gross premiums received except except for life insurance, disability insurance, title insurance, and ocean marine contracts;

- (b) 3.197 per cent of the gross premiums received for life insurance contracts;
- (c) 3.5 per cent of the gross premiums received for disability insurance;
- (d) 4.29 per cent of the gross premiums received for title insurance contracts;
- (2) Insurers whose tax liability for the preceding calendar year was more than \$1,000 are to pay their taxes on a calendar quarterly basis. Insurers whose annual tax liability was less than \$1,000 shall pay the tax owed on March 15;
- (3) Tax credits for contributions made by an insurer or its affiliate to the State unemployment compensation fund, worker's compensation insurance, temporary disability insurance, contribution made to a stock bonus, pension, profit-sharing or annuity plan, premiums paid for prepaid health, dental, and long term disability insurance, taxes paid under FICA, and the annual cost of financial audits as required by HRS. Each authorized insurer claiming the tax credits is to file a schedule, accompanying its annual tax statement, listing the number of employees for which eligible expenses were incurred and the type of expense.

Your Committee agrees with substance of the bill, but made the following amendments:

- (1) Amended the effective date so that it is prospective and not retroactive;
- (2) Amended a typographical error regarding the tax on life insurance premiums so that the tax due is 2.55 of the gross premiums received, rather than 3.197 per cent.

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 pass Second Reading in the form attached hereto as H.B. No. 3277, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 412-92 Health on H.B. No. 2535

The purpose of this bill, as received, is to appropriate funds to support further development of a comprehensive statewide system of mental health care for children and adolescents and for families that include among their members children with severe and disabling mental illnesses. It appropriates \$6,217,981 to fund:

- (1) Five teaching family homes to provide a therapeutic environment and an array of intervention programs for behaviorally handicapped children;
- (2) Twenty-five therapeutic foster homes for emotionally disturbed children;
- (3) Home-based crisis services providing intensive home-based therapy and intervention for the families of twenty-five youth in imminent danger of hospitalization or other out-of-home placement;
- (4) Short-term therapeutic transition/crisis shelter beds to provide services while long-term placement is arranged;
- (5) Continuation of ongoing services including (a) prevention services on Maui and Oahu; (b) Crisis intervention services on Kauai and Oahu; (c) family support and respite services on Oahu; (d) outpatient services on Oahu; (e) therapeutic foster/group homes on Hawaii, Oahu, and Kauai; (f) day treatment services on Oahu; (g) youth shelters on Maui and Oahu; and (h) sexual assault and family violence prevention and support services statewide.

Your Committee received testimony in support of this bill from representatives of the Department of Health, the Mental Health Association, the Governor's Advisory Council on Mental Health and Substance Abuse, the Salvation Army, Catholic Charities, Hawaii Island YWCA, Hawaii Families as Allies, the Hawaii Public Health Association, the Sex Abuse Treatment Center, the Hawaii State Coalition against Sexual Assault, the Hawaii Psychiatric Medical Association, and the Family Peace Center and from one professional speaking as an individual.

Your Committee notes that this bill is based on the recommendations of a task force organized by the Mental Health Association to examine the mental health services available to children and adolescents in Hawaii and to make recommendations for improvements in those services. Your Committee sees this bill as crucial to the ongoing effort to improve the quality and quantity of mental health services for Hawaii's children and adolescents.

Your Committee has amended this bill as follows:

- (1) The total appropriation in the bill is reduced from \$6,217,981 to \$4,335,781;
- (2) Funds are provided for four instead of seven teaching family homes;
- (3) Funds are provided for eighteen instead of twenty-five therapeutic foster homes;
- (4) Funding for crisis home-based services was eliminated;

- (5) Funding for short-term transition/crisis shelter beds was eliminated.
- (6) \$600,000 was provided to fund experimental innovative children and adolescent mental health programs to be proposed by primary health care and private and public community mental health centers and selected by a special task force.

Your Committee on Health 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.

SCRep. 413-92 Education on H.B. No. 2464

The purpose of this bill is to appropriate \$308,639 for fiscal year 1992-1993 for supplemental operating expenses of the system of care project and delivery of students' service to implement Section 321-171, Hawaii Revised Statutes, relating to mental health services for children and youth in the public schools.

Supporting testimony was received from the Department of Health, a representative from the System of Care Project, and faculty and staff from several public schools.

Your Committee has amended the bill by changing the expending agency from the Department of Education to the Department of Health. Technical, nonsubstantive amendments were also made for the purpose of clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2464, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 414-92 Ocean and Marine Resources and Judiciary on H.B. No. 3442

The purpose of this bill, as received, is to establish an office with a clear mandate to manage the State's ocean resources.

Your Committees received testimony in opposition to this bill from the Department of Land and Natural Resources, Department of Transportation, Office of State Planning, University of Hawaii, Environmental Center, and concerned citizens. While some testimony endorsed the concept of an office to coordinate the management of the ocean resource, none supported the particulars of that office as outlined in this bill. Some of those reasons are as follows:

- 1) Some funding for this program would come from the boating special fund which is dedicated to the operation, maintenance, and improvement of boating facilities.
- 2) The diversion of fishing license fees to the general revenues of the State is in direct opposition to the provisions of the Dingell-Johnson Act which specifies that those fees shall be dedicated to fishery related programs. Hence, the loss of Federal aid to DLNR under this bill would be substantial.
- 3) The concept of ocean zoning with regards to the Hawaiian archipelago could escalate conflict between users of the resource.
- 4) There is a lack of specificity in the definition of the regulatory responsibilities of the office.

For these reasons, your Committees have amended this bill by deleting the substance and inserting the provisions of H.B. 1557, H.D. 2 (1991 Session) which provides that a new governance structure be established for the State's marine and coastal affairs by creating an Marine and Coastal Affairs Program within the Office of State Planning. The establishment of this office is in direct response to the primary recommendation of the Hawaii Ocean Resources Management Plan which was submitted to the Legislature in 1991.

The aforementioned language has been corrected to reflect the passage of one year since its consideration.

Your Committees on Ocean and Marine Resources and Judiciary are in accord with the intent and purpose of H.B. No. 3442, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3442, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Peters, O'Kieffe and Ward.

SCRep. 415-92 Education on H.B. No. 3816

The purpose of this bill, as received by your Committee, is to appropriate funds for fiscal year 1992-1993 for any required modifications, equipment, and furniture needed to convert the use of Building 857, which is located on the grounds where Kapiolani Community College was formerly situated, for classroom use by McKinley High School.

Your Committee has amended the bill by deleting the substance and inserting new material, the purpose of which is to appropriate \$250,000 for fiscal year 1992-1993 to establish ten grants, each in the amount of \$25,000, for researching and developing innovative proposals to relieve overcrowding in school complexes that are short of classroom space. The grants shall be distributed as follows: two grants to the Central District; two grants to the Honolulu District; two grants to the Leeward District; and one grant each to the Hawaii District, the Kauai District, the Maui District, and the Windward District.

Your Committee finds that classroom overcrowding is a problem that is felt throughout the State among various schools in each school complex. Classroom overcrowding has gained increased public attention because of its effects on the quality of teaching; student learning; curriculum; course offerings; and teacher, school staff, and student morale.

Besides the diverse and localized nature of overcrowding in the classroom, your Committee finds that while building additional classrooms may relieve overcrowding, constructing more and more classrooms may also create problems of its own, such as the resulting number of surplus classrooms when the student enrollment lowers in schools. Moreover, converting teachers' lounges and school libraries into classrooms is judged as not being the best way to address the overcrowding classroom problem, even in the short-term.

As classroom overcrowding is unique to each school, school administration, faculty, staff, and students are viewed as having the best information, knowledge, and insight to deal with this problem. Through grants for research and development of innovative proposals to relieve overcrowding in school complexes that are short of classroom space, effective solutions and recommendations to lower the classroom shortage with existing resources may be generated by those individuals who are closest to the problem.

Your Committee seeks innovative ideas generated by schools that have come together voluntarily to study the problem of insufficient classroom space. The source and structure of such inquiry can be through the school/community-based management councils. Ideas could range from shared-use arrangements of science labs and other specialized facilities to non-traditional school calendars for increasing the school's carrying capacity without adding classrooms. Ideas could also range from redefining school attendance areas for the purpose of equalizing enrollments among schools to creating theme schools among elementary schools in a given complex to draw students according to their educational needs, rather than by geographical location.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3816, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 416-92 Education on H.B. No. 3504

The purpose of this bill is to:

- (1) Increase the amount of yearly deposit into the State treasury of the State Educational Facilities Improvement Special Fund;
- (2) Eliminate the provision that requires from July 1, 1981, to June 30, 1991, all taxes derived from the sale of liquid fuel sold or used for operating motor vehicles upon the public highways of the State under Section 237-16, Hawaii Revised Statutes (HRS), to be deposited into the State treasury to the credit of the State Highway Fund; and
- (3) Remove the provision that requires the Director of Taxation, with the approval of the Governor, to establish by July 1 of each year from 1984 to 1990, a formula that will equitably establish the amount of taxes collected under Section 237-16, HRS.

Your Committee recognizes that the current level of funding available through the State Educational Facilities Improvement Special Fund to the Department of Education (DOE) for capital improvement projects (CIP) is not sufficient to meet the needs of construction, renovation, and replacement of public school facilities. Increasing the amount of the yearly deposit to the State Educational Facilities Improvement Special Fund would enable the DOE to incrementally meet its CIP requirement, which is currently estimated to be \$2,000,000,000.

The DOE, the Hawaii State Teachers Association, and the United Parents for Education Coalition testified in support of this bill. Your Committee received opposing testimony from the Tax Foundation of Hawaii.

Upon consideration, your Committee has amended the bill by:

- (1) Increasing from \$90,000,000 to \$100,000,000 the yearly deposit to the State Educational Facilities Improvement Special Fund;
- (2) Extending the last year of the effective period of the State Educational Facilities Improvement Special Fund to the year 2000; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3504, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 417-92 Education on H.B. No. 2833

The purpose of this bill is to appropriate funds to hire additional counselors to serve in the public schools under the Department of Education.

The role and responsibility of counselors are generally dependent on the needs of the individual school. The assignment of counselors in the schools will be dependent on factors such as school enrollment, school transiency rate, school absentee rate, the number of schools in special education, and the number of students enrolled in the Students of Limited English Proficiency program.

Testimony in support of this measure was submitted by the Department of Education and numerous private citizens.

Your Committee has amended this bill by appropriating \$438,594 for 19.5 FTE permanent counselor positions for fiscal year 1992-1993.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2833, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 418-92 Consumer Protection and Commerce on H.B. No. 3707

The purpose of this bill is to exempt income derived from the sale of the leased fee interest in a residential lot to a lessee and also part or all of the leased fee interest underlying a residential leasehold condominium project or cooperative housing project if the sale is to the lessees of the project or to the condominium association or cooperative housing corporation.

Your Committee heard testimony from the Department of Taxation in opposition to the bill, and from Kamehameha Schools/Bernice Pauahi Bishop Estate ("Bishop Estate") and a private citizen in support of the bill. Your Committee also received testimony from the Tax Foundation of Hawaii.

The Department of Taxation opposed the bill on the grounds that it would provide another area where federal and state income tax laws differ. In addition, the Department felt that any legislation should be held pending Congressional review of Section 1031 of the Internal Revenue Code.

Supporters of the bill felt that this would be one method of encouraging and stimulating voluntary lease-fee conversions.

Your Committee also received testimony that Bishop Estate has received an IRS Revenue Ruling allowing sale of the fee-simple interest in multi-unit buildings under threat of condemnation thus avoiding the complexities of using a 1031 tax-deferred exchange and that a similar ruling for small landowners would be a meaningful incentive for voluntary sales by this group of lessors. Your Committee agrees that the Department of Taxation should review the ruling obtained by Bishop Estate, and to expeditiously pursue obtaining a similar ruling by the State for small landowners. The Department of Taxation assures your Committee that these steps will be taken. In addition, this bill recognizes Hawaii's unique leasehold system and the need to fashion our tax laws in ways which may not coincide with the federal tax code, in light of that uniqueness.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3707 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 419-92 Health on H.B. No. 3811

The purpose of this bill, as reported to your Committee, enables the Board of Medical Examiners to extend temporary, limited licenses it grants to physicians for periods beyond the eighteen month limit that is currently mandated in the law.

The testimony your Committee received on this issue was unanimously in favor of the change. Representatives of professional organizations, the State, and non profit health care providers felt that the original intent of this temporary licensure, which is to help fill a shortage of licensed physicians in certain specialties or geographic areas, would be more fully carried out with this change. Your Committee concurred with these statements, and felt no need to amend the bill.

Thus your Committee on Health is in accord with the intent and purpose of H.B. No. 3811 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 except Representative Peters.

SCRep. 420-92 Health on H.B. No. 3268

The purpose of this bill is to create a self-sufficiency trust fund with three components: a private trust, a State trust, and a residual trust to provide supplemental services to persons with disabilities without risking the loss of eligibility for governmental assistance.

Your Committee received testimony in support of this bill from the Mental Health Association in Hawaii, and the State Planning Council on Developmental Disabilities.

Your Committee has amended this bill following recommendations from the Department of Health and the State Planning Council on Developmental Disabilities. As amended the bill is similar to the law that established the very successful self-sufficiency trust fund in Illinois.

Amendments were as follows:

- (1) Section 1 was amended to explain that after passage of this bill a private sector charitable 501 (c)(3) trust would create Hawaii's self sufficiency trust fund.
- (2) A paragraph was added to Section 1 to state that the board of trustees of the self-sufficiency trust will have absolute authority in allocating income and principal to fulfill the purposes of the trust and that in no event may trust income or principal be paid to the benefit of any governmental body.
- (3) Technical, nonsubstantive amendments also were made for the purposes of style and clarity

Your Committee feels that there is much merit to the establishment of a self-sufficiency trust fund for Hawaii and urges careful consideration of this innovative concept. As was noted the testimony, "Family members have long been stymied in their efforts to provide lifetime care for their loved one without jeopardizing government benefits."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3268, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Amaral.

SCRep. 421-92 Health and Education on H.B. No. 2856

The purpose of this bill is to establish a five year Keiki No Ka Oi pilot project at Maili Elementary School to provide needed services to prenatally drug exposed children aged three to five. The program is designed to prepare these children to succeed in school when they enter the regular school program.

All of the testimony received by your Committees were in support of this issue. Representatives of the Department of Education, the Office of Children and Youth, and numerous private nonprofits on the Wai'anae coast testified. Additionally, all ten principals of the Wai'anae - Nanakuli schools signed a letter in total support of the bill.

Your Committees were in agreement with the strong support for this program. Because your committee is unsure where the funding for this excellent program will come from, the amount of funding in the bill has been amended so that \$1 is now appropriated for the program. Your Committees wish that your Committee on Finance seriously considers funding this program through new funds.

Your Committees on Health and Education are in accord with the intent and purpose of H.B. No. 2856, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2856, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Young and O'Kieffe.

SCRep. 422-92 Health on H.B. No. 3676

The purpose of this bill is to: (1) appropriate funds to meet the present and increasing demand for direct services for AIDS and HIV-positive clients; and (2) implement needed prevention strategies.

The extensive testimony received in support of this measure indicates that significant resources must continue to be invested for the purpose of preventing the further spread of HIV and providing services for people living with AIDS. Your Committee notes, according to the State's Department of Health AIDS surveillance program, Hawaii ranks tenth in the nation for the number of AIDS cases reported annually per 100,000 people. Due to improved medical treatments, people with AIDS are experiencing an increase in the quality and longevity of life, resulting in a decreasing number of deaths and therefore impacting the demand for services.

Representatives from the following agencies testified in support of the bill: Ho'omana'olana; HIV Coalition for Hawaii's Women, Children and Families; Big Island AIDS Project; AIDS Community Care Team; Drug Addiction Services of Hawaii, Inc.; Hawaii Medical Association; Life Foundation; various clients from the Life Foundation; Maui AIDS Foundation; Kauai AIDS Project (Malama Pono); Pacificare; Kapiolani Medical Center for Women and Children; Governor's Committee on AIDS; members and volunteers from the People With AIDS Coalition Hawaii; Island Lifestyle Magazine; Hemophilia Foundation of Hawaii; Hawaii Nurses Association; Substance Abuse Coalition; Names Project Hawaii; and ACT-UP Hawaii. The Hawaii State Department of Health submitted testimony in support of the bill with the recommendation to support HIV prevention and AIDS service needs on Kauai.

Based upon the extensive testimony received, your Committee finds that this bill adequately reflects the needs of the AIDS community, with additional amendments under Section 2, Section 3, and Section 4 to include support for AIDS prevention and service needs on Kauai.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3676, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 423-92 Health on H.B. No. 3619

The purpose of this bill is to express strong legislative support and provide initial funding for efforts to establish support and assistance to families, professionals, and persons with autism by means of the creation of a resource and technical assistance project. The project shall have the primary responsibility to provide:

- (1) Diagnostic expertise and a team of trained professionals, to work collaboratively with parents throughout the child's evaluation;
- (2) Coordination of the development and implementation of meaningful service plans;
- (3) On-site training for families, community agencies, and schools to provide appropriate services for persons with autism;
- (4) Assistance to families in locating and accessing appropriate services;
- (5) Advocacy for individuals with autism/autistic-like characteristics for further developmental and improvement of services; and
- (6) Facilitation of research, networking, information exchanges, and agreements among agencies and parents dealing with autism.

Your Committee notes that the State Planning Council on Developmental Disabilities has submitted a report on autism to the 1992 Legislature in response to H.C.R. 212 H.D. 1, "Requesting the State Developmental Disabilities Planning Council to do a Feasibility Study of Comprehensive Services for People with Autism and Autistic-like Behaviors." This report found that:

- (1) Autism is an organic disorder of the brain. There is no known definitive cause or cure for it. It affects people of all races and economic levels in about 1 in 1,000 people.
- (2) Hawaii has spent over \$500,000 a year for the past two years on approximately four adolescents with autism.
- (3) Hawaii presently does not have adequate expertise in the field and there is a lack of comprehensive and coordinated systems.
- (4) The most effective interventions currently known in autism are early identification and diagnosis, effective educational and behavioral interventions, and appropriate support services with and emphasis on continuity.

The Department of Health, University Affiliated Program, State Planning Council on Developmental Disabilities, Maui Special Learning Center, Autism Society of Hawaii and Hilo Association for Retarded Citizens testified in favor of the bill. Parents, autistic children, consumers and service providers also submitted testimony in support of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3619 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 424-92 Health and Education on H.B. No. 2843

The purpose of this bill, as reported to your Committees, is to mandate that the Department of Health administer and implement a hearing and vision program for the detection, identification, follow-up and monitoring of hearing and vision deficiencies. The bill amends the statute which authorizes an existing Vision and Hearing Screening program.

Testimony was received that supported both the intent and the content of this bill. One testifier, speaking on her own behalf as a public school parent, stated that " ...I did not have any indication that he [her son] was experiencing any visual problems. Thanks to the Vision and Hearing Screening Program for identifying it and referring my child to a doctor. He wears his glasses everyday and is doing quite well in school...I urge you to support this bill." The Committee concurred with this sentiment and feels strongly about the importance of this program.

Your Committees on Health and Education are in accord with the intent and purpose of H.B. No. 2843 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda and O'Kieffe.

SCRep. 425-92 Ocean and Marine Resources and Transportation on H.B. No. 2500

The purpose of this bill is to amend HRS Section 200-23 and Section 267-3 to change the definition of thrill craft by delimiting the passenger carrying capacity and to provide that the definition of thrill craft or "personal watercraft" is linked to the recognized definition provided by the Personal Watercraft Industry Association.

Some new models meet the specifications of the present statute, but have the capacity of carrying more than one passenger. The present statute limits a thrill craft to an operator and one passenger.

Your Committees received testimony in favor of this bill from the Department of Transportation, Maui Hotel Association, and West Maui Taxpayers Association.

Your Committees on Ocean and Marine Resources and Transportation are in accord with the intent and purpose of H.B. No. 2500 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 426-92 Education on H.B. No. 2624

The purpose of this bill is to appropriate funds to fully implement the special education staffing standard adopted in 1987.

Your Committee recognizes the need for additional instructional personnel to meet special education staffing standards and to provide quality educational services to students with disabilities in the public schools. According to testimony provided by the Department of Education (DOE), data indicates that a reduction in the ratio of students to instructional personnel will increase the quality and quality of instruction time available to students with disabilities so that they can move to less restrictive placements within shorter time frames.

Supporting testimony was received from the DOE, the State Planning Council on Developmental Disabilities, the Learning Disabilities Association of Hawaii, Project Po'ohala, and the Special Education Task Force.

Upon consideration, your Committee has amended the bill by:

- (1) Inserting the appropriation sum of \$5,247,212 for fiscal year 1992-1993;
- (2) Specifying that the funds are for 218.5 full-time equivalent permanent positions for:
 - (a) Implementing the special education staffing standard adopted in 1987;
 - (b) Mental health resource teacher positions;
 - (c) The statewide center for students with hearing and visual impairments;
 - (d) Additional staff and contracted diagnostic services; and
 - (e) Advance ordering of equipment and textbooks for new special education classrooms; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2624, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 427-92 Ocean and Marine Resources and Health on H.B. No. 2959

The purpose of this bill, as received, is to appropriate the sum of \$60,000 to determine the cause of the recent, extensive algal bloom occurring off the West Maui coastline.

Your Committees heard testimony in favor of this bill from the Department of Health (DOH), Office of the Mayor and the County Council of Maui, the Chairperson of DOH Maui Algal Bloom Task Force, the Maui Hotel, and numerous concerned residents. Your Committees also viewed a videotape documenting the large scope of the bloom.

Since nutrient loading and a variety of other catalysts of algal bloom in the nearshore marine environment occur in some form throughout the State, the ultimate results of this study could have statewide benefits.

Your Committees learned that the algal bloom has covered many of the prime visitor destination beaches and snorkeling areas in Maui rendering them unsuitable for recreational use. Because the visitor industry may be severely impacted by this blight on the beaches, your Committees recommend that the Maui Algal Bloom Task Force include a representative from the tourist industry in its membership.

Maui County Resolution 92-3 indicated that in 1991 Maui County had provided \$15,000 towards the study; likewise, Sea Grant had provided another \$6,000. Nevertheless, DOH testified that the amount appropriated in this bill would probably not be sufficient to thoroughly investigate the problem. Since the visitor industry in Maui may be impacted should this problem continue, your Committees have amended this bill to require equal matching funds from the Hawaii Visitors Bureau.

Your Committees on Ocean and Marine Resources and Health are in accord with the intent and purpose of H.B. No. 2959, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2959, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Alcon.

SCRep. 428-92 Ocean and Marine Resources and Higher Education and the Arts on H.B. No. 3870

The purpose of this bill is to appropriate the funds necessary to complete the final plans and secure the necessary permits for the proposed construction of an aquaculture education and basic research building on Coconut Island which will support the objectives of the Center for Applied Aquaculture.

Your Committees received testimony in favor of the bill from the Hawaii Institute of Marine Biology of the University of Hawaii.

The State has already appropriated \$5,000,000 towards the Center for Applied Aquaculture. Since one of the significant components of the center's objectives is education in this new field, your Committees concur with the intent of the bill. However, since the expending agency for the original appropriation was the Department of Land and Natural Resources (DLNR), your Committees have amended this bill to continue funding through DLNR.

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. 3870, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3870, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon and O'Kieffe.

SCRep. 429-92 Ocean and Marine Resources on H.B. No. 3760

The purpose of this bill is to appropriate funds to design and place artificial reefs and fish aggregation devices in the waters off Waikiki.

This bill was prompted by the plan to expand the MLCD in Waikiki so that the fishery in the adjacent waters would be enhanced.

Past experience has shown that appropriately designed and placed artificial reefs, and the newer concept of fish aggregation devices, can enhance the fish population in a given area.

Your Committee received testimony in favor of this bill from the Hawaii Council of Diving Clubs, TORCH, and other concerned citizens. The Department of Land and Natural Resources (DLNR) opposed this bill.

As the number and variety of users increase in the waters off Waikiki, it would appear that there is a need to enhance those waters with marine life that is beneficial to both the consumptive and non-consumptive user. DLNR expressed grave concern over the usage of such devices in areas which are jointly utilized by divers, fishermen, and other recreationists.

Your Committee believes, however, that by appropriate placement of specifically designed devices, the public will benefit, and concomitantly, the area could experience a return of various marine life.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3760 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon, Bunda and O'Kieffe.

SCRep. 430-92 Ocean and Marine Resources on H.B. No. 3756

The purpose of this bill is to establish an expanded marine life conservation district (MLCD) in the Waikiki-Diamond Head area. The new MLCD would extend out to sea from Diamond Head lighthouse in the east and the Ala Wai Channel in the west. The seaward boundary of the MLCD would be established by the straight line connecting the Diamond Head buoy with the point directly out from the Ala Wai Channel at which the depth of the ocean reached 100 feet. The MLCD would be established by the rule-making authority of the Department of Land and Natural Resources (DLNR), prior to January 1, 1993.

Your Committee heard and read testimony from many concerned citizens. Those speaking in favor were: Gail Chu, Hawaii Visitors Bureau; Robin Bond, Department of Parks and Recreation, City and County of Honolulu; Terry O'Halloran, Ad Hoc Waikiki Underwater Park Task Force; George Balazs, Deputy Chairman, Marine Turtle Specialist Group of the International Union for the Conservation of Nature; William C. Harmon, Oahu Chapter Representative - TORCH; Friends of Hanauma Bay; Dr. John Randall, Senior Ichthyologist, Bishop Museum; Raymond S. Tabata of Sea

Grant; John J. Naughton, fishery biologist; Richard Brock, marine researcher; Susan Scott; Jolene Pacheco; Gary Ishisaka; Deborah Lineberry; Rhea Ortega; Rosemond Nebres; Bruce Carlson; Dave Raney; Bruce Huddleston; Mary Ann Grant; Charles Rollison; Craig Thomas, M.D.; Christina Kemmer, President of the Waikiki Improvement Association; Stephen F. P. Boyle, Chairman of the Visitor Industry Education Council; Daniel Dinnell of the Hilton Hotels Corporation; John Riegel, Snuba Tours of Oahu; Richard Shaefer, Atlantis Submarines; Wiley Brunel, M.D.; William Aila, Jr.; Peter Schall, General Manager of the Hilton Hawaiian Village; Rudy Choy of Aikane Catamarans - Hawaii; Joe Pickard; and Representative Duke Bainum.

Those opposing the bill included: Dr. Roger Pfeffer, marine biologist; Michael Stoner, fisherman and student; John Paul, President of All Hawaiian Tropicals; Mark Suiso; and Eric Wagerman, Mike Sur, Ted Williams, Robert Martin, Chris Takahashi, Ethan Chung, Robert Goodwin, Ty Althouse, and Danny Pires, all of whom are professional fishermen.

The DLNR and Frank Farm, past president of the Hawaii Council of Dive Clubs, expressed support for the intent of the bill but had some strong reservations. Earl Hinz of the Ala Wai Boat Harbor Advisory Committee expressed support and offered some amendments to the bill.

Those who were opposed declared that establishing a large MLCD of the dimensions described in the bill would be unfair and unreasonable. They argued that it was unfair for non-consumptive users, such as dive operators and catamarans to benefit economically from the MLCD, while others, such as the consumptive users, would be harmed by it. The fishers argued that in a MLCD where protection and conservation of the natural habitat is paramount, a fair law would restrict the degrading impacts of all commercial activities, recreational as well as consumptive. They pointed out also that their very livelihoods could be adversely affected by the proposed plan.

The opponents, including Dr. Roger Pfeffer, objected to the size of the MLCD. They strongly voiced their view that the seaward boundary of the proposed MLCD unreasonably extended too far out to sea, thus arbitrarily cutting out areas which they could fish without conflicting with non-consumptive users. Furthermore, they proposed that since Waikiki is traditionally an important fishing ground for those who catch the migratory species of akule and opelu, that this type of net fishing should be allowed on a seasonal basis within the MLCD.

The proponents of the bill argued that the significant benefit of such an MLCD to tourism and the next generations of Hawaii's people outweighed the interests of fishers in protecting their yields. Many of the proponents predicted that the enhanced fishery in the protected environment would offer greater opportunities to fishers due to the significant "spill-over" that would occur in areas neighboring the MLCD where fulfilled fishing would be allowed.

The proponents also argued that the large size of the MLCD as proposed by the bill was necessary for the proper brooding of fish. A smaller protected area would not enable fish to grow into procreating adults which would enhance the fishery.

Your Committee finds that there is an important public purpose to be served in establishing an expanded MLCD in Waikiki.

Your Committee further recognizes that while the central portion of the proposed MLCD requires strict control of consumptive uses, neighboring zones in the MLCD could allow for a variety of uses, so long as the core area of the MLCD was not adversely affected.

Your Committee further recognizes that the dimensions of the MLCD are not sacrosanct and therefore are subject to minor adjustments, should valid reasons for making such adjustments become apparent during the course of the legislative session.

To keep the channels of communication open among the various interest groups, and to assure that all interests and needs are considered, your Committee has amended the bill by dividing the MLCD into three zones, the center portion being strictly off-limits to consumptive activity of any kind, and the two adjacent sections allowing for whatever use the DLNR, after much dialogue with the public, would allow.

The hope was commonly expressed by almost all who testified, that many fishers would eventually be able to increase their catch in the Waikiki area outside the MLCD, through enhancement of the fishery. Your Committee is committed to this goal and expresses its strong support for an accompanying bill (H.B. 3760) which would appropriate funds for artificial reefs outside the MLCD and would hopefully add to the catch of fishers in the area.

Your Committee recognizes that the issue of seasonal "cropping" for certain species of fish in the MLCD has not been resolved by this bill and would recognize that it is a valid issue to be addressed in the hearings to be conducted by the DLNR.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3756, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon, Bunda and O'Kieffe.

SCRep. 431-92

Ocean and Marine Resources on H.B. No. 3427

The purpose of this bill is to appropriate funds for the Pacific Mapping Program which will archive a variety of physical characteristics of the Pacific Ocean for future economic development purposes.

Favorable testimony was received from the Department of Business, Economic Development, and Tourism, the Office of State Planning, and the University of Hawaii, College of Engineering.

Your Committee recognizes that mapping is vital tool in development of a statewide data base - - whether it focuses on the nearshore as is presently done by the Statewide Geographic Information System or whether it focuses on Hawaii's Exclusive Economic Zone as could be accomplished through the Pacific Mapping Program. Such a database could ensure the management of the ocean resource and the development of the resource's economic potential.

Your Committee on Ocean and Marine Resources 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 Alcon.

SCRep. 432-92 Ocean and Marine Resources and Higher Education and the Arts on H.B. No. 3438

The purpose of this bill is to appropriate \$120,000 to continue the Hanauma Bay Educational Program for fiscal year 1992-1993 and to establish a task force which will develop a permanent funding plan for this program.

While the land surrounding Hanauma Bay is a county park, the entire marine environment is within the purview of the Department of Land and Natural Resources. The Hanauma Bay Educational Program conducts tours of the bay and provides educational material at the nature park. However, it also provides marine life education and coral reef conservation information at the nearshore to residents, students, and visitors. Additionally, the program conducts an outreach program to schools and community groups that cannot easily travel to the bay.

Your Committees heard testimony in favor of the bill from Department of Land and Natural Resources, Sea Grant College Program, Friends of Hanauma Bay, Sierra Club, TORCH, Save Hawaii Kai Coalition, City and County of Honolulu's Department of Parks and Recreation, and other concerned citizens. In addition, your Committees were presented letters from over fifty students praising the educational program.

Your Committees wish to commend the City and County of Honolulu's Department of Parks and Recreation for its past support of this program and acknowledge the City's progress towards making the beach area more accessible to the physically disabled.

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. 3438 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon and O'Kieffe.

SCRep. 433-92 Ocean and Marine Resources on H.B. No. 3060 (Majority)

The purpose of this bill, as received, is to add a new section to Chapter 171, Hawaii Revised Statutes, which would authorize the Department of Land and Natural Resources to require the removal of illegal structures on State beaches and submerged lands by the littoral owner. Under this bill, the littoral owner would have the right to contest the citation or seek a variance, but would be required to remove the illegal structure at his own expense. A lien against the property would be imposed by the department should the State have to remove the illegal structure.

Your Committee received testimony in favor of this bill from the Department of Land and Natural Resources, City and County of Honolulu, and the Sierra Club.

Testimony was received from the Environmental Center at the University of Hawaii which was in favor of the basic intent of the bill, but expressed serious concerns that the broad approach of this bill did not offer a more site specific evaluation and that certain descriptions and definitions were not adequately included.

Your Committee believes that the intent of this bill is to provide a procedure that will ensure that structures of various types, placed illegally on State lands, can be removed. The ease of public access to beaches and the detrimental erosion of existing shorelines through the placement of these illegal structures is addressed in this bill.

Your Committee has amended this bill to provide that:

- (1) Excavations and fill material be included and to more clearly define the location of the public nuisance;
- (2) There is a more direct relationship between the littoral owner and the public nuisance;
- (3) The Department must follow necessary procedures for publication of contested case hearing notice; and,
- (4) The Department may authorize a variance and issue an easement to the littoral owner of the public nuisance under certain conditions.

Your Committee on Ocean and Marine Resources 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 referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon and Bunda.
(Representative Thielen did not concur.)

SCRep. 434-92 Ocean and Marine Resources on H.B. No. 3759

The purpose of this bill is to appropriate funds to study the characteristics, behavior, attitudes, expenditures, harvest, and management preferences of billfish anglers in the State.

Your Committee received testimony in favor of this bill from the Department of Land and Natural Resources, TORCH, and the Hawaiian International Billfish Association.

The billfish is widely dispersed in the Hawaiian waters and serves as the main attraction for the big gamefish charter industry. Although the Western Pacific Regional Fisheries Management Council (WESPAC) has established a Pelagic Fishery Management Plan, it has been seven years since the State conducted any type of study on the preferences of billfish anglers. Such a study would considerably aid WESPAC in its management of this resource, and assist commercial activities in augmenting development of this \$250,000,000 industry in the State.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3759 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Bunda.

SCRep. 435-92 Ocean and Marine Resources on H.B. No. 2878

The purpose of this bill, as received, is to appropriate funds to establish a tiger shark eradication program.

Your Committee received testimony from the Department of Land and Natural Resources (DLNR), National Marine Fisheries Service, Western Pacific Regional Fishery Management Council, Waikiki Aquarium, and professional marine biologists.

All testimony indicated that an eradication program could potentially be detrimental to the marine ecosystem and would be costly. Moreover, the efficacy of an eradication program cannot be measured. DLNR indicated that it would be doubtful whether any program of this type could target one type of shark and that several types of sharks have been known to attack humans in this State.

While your Committee recognizes the potential threat to public safety posed by nearshore sharks, it also recognizes that a well conceived plan of protection is needed which would reflect scientific, management, environmental, and cultural concerns. For this reason, your Committee strongly recommends that DLNR create an ad hoc select committee to address these concerns and monitor the gathering of information on nearshore sharks for the future. The select committee would be comprised of a member from DLNR, National Marine Fisheries Service, University of Hawaii, the Hawaii Institute of Marine Biology, Bishop Museum, a marine environmental group, and a representative from the native Hawaiian fishing community.

Based on testimony received, your Committee amended this bill by:

- (1) Replacing the reference to "tiger shark eradication program" with "controlled shark hunting program;" and
- (2) Adding a new Section 2 that specifies the scope of the program.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2878, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Bunda.

SCRep. 436-92 Judiciary on H.B. No. 2324

The purposes of this bill are to amend Chapter 25, Hawaii Revised Statutes, to:

- (1) Authorize the Reapportionment Commission ("Commission") to continue in operation in the event of a successful court challenge of a reapportionment plan;
- (2) Change the date for constituting the Commission;
- (3) Extend the date for filing the final reapportionment plans;
- (4) Extend the date for publication of the final reapportionment plans;
- (5) Provide that the basis of reapportionment for congressional districts shall be the total population counted in the last preceding United States census;
- (6) Extend the date for first publication of the reapportionment plans;
- (7) Increase the pay of the Commission members from \$50 to \$100 per meeting, but not to exceed \$2,000 per month;

- (8) Increase the pay of the Advisory Council from \$50 to \$100 per meeting, but not to exceed \$1,000 per month; and
- (9) Change the date for the filing of the report to the Legislature by the Commission.

Testimony in support of this bill was received from the 1991 Reapportionment Commission, the League of Women Voters, the United Public Workers AFSCME, Local 646, AFL-CIO, and commission members.

This bill was amended by:

- (1) Changing the time for constituting the Reapportionment Commission to the period after the third Wednesday of March but before May 1 of each reapportionment year;
- (2) Providing no pay increase to the Commission or Advisory Council members;
- (3) Changing the deadline for reporting to the Legislature to the opening day of the Legislature next convening; and
- (4) Leaving all other deadlines unamended.

Technical, nonsubstantive amendments were also made for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2324, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 437-92 Judiciary on H.B. No. 2612

The purpose of this bill is to appropriate \$50,000 for the construction of a model by the Department of the Attorney General for the collection of data regarding the victims of crimes evidencing prejudice or an irrational hostility toward another person or group of persons based on gender.

Testimony in support of this measure was received from the Department of the Attorney General, the Office of the Public Defender, the Hawaii State Commission on the Status of Women, the American Association of University Women, Hawaii Women Lawyers, Hawaii Coalition Against Sexual Assault, the Sex Abuse Treatment Center, and numerous private citizens.

Hawaii's current data collection in the areas of crime statistics is very limited and does not capture all information needed to analyze today's complex issues. A model data collection mechanism needs to be developed, including improvements over current efforts and an expansion of data elements to be collected. Such a comprehensive data collection system will allow legislators and policy makers to ascertain crime prevalence, chart fundamental crime trends over a period of time or within a specific geographical location, and identify criminal justice and crime related issues and priorities as they emerge. Therefore, the collection of comprehensive criminal and crime-related information is vital.

In response to growing concern about hate crimes, Congress, on April 23, 1990, enacted the "Hate Crime Statistics Act 1990" (hereafter "Act"). The Act requires the United States Attorney General to establish guidelines and collect data, about "crimes that manifest evidence of prejudice based on race, religion, sexual orientation, or ethnicity, including where appropriate the crimes of murder, non-negligent manslaughter, forcible rape, aggravated assault, simple assault, intimidation, arson, and destruction, damage or vandalism of property." Surprisingly, no information is specifically collected as to the victim's gender.

The Department of the Attorney General manages and operates the Uniform Crime Reporting Program for the State of Hawaii. This program provides a nationwide view of crime and crime rates based on the submission of crime index statistics by law enforcement agencies throughout the country. The program is intended to provide the following information:

- (1) Numbers and kinds of criminal acts that occur (offenses known);
- (2) Number of such crimes or offenses cleared;
- (3) Demographics of the persons accused;
- (4) Law enforcement disposition of juveniles; and
- (5) Law enforcement employee information.

Your Committee believes that gathering data on hate crimes must include as its keystone the gender of the victim and of the perpetrator. This information is crucial for the reasons of policy amendment, the determination of resource allocations, and the development of sexual assault and domestic violence services. Accordingly, this measure is amended to reflect in its purpose section the importance in which Your Committee places in the obtaining of information related to victims' gender. Technical, nonsubstantive changes have also been made for the purposes of clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2612, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 438-92 Judiciary and Legislative Management on H.B. No. 2800

The purpose of this bill is to:

- (1) Specify that, notwithstanding section 23G-14, Hawaii Revised Statutes, the Revisor of Statutes shall not publish a 1992 Supplement to the Hawaii Revised Statutes, because the Legislative Reference Bureau will publish new replacement volumes to the Hawaii Revised Statutes; and
- (2) Appropriate the sum of \$900,000, or so much thereof as may be necessary, for the publication of the replacement volumes to the Hawaii Revised Statutes.

Testimony in support of this bill was received from the Office of the Legislative Reference Bureau.

Your Committees on Judiciary and Legislative Management are in accord with the intent and purpose of H.B. No. 2800 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kihano, Peters and Say.

SCRep. 439-92 Judiciary on H.B. No. 2614

The purpose of this bill is to evaluate the present system of support services provided to domestic abuse victims, taking into account the different needs of the people on each of the islands.

There is an immediate need to provide victims of domestic violence with counseling, support, and other forms of assistance from social service and other agencies that are not connected or related to law enforcement.

If enacted, this bill would make an appropriation for a study to evaluate the system of support services currently being provided to victims of domestic violence received from agencies other than those related to law enforcement, and to construct victim support models in each of the counties.

Testimony in support of this measure was submitted by the Judiciary, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii State Commission on the Status of Women, the American Association of University Women, the Hawaii State Committee on Family Violence, and Child and Family Service.

Your Committee has amended this bill by designating the Legislative Reference Bureau as the agency that would conduct the study instead of the Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2614, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 440-92 Labor and Public Employment and Judiciary on H.B. No. 3114

The purpose of this bill is to increase the retirement allowance of public safety internal affairs investigators and to retain the retirement allowance of promotional public safety employees.

The Department of Public Safety was created to bring together programs of corrections and law enforcement under one department. Your Committees find that the retirement benefits are different for certain groups of employees who share a common departmental function within the Department of Public Safety. This measure addresses this inconsistency and supports career opportunities within the Department.

Your Committees have amended this measure to also address the retirement benefits of elective officers or judges in the State. Act 90, Session Laws of Hawaii 1971 (Act 90), enabled an elective officer or judge, who is eligible for maximum retirement benefits but below age 65, to choose to continue in service with the assurance that such an election will not result in any decrease of retirement benefits. Act 90 enabled the person to continue in service and, at the same time, to terminate membership in the Employees' Retirement System as if the member had actually retired, so long as the member received no retirement allowance until actually leaving active service.

Your Committees acknowledge that some of the finest judges are those individuals who have acquired rich life experience while serving many years on and off the bench. This measure has been amended to allow elective officials and judges who decide to terminate their membership in the Employees' Retirement System to purchase credits to become contributory members. In this manner, the people of Hawaii would stand to benefit from the wisdom and wealth of experience of these senior judges.

Upon further consideration, your Committees have amended the bill to provide that corrections officers, narcotics enforcement investigators, promotional public safety employees, and public safety internal affairs investigators retain the two and one-half per cent rate for the period in which they worked in that capacity, and receive the lower rate of two per cent for time served in managerial employment.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committees on Labor and Public Employment and Judiciary 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 Hashimoto.

SCRep. 441-92 Labor and Public Employment and Judiciary on H.B. No. 3572

The purpose of this bill is to require the Department of Labor and Industrial Relations to establish a two-year pilot program to require employers in certain industrial groups to report hires or rehires within thirty-five days to the State's Child Support Enforcement Agency. This program will provide a greater basis in enforcing child support obligations.

Your Committees find that it is essential to enforce child support obligations. This program will enable the Department of Labor and Industrial Relations to gather and provide the State's Child Support Enforcement Agency with needed information to track employees who are not complying with their child support obligations.

The Child Enforcement Agency testified that presently, nearly \$118 million in child support payments are in arrears in Hawaii. Your Committees find that in cases like this the person that suffers the most is the children. With 1992 being designated as the "Year of the Family", your Committees will support legislation that helps Hawaii's greatest asset, children.

Testimony on this bill was submitted by the Department of the Attorney General and the Department of Labor and Industrial Relations.

Your Committees amended this bill by deleting the provisions establishing the two-year pilot project and inserting \$1 into the appropriation sections.

Your Committees on Labor and Public Employment and Judiciary are in accord with the intent and purpose of H.B. No. 3572, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3572, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Hashimoto.

SCRep. 442-92 Labor and Public Employment and Human Services on H.B. No. 3486

The purpose of this bill is to appropriate funds to study the feasibility of establishing child care programs for State employees and other working families in the urban Honolulu area.

In addition, this measure requires the Department of Personnel Services to coordinate the study, with the assistance of other executive agencies and affected communities.

Your Committees received testimony supporting the intent of this measure from the Department of Personnel Services, the Office of Children and Youth, and People Attentive to Children (PATCH).

Upon further consideration, your Committees have amended this measure by:

- (1) Providing that the Office of Children and Youth, and not the Department of Personnel Services, serve as the lead agency for conducting the study and the expending agency for appropriated moneys;
- (2) Providing that the Department of Business, Economic Development, and Tourism, the Department of Personnel Services, Department of Accounting and General Services, the Department of Human Services, the Department of Education, the Department of Land and Natural Resources, and others assist the Office of Children and Youth in conducting its study regarding the establishment of the child care programs;
- (3) Appropriating \$125,000 for a full-time coordinating programs specialist and other additional expenses to carry out the purposes of this measure;
- (4) Planning, designing, and implementing this model child care center which can be replicated throughout the State;
- (5) Emphasizing that aggressive steps be taken to work with the private sector in establishing and providing child care programs for their employees; and
- (6) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Labor and Public Employment and Human Services are in accord with the intent and purpose of H.B. No. 3486, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3486, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 443-92 Labor and Public Employment and Legislative Management on H.B. No. 3698

The purpose of this bill is to allow nurses to continue to participate in the State's job-sharing program, which was established by Act 244, Session Laws of Hawaii 1989.

Your Committees note that this measure would also eliminate the need for the Office of the Legislative Auditor to submit status reports on job sharing.

Testimony supporting this measure was submitted by the Office of the Legislative Auditor and the Hawaii Government Employees Association.

Your Committees on Labor and Public Employment and Legislative Management are in accord with the intent and purpose of H.B. No. 3698 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Kihano.

SCRep. 444-92 Labor and Public Employment and Judiciary on H.B. No. 3124

The purpose of this bill is to exempt from Chapter 76 and 77, Hawaii Revised Statutes, administrators at the branch-level and above who manage corrections or law enforcement programs of the Department of Public Safety.

Your Committees received testimony from the Department of Public Safety.

Your Committees on Labor and Public Employment and Judiciary are in accord with the intent and purpose of H.B. No. 3124 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Hashimoto.

SCRep. 445-92 Labor and Public Employment and Health on H.B. No. 3672

The purpose of this bill is to provide health coverage for emergency hires who are public employees and who are employed for at least seventy-five working days out of any period of ninety consecutive working days.

Currently, emergency hires work full time schedules, their temporary status precludes their eligibility for health fund benefits.

Your Committees agree that long term emergency hires should be awarded the minimum protection in terms of health care coverage.

Your Committees received testimony from the Hawaii Public Employees Health Fund, the Hawaii Public Health Association, the Department of Health, the Mental Health Association, and Ms. Kathryn Smith.

Upon further consideration, your Committees have amended this bill by:

- (1) Amending the standards of eligibility to correlate with the existing pre-paid health care law for the private sector;
- (2) Adding a new section to provide coverage to newly eligible employees;
- (3) Deleting the appropriation amount and inserting \$1; and
- (4) Technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Labor and Public Employment and Health are in accord with the intent and purpose of H.B. No. 3672, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3672, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives M. Ige, Peters, Tom and Tatibouet.

SCRep. 446-92 Labor and Public Employment and Judiciary on H.B. No. 3488

The purpose of this bill is to allow the Board of Trustees of the Hawaii Public Employees Health Fund to appoint its own legal adviser.

Your Committees find that under present law, the Attorney General represents the Board of Trustees as its legal adviser. However, as a cabinet officer of the Governor, the Attorney General has a direct conflict of interest since the Governor is defined as an "employer" by Section 89-2, Hawaii Revised Statutes.

In addition, as an employee of the State, the Attorney General is also an employee-beneficiary of the Health Fund. If the Board is allowed to appoint its own legal counsel, your Committees feel that conflicts would be avoided.

Your Committees received testimony on this measure from the Hawaii Public Employees Health Fund and the Hawaii Government Employees Association.

Your Committees on Labor and Public Employment and Judiciary are in accord with the intent and purpose of H.B. No. 3488, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 447-92 Judiciary on H.B. No. 3680

The purpose of this bill is to appropriate funds for the planning, design, and construction for the Women in Military service for America Memorial at Arlington National Cemetery.

Your Committee attaches great importance to the need to fully recognize the sacrifice of women who served in the military.

If enacted, this bill would appropriate funds to the Women in Military Service for America Memorial Foundation, Incorporated, for plans, design, and construction for the Women in Military Service for America Memorial at Arlington National Cemetery. The sum appropriated shall be expended by the Department of Defense.

Testimony in support of this measure was submitted by concerned citizens.

For purposes of continued discussion, your Committee has amended this bill by inserting the sum of \$1 for the appropriated amount.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3680, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3680, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 448-92 Judiciary on H.B. No. 3110

The purpose of this bill is to clarify the State's right to recover unclaimed property when the address of the owner is unknown.

The State is presently involved in a lawsuit to determine who is entitled to assume custody of unclaimed dividends, interest and other distributions paid on securities by an entity when the last known address of the owner is unknown. Special Counsel representing the State has recommended this amendment to enhance the State's ability to recover these properties.

If enacted, this bill would enable the State to recover unclaimed security distributions belonging to owners whose addresses are unknown from holders whose headquarters are located in the State.

Testimony in support of this measure was submitted by the Department of Budget and Finance.

Your Committee on Judiciary 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. 449-92 Judiciary on H.B. No. 3002

The purpose of this bill is to appropriate fund to satisfy claims of certain persons, firms, corporations and entities against the State.

Testimony in support of this bill was submitted by the Attorney General's Office.

This bill was amended as follows:

- (1) The amount for Amundson v. State was changed from \$115,180.38 to \$120,107.37;
- (2) The amount for Malepeai v. State was changed from \$213,256.89 to \$220,603.07;
- (3) The amount of \$400,000.00 for the case of Akuna v. State was added;

- (4) The amount of \$65,000.00 for the case of Interior Showplace, Inc. v. State was added;
- (5) The amount of \$60,000.00 for the case of Kaholokula v. Maui Memorial Hospital was added;
- (6) The amount of \$80,000.00 for the case of Kekuewa v. State was added;
- (7) The amount of \$50,000.00 for the case of Licht v. State was added; and
- (8) The amount of \$15,000.00 for the case of Manoharan v. Michael was added.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3002, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 450-92 Judiciary on H.B. No. 3736

The purpose of this bill is to continue funding for the multi-agency, community-based collaboration of the gang response system established by Act 189, SLH 1990.

Testimony in support of this measure was received from the Department of the Attorney General; the Office of Youth Services; the Department of Education; the University of Hawaii, Center for Youth Research; the Department of the Prosecuting Attorney, City and County of Honolulu; the Honolulu Police Department; the County of Kauai Police Department; the Hawaii County Police Department; the County of Maui Police Department; the Department of Parks and Recreation, City and County of Honolulu; Boys and Girls Clubs of Honolulu; Boys and Girls Club of Wai'anae; YMCA of Honolulu Outreach Services; YMCA Leeward Branch; YMCA of Honolulu Cities in Schools Project; Kihei Youth Center; Eye Care Association of Hawaii; C.A.N. D.O.; Kokua Kalihi Valley Comprehensive Family Services; Wai'anae Coast School Concerns Coalition; the Salvation Army; West Oahu Employment Corporation; Filipino Association of University Women; Catholic Charities; Parents and Children Together; and numerous private citizens

Your Committee received overwhelming testimony from agencies, community groups, and private citizens attesting to the success of the Gang Response System. Through coordination, agencies and groups are working together to prevent, suppress and intervene in gang problems. These agencies and groups have proven that joint efforts which cut across jurisdictional lines are effective in stemming the tide of gang violence.

While your Committee understands that Hawaii's gang situation is not the magnitude of many mainland urban areas, the threat of gang growth and violence is still present. The Gang Response System is a multijurisdictional approach to the problems of gangs in Hawaii and is still evolving. The funds that are sought are to continue the success in those areas currently participating in the system, expand the program into new geographical areas, and make up for the anticipated loss of federal funds in the ensuing year.

Your Committee has amended this bill by changing the moneys appropriated to the county police departments from \$721,225 to \$721,505.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3736, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 451-92 Judiciary on H.B. No. 770

The purpose of this bill, as received, is to allow would-be voters who failed to register prior to a given election, to register on the day of the election.

Testimony generally in support of this measure, but with reservations, was received from the Lieutenant Governor, the Kauai County Clerk, the Hawai'i Rainbow Coalition, and the League of Women Voters of Hawaii.

Your Committee is concerned about possible abuses of a same day registration program, especially in large urban, transient areas. Unfortunately, there have been past abuses of the voter registration system in Hawaii. Because of these concerns, your Committee believes it prudent to move cautiously in this area by allowing same day registration on a limited basis.

Accordingly, your Committee has amended this bill so that it will allow same day registration of those persons who were validly registered for the previous election, but who moved to a new precinct or, by virtue of reapportionment, found themselves in new precincts and who have failed to register.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 770, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 452-92 Judiciary on H.B. No. 3313

The purpose of this bill is to appropriate funds for the establishment of an integrated criminal justice information system.

Testimony in support of this measure was submitted by the Department of Public Safety .

For purposes of continued discussion, your Committee has amended this bill by inserting the sum of \$1 for the appropriated amount.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3313, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 453-92 Water, Land Use, and Hawaiian Affairs; Intergovernmental Relations and International Affairs;
and Labor and Public Employment on H.B. No. 2845**

The purpose of this bill is to provide for the transfer of Stadium Park in Moiliili to the City and County of Honolulu in exchange for the transfer of Camp Kailua and the Kailua Beach Park boat ramp to the State.

Your Committees received extensive testimony from the community including: Citizens for Camp Kailua; the Kailua Neighborhood Board; the Kailua Chamber of Commerce; Sierra Club, Hawaii Chapter; as well as two elected officials and numerous residents from the area. Many testified about the need to restore this facility and pointed out the needed role Camp Kailua has played in allowing the youth, elderly, and handicapped to enjoy Kailua Beach in a special way. The Department of Land and Natural Resources and the City and County Department of Parks and Recreation also testified on this bill.

Concerned about the need to ensure that the State would continue to provide cabin camping activities at Camp Kailua, your Committees have amended this bill by inserting the following phrase at the end of Section 2, subsection (b): "subject to the condition that Camp Kailua continue to be used for overnight cabin camping purposes."

Your Committees on Water, Land Use and Hawaiian Affairs; Intergovernmental Relations and International Affairs; and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 2845, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2845, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 454-92 Water, Land Use, and Hawaiian Affairs on H.B. No. 3184

The purpose of this measure is to amend Act 301, Session Laws of Hawaii 1991, to provide supplemental appropriations to the Office of Hawaiian Affairs (OHA) for fiscal year 1990-1991, and to change certain other provisions of that Act.

Your Committee has amended this bill by:

- (1) Deleting the appropriation under the OHA 100 program I.D. for two secretarial positions for the OHA Board of Trustees;
- (2) Reducing the appropriation under OHA 100 for expanded compensation and travel requirements for the Board of Trustees;
- (3) Deleting the appropriation under OHA 103 for a research project on a health insurance plan;
- (4) Increasing the appropriation under OHA 103 for the Waianae Diet Project, while providing for a pilot project to administer the program to Hawaiian residents of Waimanalo;
- (5) Increasing the appropriation under OHA 106 for publicity and documentation on sovereignty-related issues, while providing for a grant-in-aid to Hui Na'auao for the production of videos dealing with this subject matter; and
- (6) Correcting certain typographic and stylistic errors.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3184, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 455-92 Water, Land Use, and Hawaiian Affairs and Higher Education and the Arts on H.B. No. 3198

The purpose of this bill is to establish a temporary State and County task force to recommend to the Legislature policies relevant to the designation of certain sites, scenes and landscapes as cultural landscape districts, and to appropriate funds for this purpose.

Your Committees heard testimony in support of this measure from the Land Use Commission and the Office of Hawaiian Affairs (OHA). The Land Use Commission recommended that the task force be established under the Office of State Planning, and OHA expressed its desire to be included in the composition of the task force.

Your Committees find that there is a need for recognition and protection of Hawaii's cultural landscapes, and that the task force envisioned in this legislation would be a useful body for proposing comprehensive and effective policies to accomplish this goal.

Your Committees have amended this legislation by incorporating the suggestions made by the Land Use Commission and OHA to:

- (1) Include the Chairperson of the OHA Board of Trustees, or the Chairperson's designated representative, as a member of the task force; and
- (2) Establish the task force under the Office of State Planning for administrative purposes.

Your Committees on Water, Land Use, and Hawaiian Affairs and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 3198, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3198, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Honda, Lee and O'Kieffe.

SCRep. 456-92 Water, Land Use, and Hawaiian Affairs on H.B. No. 2723

The purpose of this measure is to place a moratorium on the disposition of cultivated sugarcane lands until an agreement is reached and a policy established relevant to the appropriate compensation to be paid to the Department of Hawaiian Home Lands (DHHL) upon disposition of such lands.

The Department of Land and Natural Resources and the Office of State Planning testified in opposition to this bill, arguing that its provisions would delay affordable housing projects, and that progress of this bill through the legislative process would detract from other efforts to reach a resolution of this controversial subject.

However, your Committee also heard testimony from the DHHL and the Native Hawaiian Legal Corporation, noting that the bill does provide time for an agreement among the agencies to be reached. Your Committee finds that continued disposition of these lands in the absence of a settlement as to DHHL's compensation is inappropriate, and that this measure would provide additional incentive for a timely settlement.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2723 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 457-92 Water, Land Use, and Hawaiian Affairs on H.B. No. 969

The purpose of this measure to permit the State to enter into agreements with landowners to use or manage trails on private lands, and to defend and indemnify these landowners against claims and losses resulting from the public's use of these lands.

Your Committee heard testimony in support of this bill from the Department of Land and Natural Resources (DLNR), the Department of Parks and Recreation of the City and County of Honolulu, and the Hawaii Academy of Plaintiffs' Attorneys (HAPA).

Your Committee finds that passage of this measure would facilitate the availability of private lands to the public for the "Na Ala Hele" trails and access system by offering landowners a degree of protection against lawsuits which may result from injuries sustained by members of the public on such lands.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 969 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Alcon.

SCRep. 458-92 Water, Land Use, and Hawaiian Affairs; Higher Education and the Arts; and Tourism on H.B. No. 2333

The purpose of this bill is to educate the citizens of this State about their rich historic heritage by recognizing the memory of King Kamehameha I through the establishment of the Kamehameha Trail through downtown Honolulu. This bill appropriates an unspecified sum for the Department of Land and Natural Resources (DLNR) to complete such a trail utilizing a series of markers, signs, and other appropriate measures.

The DLNR testified in support of this bill and recommended that the City and County of Honolulu's Department of Parks and Recreation serve as the lead agency on this project. Upon further consideration, your Committees have amended this bill by replacing references to DLNR with the Department of Parks and Recreation. The bill was further amended to correct certain typographic, technical, and stylistic errors.

Your Committees on Water, Land Use, and Hawaiian Affairs; Higher Education and the Arts; and Tourism are in accord with the intent and purpose of H.B. No. 2333, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2333, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 459-92 Health on H.B. No. 1186

The purpose of this bill is to amend the Hawaii Revised Statutes to allow temporary licensing of certain foreign graduate physicians to meet a special State need for public employment.

Your Committee received testimony supporting the intent of this bill from representatives of the Hawaii Federation of Physicians and Dentists, the Hawaii Medical Association and the Department of Health.

As amended by your Committee, this bill would add a new chapter to chapter 453, Hawaii Revised Statutes, to permit the Board of Medical Examiners to license graduates of foreign medical schools who can meet a special need in our State.

To be eligible for licensing under this provision applicants must:

- (1) Be licensed to practice medicine in another State;
- (2) Be certified by the Director of Health as meeting a special State need in public service employment; and
- (3) Have at least five years of executive-level experience in public health administration, or in teaching medical or health-related subjects at the university level.

Licensing under this provision would be valid for no longer than one year but could be renewed annually. The certification would stipulate that the applicant would serve in a public service administrative position and would not qualify the applicant to practice medicine.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1186, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 460-92 Education and Intergovernmental Relations and International Affairs on H.B. No. 3909

The purpose of this bill is to appropriate funds on a matching basis, to be expended by the Department of Education (DOE) to provide continued support to the Pacific and Asian Affairs Council (PAAC).

Your Committees find that the PAAC has continually supplied valuable support to the DOE in the effort of promoting Hawaii's role in the Asia-Pacific region by providing high school students and teachers with experiences and opportunities in the study of international relations.

Testimony in support of this measure was received from the Department of Education.

This bill has been amended by inserting the sum of \$1 in the appropriation section for the purpose of further discussion.

Your Committees on Education and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3909, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3909, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Young.

SCRep. 461-92 Education on H.B. No. 2863

The purpose of this bill is to appropriate funds for the establishment of a pilot preschool education project at Kalihi Uka School, Oahu.

Testimony supporting the intent of the bill was submitted by the Department of Education, the Office of Children and Youth, the Hawaii Association for the Education of Young Children, and the Kamehameha Schools/Bishop Estate.

Your Committee finds that the provision of preschool educational services will significantly enhance the ability of very young children to adapt and respond to the rigors of an academic curriculum.

Your Committee further finds that children from disadvantaged backgrounds, or those who live in non-English speaking environments, are often unable to obtain preschool services. For example, of the fifty-six children currently attending Kalihi Uka School--an elementary school providing services to a large, low-income immigrant population--only eleven had previously attended preschool. Your Committee believes that the provisions of this bill would significantly enhance the learning ability of the children of Kalihi, as well as reaffirm the State's investment for a better and brighter future.

Your Committee is in accord with the intent of this bill. However, it has come to your Committee's attention that while the Department of Education supports this bill, it does not have jurisdiction over the educational needs of children under the age of four.

Accordingly, your Committee has amended this bill by:

- (1) Stipulating that the expending agency for the pilot project preschool at Kalihi Uka School shall be the Office of Children and Youth; and
- (2) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2863, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 462-92 Education and Intergovernmental Relations and International Affairs on H.B. No. 3910

The purpose of this bill is to establish an International Education Program in the Department of Education.

Your Committees find that the world is rapidly becoming a global society with increasing economic and political interdependence among countries, which will require individuals to acquire skills to effectively understand and communicate with one another. To keep up with these new demands, the State must implement a comprehensive educational program that will internationalize educators' repertoires, promote educational exchanges between Hawaii and foreign countries, and expose students to the people, language, and culture of foreign countries.

The Department of Education submitted testimony in support of the concept of international education.

The bill has been amended by deleting section 2 of H.B. No. 3910 and inserting the sum of \$75,000 in the appropriation section.

Your Committees on Education and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3910, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3910, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, Bunda, Young, O'Kieffe and Ward.

SCRep. 463-92 Education on H.B. No. 3827

The purpose of this bill is to appropriate funds to be expended by the Department of Accounting and General Services for capital improvement projects (CIPs) for designated schools.

Testimony in support of this measure was received by the Department of Education and interested individuals.

Upon further consideration, your Committee has amended this bill by:

- (1) Deleting those projects which were not considered CIPs; and
- (2) Including additional CIPs pertaining to various educational facilities.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3827, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Chun, Hashimoto and O'Kieffe.

SCRep. 464-92 Education and Transportation on H.B. No. 3494

The purposes of this bill are to:

- (1) Expand the traffic safety education program in the Department of Education (DOE); and
- (2) Appropriate funds for the establishment of a permanent, full-time driver education resource teacher position for the 1992-1993 school year.

The Traffic Division of the City and County of Honolulu Police Department, Mothers Against Drunk Driving, and the Hawaii Insurers Council submitted testimony in favor of this bill. Your Committees also received testimony supporting the intent of this bill from the DOE, the Department of Transportation, and the Department of Health.

Your Committees find that traffic fatalities are the second leading cause of injury death in Hawaii, and the leading cause of death for children and young adults. Of the 176 traffic fatalities in 1990, nearly half were killed in alcohol-related crashes.

Your Committees further find that since 1989, the DOE has received a three-year federal grant to fund a driving under the influence (DUI) youth traffic safety resource teacher position to promote traffic education in Hawaii's schools. The resource teacher has been working with teachers, school administrators, and parents to promote the use of seat belts; to enhance pedestrian, bicycle, and school bus safety; to provide information on the effects of alcohol and illicit drugs on driving ability; and to develop alcohol and drug free related projects to students in Hawaii's public schools.

In light of the success of the DUI youth traffic safety program, your Committees believe that expansion of the program would reduce the incidence of vehicular accidents, as well as enhance the quality of life of the people of Hawaii.

Your Committees have amended this bill by:

- (1) Appropriating the sum of \$1 for the purpose of further discussion on this bill; and
- (2) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committees on Education and Transportation are in accord with the intent and purpose of H.B. No. 3494, as amended herein, and recommend 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 Finance.

Signed by all members of the Committees except Representative Young.

SCRep. 465-92 Education on H.B. No. 3934

The purpose of this bill is to establish the two-year pilot Hawaii Young Scholars Program within the Department of Education (DOE) in five selected elementary schools throughout the State.

Your Committee recognizes the need to promote, enhance, and equalize higher education learning opportunities to all students in the State. In the effort to lessen the disparity among certain ethnic groups who are encouraged to, choose to, or can afford to pursue a higher education, a program is needed to provide early, continuous, and quality educational enrichment activities, which include parents, teachers, students, and student peers as support members in the student's educational progress.¹

Supporting testimony was received from the Minority Student Programs of the University of Hawaii and the Hawaii State Teachers Association. Your Committee also received testimony in support of the intent of this bill from the DOE.

Accordingly, your Committee has amended this bill by:

- (1) Stipulating that the contract agreement contained within the Hawaii Young Scholars Program must be consistent with School/Community-Based Management;
- (2) Decreasing the number of selected elementary schools for the program from fifteen to five selected schools;
- (3) Permitting parents and guardians, and student-participants who successfully comply with the obligations under their contract agreement, to participate in educational enrichment activities;
- (4) Inserting the appropriation sum of \$1 for the purpose of continued discussion on the Hawaii Young Scholars Program;
- (5) Changing the name of the program to the "Hawaii Young Scholars Program"; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3934, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 466-92 Education on H.B. No. 3927

The purpose of this bill is to reward schools for their initiative in implementing innovative educational programs. Specifically, this bill provides that:

- (1) A portion of any funds allotted to the Department of Education (DOE) for the start-up costs of the systemwide introduction of an innovative educational program, which is found to be successfully implemented

by individuals schools through their own initiative, be reserved and given to the schools that originated the program;

- (2) The reserved portion of the funds be no less than twenty percent of the total amount allotted for establishing the program systemwide and be divided equally among each of the originating schools; and
- (3) The remaining eighty percent of the funds be divided among other schools that have been judged to be able to benefit from the establishment of the innovative educational program.

Your Committee finds that rewarding, compensating, and providing incentives to schools that take the initiative to initiate and implement innovative educational programs are essential to improving the quality of education. Your Committee further finds that public schools that take the initiative to establish and initiate innovative educational programs frequently go unrecognized for their efforts. This "non-rewards system" stifles creativity, impedes school initiative, and is detrimental to fostering and generating educational excellence in the public schools.

The principals of several public schools and the United Parents for Education Coalition testified in support of this bill. Your Committee also received testimony in support of the intent of this bill from the DOE, but questions the formula based on a general percentage.

Your Committee notes that it is not the intent of this bill to appropriate funds to implement innovative educational programs, but to make a policy statement supporting school initiative and innovation, and to ensure a fair and equitable distribution of funds should any such statewide funding initiative be included in the budget of the DOE. This bill is to ensure that any future funding will be shared among those innovative schools.

Upon consideration, your Committee has amended this bill by:

- (1) Eliminating the percentage of the reserved portion of the total amount allotted for schools who are deemed to have established innovative educational programs systemwide; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3927, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3927, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda and O'Kieffe.

SCRep. 467-92 Education on H.B. No. 3511

The purpose of this bill is to create an incentive merit pay program within the Department of Education (Department) to attract and retain qualified teachers in schools that the Department designates as "at-risk".

Testimony was submitted by the Department of Education, and the Waianae Coast School Concerns Coalition.

Your Committee finds the stabilization of Hawaii's teacher workforce is an essential component for the provision of high quality education services to the people of our State. It has come to your Committees attention that:

- (1) A large percentage of teachers have transferred from schools located in rural, outlying areas to schools situated in urban areas;
- (2) A significant proportion of replacement teachers join this exodus once they have obtained tenure; and
- (3) The result of the migration of teachers has been a deterioration of the quality of educational services provided at schools in rural, outlying areas.

While the representative from the Department pointed out that mechanisms are already in existence to provide incentives for attracting and retaining teachers to these areas, your Committee believes that there is a need for the State to adopt a new and bolder policy regarding this issue. It is imperative for the Department to not only attract qualified and experienced teachers to Hawaii's rural and "at risk" communities, but also to devise mechanisms of retaining teachers who are innovative, persevering, and driven. Such mechanisms as financial incentives, merit pay, and other non-salary benefits would significantly enhance the Department's ability to retain the "guardians" of Hawaii's future. Without this class of teachers, Hawaii's youth will lack the supportive, nurturing, and learning-conducive environment needed to achieve high scholastic goals.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying that the incentive and merit pay program shall apply to schools designated as "rural" or "at-risk";
- (2) Stipulating that the Department establish guidelines regarding the accordation of multi-year contracts to teachers;
- (3) Requiring the Department to provide teachers who are qualified to teach in a "hard to fill" discipline a salary level adjustment;

- (4) Authorizing the Department issue grants, awards, and/or other non-salary adjustments to teachers who have experienced economic hardship; and
- (5) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Education 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 Representative O'Kieffe.

SCRep. 468-92 Education on H.B. No. 3824

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 for curriculum restructuring at Kawananakoa Intermediate School.

Your Committee believes that lengthening the school day to meet the educational needs of students and to enhance the quality of education would be of immense benefit to students. Lengthening the school day has been touted by a considerable number of lawmakers, educators, and parents as a way to improve student learning and achievement. Through a longer school day, more of the learning needs of students might be met, such as providing increased instructional time in key academic subjects, improved after-school educational programs, and enhanced tutorial and counseling services.

The Department of Education and the faculty and parents of students of Kawananakoa Intermediate School testified in support of this bill.

Accordingly, your Committee has amended this bill by:

- (1) Inserting the appropriation sum of \$282,000 for fiscal year 1992-1993 for curriculum restructuring at Kawananakoa Intermediate School; and
- (2) Stating that the restructuring program at Kawananakoa Intermediate School does extend the instructional school day.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3824, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3824, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative O'Kieffe.

SCRep. 469-92 Education on H.B. No. 2456

The purpose of this bill is to:

- (1) Require the Department of Education (DOE) to adopt rules as necessary to issue licenses, revocable permits, concessions, or rights of entry to school buildings and grounds for periods of use deemed appropriate by the DOE;
- (2) Stipulate that dispositions for periods less than one year do not require the approval of the Board of Land and Natural Resources;
- (3) Establish that the amounts of fees and charges assessed by the DOE for use of school buildings, facilities, grounds, and equipment, subject to the control of a school participating in SCBM, are to be determined by that school; and
- (4) Require that the fees and charges assessed or collected by the DOE on behalf of a school participating in SCBM be expended by the DOE on behalf of that school for the operations and repair and maintenance of those school buildings, facilities, equipment and grounds used for public or community purposes.

Your Committee finds that the DOE currently assesses and collects fees and service charges from users of school facilities for recreational and community purposes. These fees and charges are then deposited in a special fund for expenditure by each school district based upon the needs of each school.

While this current arrangement provides equitable distribution of funds to all schools, this arrangement allows schools that are less utilized for recreational and community purposes to benefit from the funds collected from fees and charges as much as schools that are more heavily used. This current arrangement does not make a distinction between more heavily utilized schools and less heavily utilized schools, but instead provides funds to all schools whether utilized or not. Your Committee further finds that adequate funds for the subsequent increased repair, maintenance, and other costs that are incurred as a result of frequent or heavy use, are currently not available to those schools whose facilities are heavily utilized.

Your Committee received testimony supporting the intent of the bill from the DOE and the Hawaii Business Roundtable. Supporting testimony was also received from the principals and parent/teacher/student associations of several public schools, the Honolulu District School Advisory Council, and Diversified Plumbing and Air Conditioning.

In addition, DOE stated the following comments:

- (1) This proposal will result in unequal distribution of revenues, whereby non-SCBM schools will not have the same privileges.
- (2) SCBM schools can obtain waivers without this proposal.

Upon consideration, your Committee has amended the bill by:

- (1) Eliminating the provision that specifies that the amounts of the fees and charges assessed by the DOE for the use of school buildings, facilities, grounds, and equipment are subject to the control of the school participating in SCBM and are to be determined by that school;
- (2) Providing that fees and charges assessed or collected by the DOE be returned only to schools participating in SCBM for use at the schools' discretion; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2456, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Shon, Tatibouet and O'Kieffe.

SCRep. 470-92 Education on H.B. No. 2413

The purpose of this bill is to reduce the third grade student/teacher ratio in the public elementary schools to twenty students per teacher, but the grades to be affected by such reductions shall be determined by each school.

The reduction in class size is necessary to provide the most optimum learning experience for children. Smaller classes allow teachers to identify and address student learning needs, provide individualized attention, and develop positive relationships with students and families.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and private citizens.

Your Committee has amended this bill by increasing the appropriation from \$1 to \$3,711,180 for 165 FTE teacher positions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2413, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2413, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative O'Kieffe.

SCRep. 471-92 Education and Higher Education and the Arts on H.B. No. 3823

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to the State of Hawaii Museum of Natural and Cultural History (Bishop Museum) for establishment of a traveling science center program.

Your Committees recognize that traveling exhibits would serve to enhance accessibility of the resources and services of the Bishop Museum to school-age children as well as adults. Your Committees further find that traveling exhibits would also supplement science education for students.

The Department of Education (DOE) submitted testimony supporting the intent of this bill. The DOE also testified that it defers to the Department of Accounting and General Services (DAGS) for funding priorities for establishment of the traveling science center program, as the bill designates DAGS as the expending agency for the program.

Accordingly, your Committees have amended this bill by amending the appropriation sum to \$1 for the purposes of further discussion.

Your Committees on Education and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 3823, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3823, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Lee, Okamura, Tom and Young.

SCRep. 472-92 Education on H.B. No. 2782

The purpose of this bill is to establish two computer laboratories at Farrington High School.

Your Committee finds that aside from making innovative strides in curriculum restructuring, Farrington High School is also attempting to educate and train its students to be computer literate. Your Committee also finds that enhancing and updating the present computer-assisted instruction computer lab at Farrington High School is essential to expand the computer knowledge, skills, and hands-on experience of students.

Supporting testimony was received from Farrington High School and the United Parents for Education Coalition. The Department of Education submitted testimony supporting the intent of the measure.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the appropriation sum to \$271,920 for fiscal year 1992-1993 for the first increment to establish two computer laboratories at Farrington High School; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2782, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 473-92 Education on H.B. No. 3819

The purpose of this bill is to appropriate funds for any required modifications, equipment, and furniture needed to make the McKinley High School Administration Building (also known as "Building A") fully functional.

Your Committee received testimony supporting the intent of this measure from the Department of Education and the McKinley High School PTSA.

Your Committee finds that it has been about ten years since the start of renovation of historic buildings on the McKinley High School campus. Building A is the last one to be renovated.

Because of the many delays in the scheduled renovation of Building A, the Department of Education plans to make Building 857, which is on the grounds of the former Kapiolani Community College, available while Building A is being renovated.

Upon further consideration, your Committee has amended this measure by appropriating the sum of \$1,500,000 for required modifications, equipment, and furniture needed to convert Building 857 for classroom use by McKinley High School, while Building A is being renovated, and to renovate the McKinley High School Administration Building. Based on the recommendation of the Department of Education, your Committee further amended this measure by providing that the Department of Accounting and General Services expend the sum appropriated.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3819, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative O'Kieffe.

SCRep. 474-92 Education on H.B. No. 3175

The purpose of this bill is to implement the recommendation of the Task Force on Educational Governance that a public declaration be issued by the Governor whenever budget restrictions are imposed and that budget restrictions be imposed only for anticipated revenue shortfalls and only on a percentage basis.

H.B. No. 3175 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 Education is in accord with the intent and purpose of H.B. No. 3175, 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. 3175, H.D. 1.

Signed by all members of the Committee except Representative O'Kieffe.

SCRep. 475-92 Education on H.B. No. 3493

The purpose of this bill is to appropriate funds to be expended by the Department of Education (DOE) to:

- (1) Increase the repair and maintenance budget;
- (2) Hire additional permanent staff to increase the number of roving repair and maintenance crews; and

- (3) Contract for emergency repairs.

Supportive testimony for this measure was received by the DOE, the Department of Accounting and General Services (DAGS), and the United Parents for Education Coalition.

Upon further consideration, your Committee amended the bill by:

- (1) Adding \$10,000,000 to the DOE's repairs and maintenance budget;
- (2) Adding \$750,000 and specifying that the additional staff will constitute a permanent third roving repair and maintenance crew, to be assigned to the Honolulu and Leeward districts, the two districts which exhibit the greatest need for repair and maintenance at the present time;
- (2) Designating DAGS as the expending agency of the funds appropriated for the budget increase and the third crew; and
- (3) Appropriating an unspecified amount to the DOE for the purpose of distributing \$8000 to each principal for emergency repairs, and exempting such repairs from State bidding procedures.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3493, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda and O'Kieffe.

SCRep. 476-92 Education on H.B. No. 3509

The purpose of this bill is to improve school facilities and operations by:

- (1) Authorizing the Department of Education to accept donated equipment and fixtures; and
- (2) Designating to the Department of Accounting and General Services the responsibility for the repair and maintenance of all donated equipment and fixtures.

The establishment of a consistent, well-disseminated process for accepting donations of equipment and fixtures in public schools will develop broader incentives at the school and community levels in obtaining donations of new equipment and fixtures for school facilities.

In their testimony before your Committee, the Department of Education and the Department of Accounting and General Services pointed out that the Board of Education currently can accept donations of equipment and fixtures such as air conditioners and fans for public schools. However, because existing educational specifications are often not widely disseminated at the school level, and may in instances be obsolete, it is often difficult to determine whether proposed donations meet educational specifications or will otherwise be suitable for individual schools. The Department can and does obtain approval from the Governor to waive specifications.

Accordingly, your Committee has amended the bill by:

- (1) Clarifying that the Department of Education is authorized to accept donations of new equipment and fixtures that meet current educational specifications or exceed existing specifications in accordance with criteria established by the Department; and
- (2) Delineating the responsibilities of the Department of Education in maintaining donated equipment and the Department of Accounting and General Services in maintaining fixtures for school buildings and facilities.

Other technical, nonsubstantive amendments have been made to the bill for purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3509, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, O'Kieffe and Tatibouet.

SCRep. 477-92 Education and Health on H.B. No. 3699

The purpose of this bill is to transfer the school-based occupational and physical therapy programs from the Department of Health to the Department of Education, provided that the transferred positions shall be subject to the same conditions of employment provided to Unit 13 employees of the Department of Education.

Testimony was provided by the Department of Education; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the United Public Workers, AFSCME, Local 646, AFL-CIO; the State Planning Council on Developmental Disabilities; and the Special Education Task Force.

Your Committees find that Public Law 94-142, the Education of All Handicapped Children Act, guarantees the right of all children with handicaps to a free and appropriate public education. The Act made a commitment on the part of

government to ensure this right through the provision of special education programs, including related services such as occupational and physical therapy. To implement the Act, the Department of Education has been designated with the responsibility for educational programs and related services.

Your Committees further find that the Departments of Health and Education have shared the health and educational responsibilities through a Memorandum of Agreement. However, issues have been raised concerning insufficient services, unequal work and wage schedules, personnel shortages, low morale, and inequity of salaries. While numerous attempts have been made to resolve the issues at administrative and programmatic levels, it has become apparent to your Committees that the only means of rectifying these issues is through the enactment of legislation. It is hoped that this bill would significantly enhance the quality of occupational and physical therapy services to the public, as well as provide equity to all impacted employees by transferring the occupational and physical therapy programs presently of the School Health Services Branch of the Department of Health to the Department of Education.

Your Committees on Education and Health are in accord with the intent and purpose of H.B. No. 3699 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Amaral, M. Ige, Peters and Tom.

SCRep. 478-92 Housing and Judiciary on H.B. No. 2600

The purpose of this bill is to establish a sliding scale tax on the gain from the sale of land and improvements that diminishes over a 10-year period. This bill also provides for deposit of the tax into the rental housing revolving fund.

Testimony was submitted by the State Department of Taxation, the Tax Bill Service, and the Chamber of Commerce of Hawaii.

Upon careful consideration, your Committees have amended the bill by:

- (1) Clarifying that the tax is to be imposed upon the gain from the sale of raw lands of ten acres or more which have been upzoned;
- (2) Deleting the definition of "residential-agricultural land" and all exceptions to this definition;
- (3) Deleting all references to "exchanges of land" since the focus of the bill is on the sale of land; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Housing and Judiciary are in accord with the intent and purpose of H.B. No. 2600, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2600, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives M. Ige, Peters, Shon and Ward.

SCRep. 479-92 Housing and Human Services on H.B. No. 3244

The purpose of this bill is to:

- (1) Requires the Hawaii Housing Authority to provide youth activities coordinators for public housing projects containing 80 or more units;
- (2) Requires youth activities coordinators to develop programs in accordance with the needs of youth in a particular project; and
- (3) Requires the Office of Children and Youth and the Office of Youth Services to assist the Hawaii Housing Authority in the development of youth activities programs.

Testimony was submitted Hawaii Housing Authority and a concerned citizen.

Upon careful consideration, your Committees have amended the bill by:

- (1) Changing "80 units or more" to "50 units or more";
- (2) Inserting a new section to provide the director of the Department of Budget and Finance the authorization to transfer the sum of \$187,000 from the homes revolving fund, to be used as subsidies for non-profit organization in providing youth services; and
- (3) Technical non-substantive revisions were made for the purposes of clarity and style.

Your Committees on Housing and Human Services are in accord with the intent and purpose of H.B. No. 3244, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3244, H.D. 1, and be referred to the Committee on Finance.

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