

**SCRep. 480-92      Housing on H.B. No. 3560**

The purpose of the bill is the appropriation for capital improvement for housing, out of the general revenues of the State of Hawaii for the fiscal year 1992-1993.

Testimony was submitted by Hawaii Housing Authority, Housing Finance and Development Corporation and a concerned citizen.

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

- (1) Changing "appropriation" to "transfer" to provide the director of the Department of Budget and Finance the authorization to transfer funds from the homes revolving fund and rental assistance revolving fund to the designated expending agencies.
- (2) Technical, non-substantive revisions were also made for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3560, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Ige, Peters and Shon.

**SCRep. 481-92      Housing and Intergovernmental Relations and International Affairs on H.B. No. 3095**

The purpose of this bill is to amend Act 15, Session Laws of Hawaii 1988, by:

- (1) Allowing the dedication of streets and other rights of way as well as land, improvements, or easements intended for public use to the counties;
- (2) Specifying which state, county, or agency standards are applicable at the time the project is developed and reviewed;
- (3) Clarifying that the final plans and specifications for a project is in conformance with the county's general plan and development;
- (4) Specifying that the State shall indemnify the county for public facilities and projects under certain conditions; and
- (5) Requiring that all construction defects affecting infrastructure and public facilities shall be corrected within certain time limitations.

Testimony in support of this measure was submitted by the Housing Finance and Development Corporation and a private citizen.

Your Committees have amended this bill by:

- (1) Deleting the assumption that the Housing Finance and Development Corporation's final plans and specifications for a project are deemed to be in conformance with the general plan and development or community plan, and the zoning, building, construction, and subdivision standards of the county for the project;
- (2) Requiring that the State will indemnify the County for 30 years from the date of dedication under certain conditions;
- (3) Clarifying that the date of dedication shall be effective upon the filing with the county any deeds or documents for the conveyance of property interests; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Housing and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3095, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3095, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Baker, Hashimoto, M. Ige, Peters, Shon, Yonamine and Ward.

**SCRep. 482-92      Housing and Consumer Protection and Commerce on H.B. No. 2400**

The purpose of this bill is to create a mortgage insurance underwriting program to be administered by a new branch within the Housing Finance and Development Corporation (HFDC). Mortgage insurance would be available for single-family owner-occupied housing and multi-family rental housing under which a private nonprofit corporation or government entity is the mortgagee.

Your Committees received testimony supporting the intent of this measure from the HFDC, the Department of Budget and Finance, the Hawaii Community Reinvestment Corporation, and the Mortgage Insurance Corporations of America.

Based on testimony submitted, your Committees find that the existing secondary market for single-family mortgages appears to be adequate. As a result, your Committees are amending this measure to apply only to multi-family rental housing. Rather than establish a new branch to administer this program, the Housing Finance and Development Corporation will be responsible for this program.

Your Committees have amended this measure by:

- (1) Providing that this measure only affects multi-family mortgages;
- (2) Providing that a new branch would not have to be established within the HFDC;
- (3) Requiring that the insurance liability under this measure not exceed \$50,000,000;
- (4) Decreasing the loan-to-value ratio maximum from 85 to 75 percent;
- (5) Requiring the HFDC to notify the applicant and proposed lender of its determination within 45 days of the receipt of application;
- (6) Requiring the HFDC to report on the status and performance of the mortgage insurance underwriting program before the 1995 legislative session;
- (7) Setting forth that the guarantees authorized by this measure be bonds constituting instruments of indebtedness;
- (8) Changing the effective date to take effect on July 1, 1992 and to be repealed on June 30, 1995;
- (9) Changing "appropriation" to "transfer" to provide the director of the Department of Budget and Finance to authorization to transfer funds from the homes revolving fund; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Housing and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2400, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2400, 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. 483-92                      Housing on H.B. No. 2504**

The purpose of this bill:

- (1) Establishment of the Mutual Housing Association, a nonprofit corporation, incorporated under Chapter 415B certified by the federally created Neighborhood Reinvestment Corporation in accordance with the rules adopted pursuant Chapter 91, the function of which is to purchase, develop, build, or rehabilitate land and residential dwelling to provide low- and moderate-income level housing;
- (2) Establish with the State treasury, a special fund to be known as the Mutual Housing Association Assistance Fund;
- (3) Establish a homebuyer's club program for participants who want to purchase a home and have the income but do not have the downpayment to qualify for financing and costing cost;
- (4) Establish a loan guarantee program which allows participants whose financial situations, do not meet standard mortgage underwriting criteria to purchase a home; and
- (5) Establish a rent-to-own program which developers who own suitable homeownership units shall rent to program participants for up to two years, during which time the developer shall credit fifty per cent of the rent towards either the participant's downpayment or closing costs.

Testimony was received from the Housing, Finance, and Development Corporation, Anchorage Neighborhood Housing Services, Neighborhood Reinvestment Corporation, the Waikiki Residents Association, Kauai County Housing Agency and concerned citizens.

After careful consideration, your Committee has amended the bill by:

- (1) Enhancing guidelines of residents whose membership in the association combined with an occupancy agreement constitutes a personal property ownership interest;
- (2) In the association's article of incorporation and bylaws:
  - (a) Member shall be residents, potential residents and also including non-residents representing public and private sector interests who support the purposes of the association;

- (b) Require the election of a board of directors by majority members;
  - (c) Changing "monthly fees" to "monthly housing charges" to permit the association to cover operating costs and to earn a reasonable return on the equity capital contributed to the development of the housing projects; and
  - (d) Permit the continued occupancy of members whose incomes rise above the low- and moderate-income limits, provided that such provision do not conflict with financing requirement.
- (3) Incorporate the Mutual Housing Association Assistance Fund section into the Hawaii Development Revolving Fund, Section 201E-217, Hawaii Revised Statutes, in which the Hawaii development revolving fund shall be amended to
- (a) Provide grants and loans;
  - (b) All moneys deposited pursuant to this section shall be designated, as the corporation deems appropriate, to properly identify these moneys for mutual housing loan program usage pursuant to this part.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2504, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Amaral, Arakaki, Peters and Tom.

**SCRep. 484-92                      Judiciary and Tourism on H.B. No. 2331**

The purpose of this bill is to appropriate monies to the Department of Business, Economic Development, and Tourism (DBED&T) for the preparation of a plan that would enable large numbers of people to visit the National Memorial Cemetery of the Pacific, while preserving the sanctity, peacefulness, and contemplative atmosphere thereof.

Testimony was received from DBED&T acknowledging that they are pursuing this objective with concerned agencies, and that they believe funds may be available if needed. Testimony in support of the bill was also received from Hawaii Visitors Bureau, Japan-Hawaii Travel Association, and Hawaii Transportation Association.

The bill has been amended to appropriate \$1, or so much thereof as may be necessary, for the preparation of a plan, and to require DBED&T to work with other parties to formulate a plan. DBED&T is also requested to investigate and consider alternative means of financing this project.

Your Committees on Judiciary and Tourism are in accord with the intent and purpose of H.B. No. 2331, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2331, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola and Tajiri.

**SCRep. 485-92                      Judiciary on H.B. No. 2705**

The purpose of this bill is to appropriate funds to the Judiciary for the 1992-93 supplemental fiscal year.

General Comments

Your Committee has reviewed the Judiciary's supplemental budget request in detail, and has endeavored to evaluate program needs through an exhaustive investigation of facts and figures. On the basis of this collected effort, an attempt was made to establish responsible appropriations while meeting the needs of the people of this State.

Your Committee finds that those submitting budget requests should be cognizant that full justification should be provided to the Committee to expedite decision making. Your Committee finds that Judiciary requests for funds should contain such basic information as:

- (1) Identification of the problem and discussion of how the request would resolve the problem;
- (2) The organization's current staffing level;
- (3) Workload or caseload statistics;
- (4) Cost analysis;
- (5) Alternatives considered; and
- (6) The impact on the effectiveness of the organization.

Your Committee believes that these are not unreasonable requirements as they are the basis for good and sound decision making.

Balancing the need for fiscal austerity and maintaining an efficient, unified and independent state judicial system which meets the myriad of needs of an ever-changing and dynamic society was challenging.

Overall, the Judiciary has been operating at an acceptable level given the current budgetary constraints. The needs of the people of this State have been met, however there can be improvements in providing timely service to pending court cases. This has been an ongoing concern of the Judiciary and the people of Hawaii.

To efficiently use State funds, the initial budget request was reduced for fiscal 1992-93 by 0.64%. Your Committee will now proceed to discuss specific policies, noteworthy items, and innovations included in the Judiciary budget.

#### Judiciary's Supplemental Request

The Judiciary's request for supplemental funding in fiscal year 1992-93 is for 57 additional positions and \$4,556,676 in additional general funds for operations, as well as \$56,674,000 for additional capital improvement projects. This request represents a 3.95% increase in positions, a 8.17% increase in the operating budget and a 42.59% increase in capital improvement projects over the corresponding Act 299 appropriated amounts for fiscal year 1991-92.

The Judiciary's supplemental budget addresses the continuing need for additional judges, expansion of Adult and Family programs, automated information technology improvements, and increased workload resources. More specifically, this request supports an additional judge and staff for the Nineteenth Trial Division in First Circuit Court, and a Family Circuit Court Judge and staff for the First Circuit Court. The request also recognizes the expanding jurisdiction of Family Courts statewide and the emphasis on Adult Probation programs.

With respect to the supplemental operating budget request, your Committee finds that in principle the requests are reasonable for the following reasons.

- (1) There is an increasing number of case appeals, domestic violence cases, and criminal cases which must be adjudicated, processed, and recorded in the various courts. This requires additional judges, court room staff, support staff and equipment, and office space to facilitate court actions and court document processing if the Judiciary is to achieve its mission of resolving disputes and delivering justice in a timely and efficient manner.
- (2) There is a need for additional automation equipment and systems to improve the Judiciary's ability to process and manage the increasing amount of court case data, to communicate electronically, and to provide expeditious processing and publishing of court-related documents.
- (3) The diminishing amount of available office space within the Judiciary to house employees and records has reached a point where the effectiveness of the Judiciary may be compromised if adequate accommodations are not found.
- (4) There is a pressing need to prevent family and youth related violence because of the steady growth in such cases. There is increasing evidence that such prevention can be accomplished through programs aimed at rehabilitating offenders and treating victims of violence. The Family Court in particular supports this method of dealing with violence cases, and has requested a number of additional programs through purchase of services.

With respect to capital improvement projects, your Committee finds that the Judiciary's request to expand its court-related facilities is generally reasonable because of the overcrowded conditions of existing Judiciary facilities and the additional space is needed to support the additional judges and staff. The capital projects are also consistent with the Judiciary's Master Plan for facilities.

#### Recommended Supplemental Budget Adjustments

Although your Committee finds that the Judiciary's supplemental operating request is generally reasonable, certain adjustments are appropriate in order to accommodate other requests and position repricing decisions that were made after the Judiciary budget was submitted. Accordingly, this bill was amended as follows:

- (1) Addition of funds and position count for (1) Judge for the Court of Appeals, (1) Administrative Assistant, (2) Court Clerks and related expenses totaling \$259,536.
- (2) Deletion for funds for the lease of office space and related expenses for the Court Annexed Arbitration Program and (3) microcomputers, laser printers and related expenses for the Criminal and Civil Division and Per Diem Judges in the First Circuit Court.
- (3) Deletion of funds for (1) laser printer, (1) Account Clerk II and related expenses for the Circuit Court Fiscal Section in the Second Circuit Court.
- (4) Deletion of funds for (1) laser printer in the Third Circuit Court.
- (5) Deletion of funds for (1) laser printer and additional office space in the Fifth Circuit Court.
- (6) Deletion of position count and funds for (1) Legal Researcher and related expenses for the Deputy Administrator's Office, (1) Clerk Typist II and related expenses for the Administrative Services Section, (2) DPSA V and (2) Data Processing support tech and related expenses for Administration application and user Svcs Branch.



- (7) Addition of purchase of service for Alternatives To Violence for \$85,000, The Family Crisis Shelter, Inc. for \$47,000, The Family Crisis Center: East and West Hawaii for \$95,850 and Grant-in-Aid to the Hawaii County Economic Opportunity Council for \$71,591.

With respect to the Judiciary's capital improvement project budget, your Committee has made the following adjustments to the supplemental request:

- (1) After reviewing the information and listening to testimony supporting the construction of the Hilo Judicial Complex from various organizations including The Legal Aid Society of Hawaii, Hawaii Operating Engineers, Hawaii County Bar Association and various attorneys and concerned citizens, it is the recommendation of your Committee that the Hilo Judiciary Complex be funded for an additional \$32,000,000. This figure closely approximates the amount that would be required if the facility is constructed at the current site designated by the Legislature in 1987 or any of the four highest ranked alternative sites that the Judiciary has undertaken to reconsider.
- (2) Deletion of funding for the Kauai and Wailuku projects to focus attention and resources on the Molokai District Court, Kapolei Detention Center and Hilo Judiciary Complex which remain the Judiciary's highest priority as emphasized by the Chief Justice of Hawaii in the Judiciary's Supplemental Budget and Variance Report.

#### Summary of Adjustments

The net effect of the various adjustments is that:

- (1) The Judiciary's supplemental operating budget request of 57 positions has been decreased to 44 positions (-22.8%).
- (2) The Judiciary's supplemental operating budget request of \$4,556,676 has been reduced to \$4,527,129 (-0.65%).
- (3) The Judiciary's supplemental capital improvement project has been reduced from \$56,674,000 to \$37,340,000 (-34.1%).

#### Conclusion

In summary, your Committee on Judiciary has amended H. B. No. 2705 in accordance with the recommendations discussed above, including additional provisions to clarify and direct certain appropriations to their intended purposes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2705, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

#### **SCRep. 486-92                      Judiciary on H.B. No. 2799**

The purpose of this bill is to allow the State law library system to have an immediate, regular, and self-sustaining source of revenue to purchase replacements and enhance library services.

Presently the statewide Supreme Court Law Library system is funded by a special fund that is under legislative and executive budgetary control which requires that any disbursements made be as part of a budgetary appropriation. This does not provide for the immediate availability of these monies. In fact, there may be at least a year's delay from the time that monies are deposited in the fund until a budgetary appropriation can be made and approved.

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. 2799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2799, H.D. 1, and be referred to the Committee on Finance.

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

#### **SCRep. 487-92                      Judiciary on H.B. No. 3121**

The purpose of this bill is to provide for the administrative review of certain decisions, to allow any commissioner to sign decisions in the absence of the chair, and to limit the reconsideration period to 30 days.

Testimony in support of this measure was received from the Department of Public Safety, the Criminal Injuries Compensation Commission, the Department of the Prosecuting Attorney, City and County of Honolulu, Hope for Battered Women, and private citizens.

Your Committee has amended this bill by:

- (1) Deleting language authorizing matters to be designated to the administrator for determination;
- (2) Adding language that an order may be signed by the two other commissioners in the absence of the chairperson;
- (3) Adding language stating that the commission may delegate to the administrator the authority to sign any order approved by the commission; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3121, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 488-92                      Judiciary on H.B. No. 3694**

The purpose of this bill is to assist in the enforcement of traffic citations issued to nonresident motorists.

The State has been experiencing difficulties in enforcing traffic citations issued to nonresident motorists.

If enacted, this bill would authorize the Chief Justice to enter into the Nonresident Violator Compact, and appropriates funds for the administration and implementation of the Compact.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3694, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 489-92                      Judiciary on H.B. No. 3123**

The purpose of this bill is to enable the Criminal Injuries Compensation Commission to receive and deposit a portion of inmate wages into the Criminal Injuries Compensation Fund.

Testimony in support of this bill was received from the State of Hawaii Department of Public Safety .

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3123 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 490-92                      Judiciary on H.B. No. 3111**

The purpose of this bill is to allow the Department of Public Safety to receive and manage donations from sources other than the state and federal government.

The bill has been amended to state that such gifts cannot be in violation of the State Ethics Code.

Testimony in support of this bill was received from the State of Hawaii Department of Public Safety and State Ethics Commission.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3111, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 491-92                      Judiciary on H.B. No. 3330**

The purpose of this bill is to appropriate moneys to conduct a study on criteria that adequately measures the success of existing treatment programs in the criminal justice system.

Testimony was received from the Domestic Violence Clearinghouse and Legal Hotline.

The State of Hawaii commits much of its fiscal resources to State agencies and private groups to create, implement, and support programs to help rehabilitate convicted persons. To assist the State to make wise and prudent decisions in

regards to the continued expenditure of such resources, this Legislature needs information to evaluate the success rates of all involved programs. This, however, is difficult as the availability of such information is minimal.

Your Committee believes that this evaluation will best served if it includes all information relative to the initial intake of persons into the respective matched programs; the progressive program requirements of persons in the programs and goals sought to be attained; the numbers of persons completing all requirements for the programs and reasons for their success, if any; the numbers of persons failing to complete the requirements of the programs and reasons for their failure, if any; post-release reinforcement provided by the agencies and groups, if any; and the numbers of persons participating in the various programs being returned to prison. It is imperative that this evaluation be not mistaken as an audit of the agencies or private groups which provide these services.

Accordingly, this bill is amended by adding additional language clarifying the purpose of this measure; appropriating \$1 for the bill's purposes; and making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3330, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 492-92                      Judiciary on H.B. No. 3490**

The purpose of this bill is to exempt organizations, recognized by the Internal Revenue Service under section 501(c)(3), from payment of general excise tax for gross revenues received up to \$20,000 in each taxable year.

Testimony in support of this bill was received from Hawaii Community Services Council.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3490 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 493-92                      Judiciary on H.B. No. 3550**

The purpose of this bill is to recognize the importance of exploration; reflect upon past explorations by the Hawaiians, Christopher Columbus, and others; and encourage future explorations.

The world, as we perceive it, would be rather small if it were not for the explorer. Ancient Hawaiians and others had the courage, perseverance, and intelligence to go beyond the safety of their world in hopes of discovering new lands. For this we owe a lot to the explorer.

If enacted, notwithstanding Section 8-1.5, Hawaii Revised Statutes, this bill would establish as a State holiday, Monday, October 12, 1992.

Testimony in support of this measure was submitted by the Hawaii Committee for the Humanities.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3550 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

**SCRep. 494-92                      Judiciary and Water, Land Use, and Hawaiian Affairs on H.B. No. 2618**

The purpose of this bill is to authorize the Attorney General to act as amicus curiae in the Kamaka litigation or intervene between the federal government and the family in their dispute over Waikane Valley.

Testimony in support of this measure was received from Representative Samuel S. H. Lee, the Native Hawaiian Legal Corporation, the Kamehameha Schools/Bernice Pauahi Bishop Estate the Hawaiian Civic Political Action Committee, and Fujiyama, Duffy and Fujiyama.

Your Committees have amended this bill by leaving undetermined the amount of money to be designated for the purpose of the Department of the Attorney General to either intervene or act as amicus curiae in the litigation.

Your Committees on Judiciary and Water, Land Use, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 2618, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2618, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Bunda, D. Ige, Peters, Santiago and Young.

**SCRep. 495-92                      Judiciary on H.B. No. 2696**

The purpose of this bill is to propose an amendment to the State Constitution so that special purpose revenue bonds may be used to finance student housing facilities at private not-for-profit universities, colleges, and other institutions of higher education. Private high schools are not institutions within the meaning of the proposed amendment.

Testimony in support of this bill was received from representatives of Hawaii Loa College.

Your Committee is concerned the possibility that public funds may be used for or against religion, contrary to the Article I, Section 4 of the State Constitution and the First Amendment to the United States Constitution. Although the provisions of the religion clause would normally control over any conflict with the amendment proposed in this bill, your Committee is concerned that the failure to state this fact may be a source of confusion or conflict in the future.

Accordingly, this bill was amended to specify that the bonds and the proceeds from the bonds may not be used for the purpose of establishing religion or prohibiting the free exercise thereof.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2696, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2696, H.D. 2, and be referred to the Committee on Finance.

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

**SCRep. 496-92                      Judiciary and Intergovernmental Relations and International Affairs on H.B. No. 2746**

The purpose of this bill is to appropriate funds to improve the emergency communications system for the County of Maui.

Given the rural, three-island configuration of the County of Maui, good emergency communications is essential. The current communications system is outdated with a number of blind spots where significant communications problems exist. In major disaster situations, when it could be a matter of life and death, such as during last year's 13,000 acre fire on Molokai, the County experienced difficulties communicating between our own agencies and with State agencies.

If enacted, this bill would appropriate funds for a 800 megahertz communications system for the County of Maui.

Testimony in support of this measure was submitted by the Office of the Mayor, County of Maui.

For purposes of continued discussion, your Committees have amended this bill by inserting the sum of \$1 for each of the appropriated amounts, and by making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committees on Judiciary and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2746, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2746, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, Hashimoto, Peters and Ward.

**SCRep. 497-92                      Judiciary on H.B. No. 3179**

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

- (1) To expand the scope of the Act to allow exploration of technologies other than just direct recording electronic 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; and
- (3) To specify that the term "electronic voting system" shall include, but not be limited to, punchcard and marksense voting systems.

Testimony in support of this bill was received from the Lieutenant Governor's Office.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3179, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3179, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 498-92                      Judiciary on H.B. No. 3115**

The purpose of this bill is to appropriate a sum out of the general revenues of the State of Hawaii for the purpose of compensating certain persons of their providers of services pursuant to chapter 351.

Testimony in support of this measure was received from the Department of Public Safety .

Your Committee has amended this bill by appropriating \$807,832.17, to accomplish the goals of this measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3115, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 499-92                      Judiciary and Labor and Public Employment on H.B. No. 3119**

The purpose of this bill is to transfer public safety functions and employees from various departments to the Department of Public Safety .

Act 211, Session Laws of Hawaii 1989, established the Department of Public Safety for the purpose of consolidating all State public safety functions and employees into a unified department. A study was conducted which identified public safety functions and employees which should be appropriately transferred to the Department of Public Safety under Act 211.

If enacted, this bill would implement the study and transfer those functions and employees identified therein to the Department of Public Safety in accordance with Act 211.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Public Safety, and the Department of Education.

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

Your Committees on Judiciary and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 3119, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3119, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, Hashimoto, Peters, Yonamine and Ward.

**SCRep. 500-92                      Judiciary on H.B. No. 3708 (Majority)**

The purpose of this bill is to:

- (1)            Impose a conveyance tax on the transfer or assignment of a beneficiary interest of a land trust; and
- (2)            Prohibit a person who holds a beneficiary interest in a land trust from participating in a sale of a residential houselot under the land reform law.

If enacted, this bill would correct abuses in the use of land trusts by preventing lessees from evading the qualification requirements under Chapter 516, HRS, and preventing the use of land trusts as a device to evade the payment of conveyance tax.

Testimony in support of this measure was submitted by the Bishop Estate and a private citizen. The Department of Taxation was not in opposition to the passage of this measure.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3708 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Ward.  
(Representative Hirono did not concur.)

**SCRep. 501-92                      Judiciary on H.B. No. 2537**

The purpose of this bill is to establish and operate a two year demonstration project for the provision of legal and procedural assistance to victims of domestic abuse during evenings, weekends, and holidays.

Testimony in support of this measure was received from the Hawaii State Committee on Family Violence and the Child and Family Service.

Your Committee finds that there is a desperate need to reduce the occurrence of domestic violence in the State of Hawaii. According to national statistics, seventeen per cent of all homicides are the result of spouse abuse. In comparison, the percentage of homicide cases resulting from criminal spouse abuse in Hawaii is twenty-five per cent. In addition, as evidenced by the number of violent murders perpetrated by abusive spouses in recent months, it appears that domestic violence continues to increase in the State of Hawaii as well as surpass national statistics.

Experts have found that because physical abuse is often accompanied by verbal abuse and embarrassment, the victim often does not discuss the problem with others and begins to believe what the abuser says, thus causing the victim to internalize the pain, the shame, and the blame.

Statistics also show that violence attributed to domestic abuse occurs more frequently during evening hours, weekends, and holidays. Experts point out that abusers are more likely to consume alcohol and become overwhelmed by the stress of family festivities or of unmet expectations during these periods.

The Judiciary provides legal relief to the victims of domestic abuse. According to chapter 586, Hawaii Revised Statutes, the court is authorized to legally protect a victim from an alleged abuser if the court finds that there is probable cause to believe that a recent or past act of abuse has occurred, or that acts of abuse are imminent. Chapter 586, Hawaii Revised Statutes, further authorizes the courts to issue temporary restraining orders in these instances, as well as provide assistance to the victims in filling out the necessary documents and forms.

While the provision of these services have greatly assisted victims in leaving abusive environments, the abused are often unable to receive immediate relief from domestic violence. Because the courts provide these services only during normal business hours, victims of spouse or child abuse who have been attacked or threatened at night, during the weekend, or on holidays must wait until the next business day to receive assistance from the courts. During these times, violence often escalates to horrifying conclusions.

Your Committee has amended this measure by appropriating \$575,610 to further its objectives. The provision of immediate services to the abused will greatly reduce the occurrence of domestic violence and ensure the protection of the people of the State of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2537, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2537, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

**SCRep. 502-92                      Judiciary; Intergovernmental Relations and International Affairs; and Transportation on H.B. No. 3249**

The purpose of this bill is to allow the counties to charge to the State the cost of purchasing special state governmental license plates which are then issued to vehicles registered to State agencies.

Testimony in support of this measure was received from the Director of Finance, City and County of Honolulu.

Your Committees have amended this bill by adding language which would require the State to pay the counties sums equivalent to the costs of the purchase of the plates plus any associated administrative costs.

Your Committees on Judiciary and Intergovernmental Relations and International Affairs and Transportation are in accord with the intent and purpose of H.B. No. 3249, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3249, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, Cachola, Hashimoto, Peters, Thompson, Yonamine and Ward.

**SCRep. 503-92                      Judiciary on H.B. No. 3899**

The purpose of this bill is to establish a fourth deputy director position within the Department of Public Safety .

This deputy director will oversee the audit, compliance, training, investigation, and security programs of the department.

Testimony in support of this bill was received from the State of Hawaii Department of Public Safety .

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3899 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. 504-92                      Judiciary on H.B. No. 3122**

The purpose of this bill is to allow the State to charge restitution to inmates in cases where they are responsible for damage to or destruction of State property.

It is accepted correctional practice for federal, state and local corrections agencies to be allowed to impose restitution requirements on inmates who damage or destroy public property while incarcerated. By allowing restitution to be imposed, it is hoped that inmates will be more responsible towards the property of the State.

If enacted, this bill would provide that inmates may be required as part of any sanction imposed following appropriate adjustment committee proceedings, to pay restitution to the State for any damage they have caused to State property.

Testimony in support of this measure was submitted by the Department of Public Safety.

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. 3122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3122, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 505-92                      Judiciary and Human Services on H.B. No. 3446**

The purpose of this bill is to appropriate money to establish a one year pilot program to provide outreach assistance to the Honolulu Police Department to help in dealing with problems of the homeless population.

Testimony in support of this bill was received from the State of Hawaii Department of Human Services and Department of Public Safety, the Honolulu Police Department, the Campaign to End Hunger and Homelessness in Hawaii, the Protection and Advocacy Agency of Hawaii, and two private citizens.

Your Committees on Judiciary and Human Services are in accord with the intent and purpose of H.B. No. 3446 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bainum and Peters.

**SCRep. 506-92                      Water, Land Use, and Hawaiian Affairs on H.B. No. 3779**

The purpose of this bill is to ensure that McKinley High School students have the best opportunity for quality education by providing that all available public lands formerly utilized by the school be used for public education purposes. This bill would:

- (1) Rescind the Hawaii Community Development Authority's (HCDA) powers to expend moneys appropriated in 1991 on a mixed use housing project on the former Kapiolani Community College site at the corner of Pensacola Street and Kapiolani Boulevard;
- (2) Transfer the powers exercised by the University of Hawaii (UH) with respect to the management of the Pensacola Street campus to the Department of Education (DOE); and
- (3) Appropriate \$250,000 for the establishment of the Miles Carey Center for Educational Excellence, and appropriate all unexpended funds previously earmarked for the HCDA project for the establishment of athletic and recreational facilities for McKinley High School.

HCDA, DOE, and UH have jointly agreed on the construction of two 247 ft. towers that would contain approximately 500 affordable rental apartments and 430 UH faculty units. Under the agreement, the DOE would receive the use of Building 857 (which presently houses the Hawaii State Library) as well as parking space. To date, HCDA has expended approximately \$800,000 and anticipates expending an additional \$1,000,000 by the end of the current fiscal year.

HCDA, UH, and the UH Professional Assembly opposed the bill, stressing the critical need for affordable as well as UH faculty housing. Testimony from many individuals, including U.S. Senator Hiram Fong, the principal of McKinley, the presidents of the McKinley High School Foundation and the Alumni Association, parents, students, and graduates all supported this bill.

Your Committee fully supports the pressing need for affordable rental units as well as UH faculty housing. This is not the issue. The issue is the appropriateness of utilizing State lands that were formerly utilized by McKinley High School for these purposes. In this regard, your Committee is convinced that:

- (1) UH faculty housing should be located closer to the Manoa campus;
- (2) There is a greater need for the 5.3 acre site to be utilized by McKinley High School; and
- (3) Locating high rises immediately adjacent to a high school is ill advised; this only creates an incompatible arrangement that would only result in a repeat of similar negative experiences elsewhere.

In addition, your Committee expresses its disappointment over the lack of any public forum, to date, to address the question regarding the most appropriate use of this site.

Finally, your Committee is disappointed over the noticeable absence of DOE at this hearing.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3779 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 D. Ige.

**SCRep. 507-92                      Water, Land Use, and Hawaiian Affairs on H.B. No. 3739**



The purpose of this measure is to appropriate funds for the establishment of a Duke Kahanamoku State Park in the vicinity of the seaward end of the Ala Wai Boat Harbor, and to establish within the Department of Land and Natural Resources (DLNR) a citizens advisory panel on the park's design and implementation.

Your Committee heard testimony from the Waikiki Improvement Association, the Ala Moana Bowls Coalition, Hilton Hotels, and Hilton Hawaiian Village in support of this bill. The Ala Wai Boat Harbor Advisory Committee also expressed support for the bill, while raising some concerns about its impact on boaters. The DLNR and the Department of Transportation (DOT) presented testimony expressing concern that the area was inadequate to support a park and raising questions about its funding.

Your Committee finds that the establishment of a park at this site would preserve access to the many recreational pursuits available there for residents and visitors alike. This your Committee finds would be a fitting tribute to Duke Kahanamoku, whose boyhood home was at this site and after whom the beach has already been named. Your Committee is unconvinced that the modest facilities desired by the community, or questions as to the project's funding, constitute insurmountable obstacles to the implementation of the park.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3739 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. 508-92      Water, Land Use, and Hawaiian Affairs; Housing; and Intergovernmental Relations and International Affairs on H.B. No. 3677**

The purpose of this measure is to exempt under certain circumstances the Department of Hawaiian Home Lands (DHHL) from statutes, ordinances, and charter provisions with respect to housing developments, and to require the Land Use Commission to rule on a proposed boundary change within forty-five days.

Your Committees received testimony in support of this measure from the Department of Water Supply of the County of Maui and from the Native Hawaiian Legal Corporation. The DHHL testified that the measure is unnecessary as the Attorney General has held that such exemptions already exist.

Your Committees find that the exemptions envisioned in this measure would parallel those already enjoyed by the Housing Finance and Development Corporation. Your Committees also learned that DHHL finds it necessary to "educate" new county officials about existing exemptions, and finds that this bill would more clearly establish such exemptions.

Your Committees have amended this measure by incorporating the provisions of another bill, H.B. 3678, which exempts the counties from liability associated with approval of permits required for the construction of housing on Hawaiian home lands.

Your Committees on Water, Land Use, and Hawaiian Affairs and Housing and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3677, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3677, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Bunda, M. Ige, Peters, Shon, Tom, Young, O'Kieffe, Tatibouet and Ward.

**SCRep. 509-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 3662**

The purpose of this measure is to establish a temporary legislative-executive task force in the Office of the Governor to examine the question of Hawaiian sovereignty and make recommendations to the 1994 Legislature. The bill also appropriates funds for this purpose.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs (OHA).

Your Committee has amended this bill to make technical, non-substantive corrections.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3662, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

**SCRep. 510-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 3556**

The purpose of this measure is to amend Act 221, Session Laws of Hawaii 1990, by deleting the reference to a legislative review in the Office of Hawaiian Affairs (OHA) budget preparation and submission process.

Your Committee received testimony in support of this measure from OHA, which argued that the authority to appropriate matching special fund appropriations rightfully resides not with the Legislature but with the trustees of OHA.

Your Committee has amended this bill by deleting only the reference to legislative appropriation of matching special fund appropriations, leaving intact legislative oversight of general fund appropriations.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3556, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

**SCRep. 511-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 3474**

The purpose of this measure is to require an independent appraisal of the land value whenever the Board of Land and Natural Resources (BLNR) disposes of public lands that would result in entitlements to the Office of Hawaiian Affairs (OHA) or the Department of Hawaiian Home Lands (DHHL). The bill appropriates funds to the Department of Land and Natural Resources (DLNR) for this purpose.

Your Committee received testimony in support of this bill from the Native Hawaiian Legal Corporation. Testimony in opposition to the bill was presented by the DLNR.

Your Committee finds that the provisions of this bill will ensure that revenue entitlements to OHA and DHHL are based upon a fair and impartial appraisal of the full value of the land disposed of by the BLNR.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3474 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

**SCRep. 512-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 2922**

The purpose of this bill is to facilitate the housing of native Hawaiians by appropriating funds for the construction of improvements on Hawaiian home lands.

Your Committee received testimony in favor of this bill from the Department of Hawaiian Home Lands (DHHL), which also noted that a \$25 million appropriation was included for the same purpose in another measure, H.B. 3144.

Your Committee has amended this measure by incorporating the provision from H.B. 3144 for a \$25 million Capital Improvement Project for infrastructure needs at certain Hawaiian home lands locations, and by appropriating another \$20 million for other infrastructural needs on Hawaiian home lands. Non-substantive amendments have also been made for purposes of style and clarity.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2922 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2922, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon, Bunda, Young and O’Kieffe.

**SCRep. 513-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 2911**

The purpose of this measure is to appropriate \$2,109,000 from the general fund to the Department of Hawaiian Home Lands (DHHL) to provide low-interest loans for self-help housing construction on Hawaiian home lands in Panaewa and Keaukaha on the island of Hawaii.

Your Committee heard testimony from the DHHL and the Office of Hawaiian Affairs that the funds are necessary to enable homestead families who cannot afford homes otherwise and who do not qualify for other loan programs to build homes. The Hilo Hawaiian Home Builders Support Group and the Gibson Foundation also testified in support of this measure.

At the suggestion of the DHHL, your Committee has amended this measure to provide that any unexpended funds remaining after the needs of the families in Panaewa and Keaukaha are met be made available for other homestead lands throughout the state.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2911, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2911, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 514-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 2328**

The purpose of this bill is to establish a temporary Mount Olomana task force to make recommendations as to the most appropriate means of preserving Mount Olomana from development.

Your Committee received testimony from the Office of State Planning (OSP) to the effect that actions already taken by the Board and Department of Land and Natural Resources (DLNR) are sufficient to protect Mt. Olomana. However, your Committee also received testimony from various community organizations arguing that the establishment of an advisory task force would provide a greater degree of protection than would current administrative actions alone.

Your Committee agrees that the Legislature and Administration would benefit from the recommendations of a task force whose sole function is to determine the best way to preserve Mount Olomana in a pristine state.

Your Committee has amended this bill by providing:

- (1) That one member with hydrological expertise and one representative of an environmental organization, rather than two representatives of environmental organizations, be appointed to the task force;
- (2) That one resident of Kailua and one resident of Waimanalo, rather than two representatives of the Kailua neighborhood board, be appointed to the task force; and
- (3) That the task force be established in the DLNR's Division of Forestry and Wildlife, rather than in the OSP, for administrative purposes.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2328, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 515-92 Water, Land Use, and Hawaiian Affairs on H.B. No. 3192**

The purpose of this bill is to add a new section to Chapter 184, Hawaii Revised Statutes which would establish the Waimalu Heights State Park in the area designated as tax map key 9-8-02:2 on the island of Oahu.

Your Committee received testimony in support of this measure mainly from private individuals who were concerned about the future use of this parcel of land. It was repeatedly stated that future generations should be thought of when considering new development and that open areas must be kept open.

Your Committee has amended this bill by including an appropriation of \$1.25 million for the purchase of the parcel on which the Waimalu Heights State Park would be created.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3192, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and O'Kieffe.

**SCRep. 516-92 Water, Land Use, and Hawaiian Affairs on H.B. No. 2938**

The purpose of this bill is to ensure that the State-owned property in the Puuwaawaa and Puuanahulu regions in North Kona of the island of Hawaii is managed for the long-term benefit of the state. This bill appropriates funds for the Department of Land and Natural Resources (DLNR) to prepare a plan for establishing plant or animal sanctuaries, watershed management units, or other management areas on the property. Under this bill, all lands that do not need to be established as protected areas would be set aside to the Hawaiian Homes Commission on August 15, 2000.

DLNR, the Department of Hawaiian Home Lands (DHHL), the Audubon Society, the Conservation Council of Hawaii, and the Hawaii Political Action Council testified on this bill. In opposing this bill, DLNR indicated that the Board of Land and Natural Resources has already directed it to prepare a similar plan for the premises by December, 1992. With regards to setting aside the land to DHHL, DLNR argued that such a move would be contrary to Section 203 of the Hawaiian Homes Commission Act, 1920 and inconsistent with the State Constitution provisions relating to ceded land revenues going to the Office of Hawaiian Affairs.

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

- (1) Requiring DLNR to identify areas of the property suitable for public hunting and to identify State-owned water resources which may feasibly be developed to provide water for domestic and agricultural uses on the property;
- (2) Requiring DHHL to prepare a plan for future use of the property identifying those areas of the property suitable for lease to DHHL's beneficiaries, to determine the infrastructure that will be necessary to allow homestead use, and to develop a timetable for setting aside such areas for DHHL's use;
- (3) Advancing the date of conveyance of the property to DHHL from 2000 to 1994, with DHHL's rights in that portion of the property now under lease to remain subject to that lease until the date of its expiration, while providing that DHHL need only accept conveyance of that portion of the property not previously set aside to DLNR which DHHL finds suitable for inclusion in DHHL's homestead leasing program;

- (4) Directing DLNR to reserve, when making dispositions of State-owned water resources, sufficient supplies of water to ensure the economic viability of homestead leases on the property;
- (5) Providing that the lands conveyed to DHHL shall be managed as if they were "available lands" within the meaning of section 203 of the Hawaiian Homes Commission Act, 1920;
- (6) Providing an appropriation of \$50,000 to DHHL for the costs of planning for the use of the property; and
- (7) Making technical, non-substantive amendments for the purposes of style and clarity.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2938, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2938, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon, Bunda, D. Ige and O'Kieffe.

**SCRep. 517-92      Water, Land Use, and Hawaiian Affairs and Housing on H.B. No. 2983**

The purpose of this measure is:

- (1) To prohibit the use of moneys in the homes revolving fund for the construction, improvement, or maintenance of golf courses; and
- (2) To require the purchaser of the lease to operate the golf course at Kapolei to operate the course as a public golf course.

Your Committees heard testimony in favor of this measure from the Hawai'i Golf Course Action Alliance and Hawaii's Thousand Friends. The Housing Finance and Development Corporation (HFDC) and the Chamber of Commerce of Hawaii presented testimony in opposition to the bill, arguing that there are instances in which golf course development contributes to the development of affordable housing.

Your Committees appreciate the argument of HFDC that some golf course development may facilitate the construction of affordable housing. However, your Committees find that the homes revolving fund was not established with the intent of its being utilized for the development of golf courses. Moreover, your Committees feel that the development of exclusive, private courses frequented largely by non-residents represents a particularly inappropriate use of funds which were intended to build affordable housing.

Your Committees do not intend that this legislation be construed as precluding the financing of golf course development with funding sources other than the homes revolving fund.

Your Committees on Water, Land Use, and Hawaiian Affairs and Housing are in accord with the intent and purpose of H.B. No. 2983 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, Bunda, M. Ige, Peters, Shon, Tom, Young, O'Kieffe and Tatibouet.

**SCRep. 518-92      Health on H.B. No. 2835**

This bill was introduced as a short form bill.

Your Committee has amended this bill by adding the following contents:

- (1) Establishing within the Department of Health a rural health care task force;
- (2) Specifying the purpose of the task force with respect to:
  - (A) Studying the adequacy, accessibility, and availability of health care in rural areas of Hawaii; and
  - (B) Developing and implementing a strategy to provide appropriate and adequate access to health care in these areas;
- (3) Specifying the membership and term of the task force;
- (4) Requiring the Director of Health to provide staff and technical support to the task force;
- (5) Specifying the duties of the task force with respect to:
  - (A) Investigating and analyzing issues related to health care delivery in rural areas;
  - (B) Developing and promoting health care service models and community involvement in the maintenance, rebuilding, and diversification of health care services in these areas; and
  - (C) Working to alleviate financial and insurance impediments that limit the accessibility, adequacy, and availability of health care in these areas;

- (6) Requiring the task force to submit reports summarizing, among other things, the results of the task force's investigation, any findings and recommendations, and all ongoing and planned activities, at specific stages in the task force's work;
- (7) Specifying the duties of the task force and the University of Hawaii college of health sciences and social welfare with respect to:
  - (A) Studying ways to improve and expand health care delivery in rural areas; and
  - (B) Assessing the feasibility of:
    - (i) Establishing a rural preceptor program among teaching hospitals and the schools comprising the college of health sciences and social welfare;
    - (ii) Establishing a family practice residency program in rural or under-privileged areas and a mandatory family practice clerkship; and
    - (iii) Establishing a tuition and financial assistance program for medical students who agree to provide medical services in rural areas following graduation; and
- (8) Specifying the duties of the task force and the insurance commissioner with respect to assessing the feasibility of:
  - (A) Reducing professional liability insurance premiums for practitioners in rural areas; and
  - (B) Authorizing the insurance commissioner to establish the amount of discounts to be given by insurers on premiums charged to qualified health care practitioners.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2835, as amended herein, and recommends that it be recommitted to the Committee on Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2835, H.D. 1.

Signed by all members of the Committee.

**SCRep. 519-92      Consumer Protection and Commerce on H.B. No. 3966**

H.B. No. 3966 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3966, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3966, H.D. 1.

Signed by all members of the Committee.

**SCRep. 520-92      Judiciary on H.B. No. 2318**

The purpose of this bill is to provide that legislative vacancies for unexpired terms be filled in a timely manner.

The prompt filling of a legislative vacancy is important as the residents of the particular district deserve to have representation at all times. The person appointed to fill the vacancy needs the time to become acquainted with the legislative process, assemble a staff, and formulate a legislative agenda for the coming session.

If enacted, this bill would provide that the Governor make an appointment within 60 calendar days following the first day of a vacancy for an unexpired term in the State House of Representatives and the State Senate with an appointee who at the time of vacancy, is either a member of the same political party or nonpartisanship as the person the appointee succeeds.

Testimony in support of this measure was submitted by the Downtown Neighborhood Board and the League of Women Voters of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2318 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 521-92      Judiciary on H.B. No. 2323**

The purpose of this bill is to change the population base for congressional districts so that it is consistent with what the federal courts require. If enacted, this bill would provide that the population base used to draw congressional district lines be changed from registered voters to the total population counted in the last preceding United States Census.

Testimony in support of this measure was submitted by the 1991 Reapportionment Commission and some of its members, the United Public Workers AFSCME, Local 646, AFL-CIO, and the League of Women Voters of Hawaii.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2323 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 522-92                    Judiciary on H.B. No. 2327**

The purpose of this bill is to propose an amendment to the State Constitution to specify that the Reapportionment Commission use the total number of permanent residents counted in the last preceding United States census instead of the number of registered voters for purposes of determining reapportionment districts.

Testimony in support of this bill was received from the 1991 Reapportionment Commission, the League of Women Voters, and the United Public Workers AFSCME, Local 646, AFL-CIO.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2327 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 523-92                    Judiciary on H.B. No. 2322**

The purpose of this bill is to propose an amendment to the State Constitution to change the date for constituting the Reapportionment Commission.

Testimony in support of this bill was received from the 1991 Reapportionment Commission, the League of Women Voters, and the United Public Workers AFSCME, Local 646, AFL-CIO.

The testimony indicated that the Reapportionment Commission needed more time to meet the deadlines imposed by the State Constitution and by State statute.

This bill was amended by providing the date for constituting the Reapportionment Commission as on or before May 1 of each reapportionment year. The testimony indicated that delaying the starting date of the Commission by two months would satisfy the concerns of the Commission.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2322, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 524-92                    Judiciary on H.B. No. 3006**

The purpose of this bill is to amend sections 576E-16 and 580-47, Hawaii Revised Statutes, to provide that child support orders may be automatically terminated by the Child Support Enforcement Agency upon the child's reaching the age of eighteen if there is no proof that the child is still in school three months before the child reaches the age of eighteen.

Testimony in support of this measure was received from the Judiciary and the Department of the Attorney General.

Your Committee has amended this bill by clarifying that the age of nineteen will be used when determining whether the youth is still in school. This is reasonable as approximately 50% of youth do not graduate from high school by their eighteenth birthday and it is easier to determine whether or not the youth is pursuing a full-time post-high school education.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3006, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 525-92                    Judiciary on H.B. No. 3221**

The purpose of this bill is to permit the issuance of protective orders for a period not greater than three years if the respondent to a temporary restraining order cannot be found or avoids service.

Testimony in support of this measure was received from the Judiciary, the Hawaii State Commission on the Status of Women, the Domestic Violence Clearinghouse and Legal Hotline, and Hawaii Women Lawyers.

This bill amends section 586-5 and provides some type of recourse when a temporary restraining order (TRO) cannot be served on the respondent because the respondent evades service. Under present law, these orders expire at the end of thirty days and may not be extended. The only alternative then is for the petitioner to file another petition for a TRO or to initiate criminal action.

There is concern with the present wording of this measure as it provides for the issuance of an extended protective order in addition to a thirty day TRO when the respondent has not yet received written notice of either order. Because TRO's are issued without the respondent's presence in court, section 586-6 requires that these TRO orders be personally served.

Your Committee has amended this bill by extending the period of a TRO from thirty days to ninety days. This measure is also amended by requiring that the serving officer must file an affidavit stating that a diligent unsuccessful effort was made to locate the respondent before the court may order that a protective order be issued for up to three years. Section 586-6 was amended to provide that an order under Chapter 586 may also be served by certified mail.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3221, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 526-91                      Judiciary on H.B. No. 3726**

The purpose of this bill is to redress the balance of the filing of false complaints with the rights of a falsely accused. This measure allows persons charged with violations of the State ethics law to file civil actions against the persons bringing the charges and recover a minimum of \$10,000 or threefold damages, in addition to attorneys' fees and costs, if the Ethics Commission deems the allegations to be false.

Testimony in support of this measure was received from private citizens. The State Ethics Commission testified in support of this bill's general concepts.

Your Committee is extremely concerned about the possibility of a charge being filed with the State Ethics Commission by a person knowing that the charge is false. Reasonable measures should exist to prevent knowingly false charges from being filed, and this should be done with the understanding that penalties for knowingly filing false charges may have a chilling effect on legitimate charges being filed.

Your Committee upon further consideration has made the following amendments to H.B. No. 3726, H.D. 1:

- (1)        Renamed the title of the proposed new section to "Filing of false charges";
- (2)        Changed the word "complaint" to "charge";
- (3)        Deleted the term "reckless disregard";
- (4)        Established that a person who knowingly and intentionally files a false complaint with the State Ethics Commission shall have committed the offense of perjury;
- (5)        Removed the mandatory minimum of \$10,000 for damages to be assessed against the person shown to have intentionally and knowingly filed the false charge;
- (6)        Removed the possibility of threefold damages being awarded to the person who was falsely accused;
- (7)        Mandated that if a false complaint is filed within six months prior to an election in which the accused's name appears on the ballot, the person filing the false complaint shall be subject to penalties laid out in other subsections as well as being liable for payment to the general fund of the state an amount equal to the amount of damages suffered by the person falsely accused; and
- (8)        Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3726, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 527-92                      Judiciary on H.B. No. 2469**

The purpose of this bill is to:

- (1)        Amend the definitions of lobbyist and lobbying in Section 97-1, Hawaii Revised Statutes ("HRS"); and



- (2) Remove from the list of those parties who are exempted from the requirement of registering with the State Ethics Commission, attorneys who advise their clients on the construction or effect of proposed legislative or administrative action.

Testimony in support of this measure was received from the Hawaii Academy of Plaintiffs' Attorneys and private citizens.

Your Committee has amended this bill by reinserting the exception for attorneys currently found in Section 97-2, HRS, and 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. 2469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2469, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 528-92                      Judiciary on H.B. No. 2606**

The purpose of this bill is to allow the statute of limitations for civil actions that are based upon childhood sexual abuse to be tolled until the child reaches the age of majority and continue to be tolled until two years after the discovery of the genesis of the injury. No civil action contemplated by the bill shall be brought until the victim has attained the age of majority. The plaintiff will not be required to establish which act in a series of acts of childhood sexual abuse caused the injury.

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women, the YWCA-Hawaii Island, Hope for Battered Women and Fairness for Abused Women, the Hawaii State Committee on Family Violence, the Sex Abuse Treatment Center, Sex Abuse Interventions, Hawaii State Coalition Against Sexual Assault, American Association of University Women, and a private citizen.

Your Committee has made the following amendments to H.B. No. 2606, H.D. 1:

- (1) Defined "childhood sexual abuse";
- (2) Stated that all claims or causes of actions based on intentional conduct brought by any person for recovery of damages for any injury suffered as a result of childhood sexual abuse shall be commenced either within two years of the act alleged to cause the injury or condition; within two years of the time the victim discovered or reasonably should have discovered that the injury was caused by the act; or within two years of the time the victim discovered the act caused the injury for which the claim was brought. The time limit for the commencement of an action brought forth under this proposed section is tolled for a child until the child reaches the age of eighteen years;
- (3) Clarified that the "date of discovery" may be the computed from the last act by the same perpetrator which is part of a common scheme or plan of sexual abuse or exploitation;
- (4) Stated that the knowledge of the custodial parent or guardian shall not be imputed to a person under the age of eighteen years;
- (5) Defined "child" as being a person under eighteen years;
- (6) Established that should a defendant be found not guilty for which a claim or cause of action was filed pursuant to this section, the court may, upon motion of the party or upon the court's own motion, order a party, a party's attorney, or both, to pay reasonable expenses, including attorney's fees, incurred and damages suffered by the defendant; and
- (7) Made 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. 2606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2606, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 529-92                      Judiciary on H.B. No. 3314**

The purpose of this bill is to amend section 560:2-511 to incorporate the 1991 version of the Uniform Testamentary Additions to Trusts Act (UTATA).

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

UTATA 1991 updates the original version and removes additional obstacles to carrying out the testator's intentions. Improvements made by UTATA 1991 include the allowing of a receptacle trust to be established by the bequest in a will; the allowing of trust terms to be set forth in a written instrument executed after as well as before or concurrently with the execution of a will; the allowing of bequeathed trust property to be administered in accordance with the terms of the trust

amended after as well as before the testator's death, unless the testator's will provides otherwise; and the allowing for the testator's will to provide that the bequest not lapse even if the trust is revoked or terminated before the testator's death.

A technical, nonsubstantive change was made to this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3314, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 530-92                      Judiciary on H.B. No. 2871**

The purpose of this bill is to create a new offense of criminally negligent storage of firearms, which prohibits storing or keeping any loaded firearm on any premises if a minor is likely to gain access to the firearm without the permission of the parent or guardian.

Minor is defined as a person under the age of sixteen. A person who fails to keep loaded firearms in acceptable storage, as defined in the bill, is guilty of a class C felony.

Testimony in support of the bill was received from the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Office of Children and Youth, the League of Women Voters, and a private citizen.

Your Committee has amended the bill to delete the provision that the firearm be loaded.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2871, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 531-92                      Judiciary on H.B. No. 3485**

The purpose of this bill is to require that the interest on a loan made to a candidate by a lender for the purpose of financing the campaign of the candidate be made at the current market rate. The agreement covering such a loan must be in writing. This bill also allows any lender to excuse the interest accruing on the loan as a contribution to the candidate.

Testimony in support of this bill was received from a private citizen.

Your Committee has amended this bill for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3485, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hirono.

**SCRep. 532-92                      Consumer Protection and Commerce on H.B. No. 3034**

The purpose of this bill is to amend section 476-19, Hawaii Revised Statutes, regarding the preservation of a purchaser's rights of action or defenses in consumer transactions.

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

The proposed amendment clarifies that a buyer in a consumer transaction may maintain any rights of action or defenses against any subsequent assignee of the seller in a credit sale situation. For example, if a buyer purchases an item on a credit sale basis, and the seller sells the note, the assignee of the note is subject to any defenses or representations regarding the item if there is a subsequent problem.

Your Committee made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3034, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3034, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 533-92                      Consumer Protection and Commerce on H.B. No. 3021**

The purpose of this bill is to exempt state and county governments from certain licensing requirements mandated by Chapter 437, Hawaii Revised Statutes (HRS), the Motor Vehicle Licensing Act.

Your Committee finds that Section 437-2(b), HRS, currently restricts the motor vehicle industry from engaging in commercial activities outside the county in which the establishment has been licensed to conduct business. While your Committee is satisfied that such requirements are necessary to protect both the motor vehicle industry and the consuming public from unfair and deceptive tactics in the marketplace, your Committee finds that state and county governments, as consumers, do not need the same level of protection provided to the public because of its bargaining position and access to legal resources.

Your Committee further finds that the application of Section 437-2(b), HRS, has interfered with the ability of state and county governments to purchase motor vehicles. Because all state and county agencies (agencies) are required to follow the public bidding process requirement as outlined in Chapters 103 and 437, HRS, agencies have been required at times to purchase motor vehicles from dealers whose establishments are licensed in a neighboring county. In order to fulfill the licensing requirements of Chapter 437, HRS, dealers have had to establish "temporary" dealerships in other counties, or utilize other ad hoc mechanisms in order to complete the sale of motor vehicles to agencies. The provisions of this bill would alleviate this problem while ensuring the continued protection of the consuming public by only exempting the purchase of motor vehicles for governmental use from the licensing requirements of Chapter 437.

Testimony was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Automobile Dealers' Association, and a concerned automobile dealer.

Your Committee has amended this bill by:

- (1) Clarifying that dealers who sell motor vehicles to state or county agencies shall also be exempted from the requirements of Section 437-2(b), HRS; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3021, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 534-92 Consumer Protection and Commerce and Judiciary on H.B. No. 2307**

The purposes of this bill are to:

- (1) Allow the Public Utilities Commission to disconnect the telephone number of motor carriers who advertise in violation of State law; and
- (2) Specify that good faith compliance shall serve as a complete defense for any public utility in any criminal or civil action brought forth from the termination of telephone services.

Your Committees find that this bill should decrease the number of advertisements published by motor carriers who violate Sections 271-8 or 271-8.5, Hawaii Revised Statutes. Under current law, only motor carriers who hold valid certificates or permits are allowed to advertise as motor carriers of passengers or property. However, your Committees are aware that the lack of sufficient incentives to the motor carrier industry have resulted in the noncompliance with these laws. This bill attempts to enforce the prohibition of advertisements by non-licensed motor carriers by terminating the noncomplying motor carrier's link to the public. By eliminating the communication linkage to the public, a noncomplying carrier would not continue to benefit from an illegal advertisement.

Your Committees further find that the provision of "good faith" compliance as a complete defense to any criminal or civil action brought against a public utility resulting from the termination of telephone services would allow the Public Utilities Commission to fully administer the provisions of this bill without fear of litigation.

In addition, your Committees note that while the provisions of this bill account for the use of telephone services by noncomplying motor carriers, other telecommunications services offered by the public utilities may be used for commercial purposes by noncomplying motor carriers.

Accordingly, your Committees have amended this bill by:

- (1) Authorizing the Public Utilities Commission to disconnect the services to the telephone number or the telecommunication service number of noncomplying motor carriers; and
- (2) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 2307, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2307, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 535-92 Consumer Protection and Commerce and Judiciary on H.B. No. 2376**

The purpose of this bill is to delete the requirement that the Department of Commerce and Consumer Affairs consider the legislative intent to encourage the formation of plans for prepaid legal services when determining the amount and type of security required for plans that accumulate funds prior to paying persons providing legal services.

Your Committees heard testimony in support of the bill from the Department of Commerce and Consumer Affairs.

The purpose of requiring security is to ensure that funds paid by subscribers are available for their intended use. Determining the required security based on a legislative intent to encourage the formation of plans rather than on the relevant financial factors may lead to inadequate security. Deleting the statement of legislative intent will eliminate this conflict in determining the amount of security.

Your Committees amended this bill by making a technical, nonsubstantive change for the purpose of style, clarity, and consistency.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 2376, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2376, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 536-92                      Tourism on H.B. No. 2385**

The purpose of this bill is to amend the Hawaii Revised Statutes to provide a usable definition of a "hotel."

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

Your Committee finds that describing a "hotel" in terms of its basic functions provides a clearer definition.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2385 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fukunaga.

**SCRep. 537-92                      Tourism on H.B. No. 2780**

The purpose of this bill is to require the Hawaii Tourism Marketing Council to meet quarterly, rather than semi-annually, in order to better carry out its function of assisting in the direction of state tourism marketing.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism and the Kauai Hilton.

Your Committee finds that changing market conditions of tourism in Hawaii requires constant observation and quick, decisive action on the part of those directing the State marketing effort.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2780 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fukunaga.

**SCRep. 538-92                      Human Services on H.B. No. 2423**

The purpose of this bill is to require the Office of Children and Youth (OCY) to coordinate the planning, development, and implementation of public and private child development and early childhood education initiatives for affordable quality services for children and youth.

OCY submitted testimony indicating its preference for maintaining the flexibility which its current mandate provides.

Your Committee finds that the development of public/private partnerships is integral to the delivery of programs and services which meet the needs of the children and youth of our State. Your Committee also finds that OCY should coordinate such partnerships not only with regard to child development and early childhood education, but with regard to the entire spectrum of services and programs for children and youth for which OCY is responsible.

Accordingly, your Committee has amended the bill by requiring that OCY collaborate with the private sector in planning, developing, coordinating, implementing, and promoting quality services which address the needs of children and youth.

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

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2423, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

**SCRep. 539-92            Housing on H.B. No. 1346**

The purpose of this bill is to require the Housing Finance and Development Corporation to offer at least 10% of the houselots in a HFDC-sponsored single family developments to builders or to nonprofit corporations assisting owner-builders in any construction project.

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.

A technical, non-substantive revision was made for the purpose of style and clarity.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1346, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 540-92            Water, Land Use, and Hawaiian Affairs on H.B. No. 3401**

This measure was introduced as a short-form bill, which is used as a vehicle for introducing a bill on a certain subject without specifying the detailed provisions. Your Committee has amended this bill to provide the substantive contents in long form so that a public hearing on the measure may be properly held. The amended bill form of the bill permits lessees of state lands for the purpose of grazing cattle to trim trees and branches on unleased adjacent state lands to prevent damage to fences.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3401, as amended herein, and recommends that it be recommitted to the Committee on Human services, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. 3401, H.D. 1.

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

**SCRep. 541-92            Judiciary on H.B. No. 2692**

H.B. No. 2692 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, provides that race, religion, sex, or national origin, may not be used as the sole basis for excluding a person from programs and activities receiving state financial assistance. This bill is necessary to address ongoing concerns in the immigrant services and civil rights communities over denial of access to services based on national origin. The proposed language parallels that of Article I, Section 5 of the State Constitution, and brings Section 368-1.5, Hawaii Revised Statutes, into greater conformity with the other civil rights statutes under the jurisdiction of the Hawaii Civil Rights Commission.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2692, 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. 2692, H.D. 1.

Signed by all members of the Committee.

**SCRep. 542-92            Finance on H.B. No. 3031**

The purpose of this bill is to revise the schedule of fines for violations of the motor vehicle repair law by establishing a minimum fine of \$100 up to a maximum fine of \$2,500 for each violation.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3031 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 543-92            Finance on H.B. No. 2313**

The purpose of this bill is to delete the time restriction when the Department of Education may conduct the Motor Vehicle Driver Education and Training Program in public high schools.

Your Committee received testimony from the Department of Education in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2313, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 544-92            Finance on H.B. No. 3697**

The purpose of this bill is to:

- (1) Specify that private source revenues received prior to the operation of the fixed rail rapid transit system or received in each year the general excise and use tax surcharge of one-half percent is in effect, shall be committed to the capital cost of the fixed rail system; and
- (2) Revise the definition of "capital costs" to include debt service.

The Department of Budget and Finance and the City and County of Honolulu submitted testimony in support of the bill. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3697, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 545-92            Finance on H.B. No. 3156**

The purpose of this bill is to:

- (1) Provide affiliated corporations an income tax deduction for dividends received from other members of an affiliated group; and
- (2) Reduce the deduction for certain dividends received by corporations from eighty to seventy percent.

Testimony was submitted by the Department of Taxation (Department) and the Tax Foundation of Hawaii.

The Department testified that this bill would:

- (1) Prevent the double taxation of income from affiliated corporations; and
- (2) Conform Hawaii's Income Tax Law with a recent amendment made to the federal Internal Revenue Code.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3156 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 546-92            Finance on H.B. No. 2301**

The purpose of this bill is to modify the definition of "rental motor vehicle" under the Rental Motor Vehicle and Tour Vehicle Surcharge Tax.

This bill defines "rental motor vehicle" as all self-propelled vehicles that are rented or leased for personal or commercial purposes and designed to carry seventeen passengers or fewer, but specifically excludes mopeds, trucks, truck-tractors, tractor-semitrailer combinations, and truck-trailer combinations having a barrier between the operator's compartment and a cargo area with a carrying capacity of more than one thousand pounds.

Testimony was submitted by the Department of Taxation, the Tax Foundation of Hawaii, and the National Federation of Independent Business Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2301, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 547-92            Finance on H.B. No. 2302**

The purpose of this bill is to:

- (1) Specify that the feasibility of off-hour construction and off-hour maintenance work be considered for all public contracts and maintenance work that result in significant traffic congestion or delay; and
- (2) Clarify that "off-hour construction" and "off-hour maintenance work" means construction and maintenance work, respectively, performed between the hours of six o'clock p.m. and six o'clock a.m.

The Department of Transportation testified in support of the bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2302, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 548-92                      Finance on H.B. No. 3488**

The purpose of this bill is to allow the Board of Trustees of the Public Employees Health Fund to appoint its own legal counsel.

The Hawaii Government Employees Association testified in support of this measure. The Department of Budget and Finance also submitted testimony.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3488 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 549-92                      Finance on H.B. No. 3123**

The purpose of this bill is to allow the Criminal Injuries Compensation Commission to receive and to deposit a portion not to exceed forty percent of an inmate's wages into the Criminal Injuries Compensation Fund.

Supporting testimony was received from the Department of Public Safety .

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3123 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 550-92                      Finance on H.B. No. 3115**

The purpose of this bill is to appropriate funds for fiscal year 1992-1993 to individuals or their providers of services who were awarded compensation by the Criminal Injuries Commission.

The Department of Public Safety submitted testimony in support of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3115, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 551-92                      Finance on H.B. No. 3558**

The purpose of this bill is to require the Housing Finance and Development Corporation (HFDC) to submit an annual report on all programs and funds established under the HFDC.

Testimony was submitted by the Housing Finance and Development Corporation.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3558, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 552-92                      Finance on H.B. No. 3330**

The purpose of this bill is to appropriate funds to develop criteria to adequately measure the success of existing treatment programs within the criminal justice system.

This measure also requires the Department of the Attorney General to submit a report of its findings, recommendations, and proposed legislation, if appropriate, to the Legislature at least forty-five days prior to the convening of the 1993 Regular Session.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3330, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 553-92                      Finance on H.B. No. 3505**



The purpose of this bill is to appropriate \$100,000 to:

- (1) Demonstrate the feasibility and acceptability of converting vehicles that run on fossil fuel to alternate fuels;
- (2) Establish a network of alternate fuel dispensing and re-charging stations; and
- (3) Provide a public information center in Puna.

The Department of Business, Economic Development, and Tourism, the Electric Vehicle Association of Hawaii, and the Big Island Electric Vehicle Association submitted comments in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3505, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 554-92      Finance on H.B. No. 3044**

The purpose of this bill is to authorize the Department of Transportation (DOT) to accept credit cards for payments owed to the State for any products or services received from the State at any State-operated airport.

This bill also:

- (1) Stipulates that credit cards may not be used to make payments under protest; and
- (2) Specifies that the maximum charge that may be paid to the DOT on any transaction by credit card is \$500.

The DOT testified in strong support of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3044, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 555-92      Finance on H.B. No. 3642**

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds in an amount not to exceed \$5,000,000, to assist the Wailuku River Hydroelectric Power Company, Inc. (Company), or a partnership in which the Company is a general partner, in establishing a hydroelectric power plant and related facilities.

Your Committee received testimony supporting the intent of this bill from the Department of Business, Economic Development, and Tourism and the Wailuku River Hydroelectric Limited Partnership.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3642 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 556-92      Finance on H.B. No. 3643**

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds in an amount not to exceed \$50,000,000, to assist Kawaihae Partners, or any partnership where Kawaihae is a general partner, for the development of a cogeneration facility and related water production facilities.

The Department of Business, Economic Development, and Tourism, the Mayor of the County of Hawaii, the President of Waimana Enterprises, and a Hilo attorney submitted testimony in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3643, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 557-92      Housing on H.B. No. 2591**

The purpose of this bill is to amend the Hawaii State Planning Act to emphasize that one of the objectives and policies of the State is to develop affordable rentals to better meet the housing needs of Hawaii residents.

Testimony was submitted by the Office of State Planning and a concerned citizen.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2591 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. 558-92                      Planning and Economic Development and Water, Land Use, and Hawaiian Affairs on H.B. No. 3538**

The purpose of this bill is to implement Article XI, section 3, of the Hawaii State Constitution while maintaining existing State and County responsibilities in land use. The bill adopts a land evaluation and site assessment rating system to identify important agricultural lands based on agricultural production goals. It convenes an agricultural production goals committee to formulate agricultural production goals. It also provides that the reclassification or rezoning of important agricultural lands shall require a two-thirds vote by the Land Use Commission or respective County land use decision-making authority.

The Committees find that the 1978 constitutional amendment, Article XI, section 3, has yet to be implemented because previous proposals to implement this amendment have recommended major changes to the existing land use system, e.g., an open space district, or changing existing State and County responsibilities in land use decision-making, i.e., the LESA Commission's report. The Committees find that what is needed is an approach which will satisfy the basic requirements of the Constitution while retaining the existing State land use districts and the existing jurisdictional responsibilities of the State Land Use Commission and County land use decision-making bodies.

The Committees find that there is a need to develop standards and criteria to identify important agricultural lands. The land evaluation and site assessment rating system is the proposed method to identify important agricultural lands. However, the Committees find that reliable islandwide maps of the site assessment factors have been difficult to produce. Therefore, it is the Committees' intent that the LESA ratings be evaluated on a case-by-case basis. Islandwide maps would not be required under this approach. More detailed information on the site assessment factors can be provided on a case-by-case basis as petitions are brought before the Land Use Commission or the County decision-making body. The Land Use Commission will need to provide guidelines on the reporting, use and determination of the land evaluation and site assessment scores.

The Committees received numerous testimonies in support of this bill including the Land Use Research Foundation, City and County of Honolulu Department of General Planning, County of Hawaii Planning Department and Hawaii's Thousand Friends. The Committees also received suggestions for revisions to the bill. Accordingly, your Committees have amended the bill as follows:

SECTION 2, adding a new section to Chapter 205, Hawaii Revised Statutes, has been amended by adding lands used for intensive animal husbandry to the definition of unique agricultural land.

SECTION 3, adding a new section to Chapter 205, Hawaii Revised Statutes, has been amended to clarify the requirements for reclassifying or rezoning important agricultural land.

SECTION 4, adding a new section to Chapter 205, Hawaii Revised Statutes, has been amended to commence the review of agricultural production goals in 1992 rather than 1997 and to broaden the composition of the agricultural production goals committee.

Your Committees have also made amendments for the purposes of clarity and consistency with other amendments and sections of this bill.

Your Committees on Planning and Economic Development and Water, Land Use, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 3538, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3538, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Okamura and Thielen.

**SCRep. 559-92                      Planning and Economic Development on H.B. No. 2428**

The purpose of this bill is to require Hawaii to observe daylight savings time.

Your Committee received testimony in support of the measure from the Hawaii Visitors Bureau, the Department of Transportation, Airports Division, Hawaiian Electric Company and the Hawaiian Food Industry Association. Testimony indicated that observing daylight savings time would 1) reduce peak electricity demand, 2) eliminate adjustments and schedule changes required when other states go on daylight savings time and 3) give visitors and residents an extra hour to enjoy outdoor activities at the end of the day.

Your Committee received testimony from the Department of Business, Economic Development, and Tourism acknowledging the advantages of daylight savings time but expressing concern about the impact on business with Asia.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.B. No. 2428 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 Tajiri.

**SCRep. 560-92                      Consumer Protection and Commerce and Judiciary on H.B. No. 2468**

The purpose of this bill is to amend Chapter 488 of the Hawaii Revised Statutes so that closed panel prepaid legal service plans are covered by the existing regulation.

Your Committees heard testimony in favor of the bill from the Department of Commerce and Consumer Affairs and the Hawaii State Bar Association.

The bill deletes the provision in the definition of "prepaid legal service plan" which limits that definition to open panel plans, thereby giving the Department of Commerce and Consumer Affairs the ability to regulate both open and closed panel plans.

Your Committees received testimony from the Hawaii State Bar Association that it has recently promulgated guidelines for approval of prepaid legal service plans which rely heavily on Chapter 488 filing requirements. However, the limitation in Chapter 488 to open panel plans leaves a serious gap in their regulations.

Further, your Committees received testimony that there is no rational basis for regulating open panel plans and not closed panel plans. While open panel plans offer the consumers greater freedom in selecting an attorney, as they would not be restricted to a limited pool of attorneys as would be the case with closed panel plans, closed panel plans may be more economical to the consumer.

Your Committees made technical, nonsubstantive changes for the purpose of style, clarity, and consistency.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purposes of H.B. No. 2468, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2468, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 561-92                      Consumer Protection and Commerce on H.B. No. 2988**

The purpose of this bill is to authorize the Board of Directors of the Hawaii Life and Disability Insurance Guaranty Association (Association) to increase the Class A assessment fee on member insurers from \$150 to \$250 per calendar year.

Supportive testimony was submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that the funds generated from Class A assessment fees are used by the Association to meet administrative, legal, and examination costs, as well as other expenses incurred each year. Your Committee further finds that the Association has experienced a significant rise in administrative costs due to an increase in the complexity and frequency of problems faced by member insurers. In light of this, the Insurance Commissioner testified that the recent increase in the workload of the Association has warranted the Department of Commerce and Consumer Affairs to consider the need for a full-time, salaried administrator position.

In recognition of the increased workload and administrative costs experienced by the Association, your Committee believes that the provisions of this bill would significantly enhance the efficiency of the Association as well as assist the Association in providing accessible, timely, and high quality services to member insurers.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2988 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 562-92                      Consumer Protection and Commerce on H.B. No. 3755**

The purpose of this bill is to add a new section to Chapter 501, Hawaii Revised Statutes, to allow the filing of amendments and restatements of declarations of condominium property regimes and by-laws of condominium associations with the Land Court without requiring the presentation of the outstanding duplicate certificates.

Your Committee received testimony from the Judiciary, the Department of Land and Natural Resources, Condominium Property Regime Committee of the Real Property and Financial Services Section of the Hawaii State Bar Association, Condominium Property Regime Blue Ribbon Advisory Panel and Hawaii Association of Realtors in support of the bill.

The only concern expressed by testifiers was a desire to expand the bill to include all deeds and voluntary instruments, rather than restricting the provisions to condominiums. However, the title of this bill does not allow this Committee to make such a broadening amendment.

This bill will facilitate the recording process, and will not impair the function of the Bureau of Conveyances. It will also reduce the expense, delay and frustration faced by condominium associations attempting to obtain all duplicate transfer certificates of title for condominiums needed to file amendments and restatements of declarations of condominium property regimes and by-laws.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3755 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 563-92 Finance on H.B. No. 2680**

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds in an amount not to exceed \$20,000,000 to assist the Rehabilitation Hospital of the Pacific with financing, refinancing, or both, to improve its activities and facilities.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2680 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 564-92 Finance on H.B. No. 2366**

The purpose of this bill is to re-establish the Molokai Irrigation System Water Users Advisory Board to advise the Department of Agriculture (DOA) on matters of concern involving the users of the Molokai irrigation system.

Testimony in support of this measure was submitted by the DOA, the Department of Hawaiian Home Lands (DHHL), and the Molokai Farm Bureau Federation.

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

- (1) Providing DOA direction and jurisdiction concerning the advisory board's operations;
- (2) Specifying the duties and responsibilities of the advisory board;
- (3) Increasing the number of members on the advisory board to six members by adding a designee of the DHHL;
- (4) Deleting the word "county" in reference to the Molokai Farm Bureau; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2366, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2366, H.D. 2.

Signed by all members of the Committee.

**SCRep. 565-92 Finance on H.B. No. 2544**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds and refunding special purpose revenue bonds up to the total amount of \$135 million to assist electric utilities in obtaining lower interest rate bond financing for capital improvement projects.

Testimony was submitted by the Public Utilities Commission, the Department of Business, Economic Development, and Tourism, and the three utilities who would receive the bond funds.

Your Committee finds that this measure will lower interest costs of electric utilities. As a result, this will ultimately benefit consumers who will pay lower rates for electricity.

Your Committee has amended the bill to correct certain typographic, technical, and stylistic errors; no substantive changes were made.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2544, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2544, H.D. 2.

Signed by all members of the Committee.

**SCRep. 566-92 Finance on H.B. No. 2612**

The purpose of this bill is to appropriate funds for the construction of a model by the Attorney General for collection of data regarding the victims of crimes evidencing prejudice or irrational hostility toward another person or group of persons based on gender (hate crimes).

Your Committee received supporting testimony from the Department of the Attorney General, the Hawaii State Commission on the Status of Women, the Hawaii State Committee on Family Violence, and the Child & Family Service.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2612, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2612, H.D. 2.

Signed by all members of the Committee.

**SCRep. 567-92 Finance on H.B. No. 2571**

The purpose of this bill is to:

- (1) Require the advertisement for sealed bids and contracts for expenditures of \$35,000 or more; and
- (2) Require a call for informal bids for expenditures in excess of \$15,000 but less than \$35,000.

Testimony in support of this measure was submitted by the Department of Accounting and General Services, the Chamber of Commerce of Hawaii, and a concerned citizen.

Upon further consideration, your Committee has amended this bill to add to the list of exceptions for formal bids those items necessary to maintain satisfactory quality and fair cost services of a producer, manufacturer, or other supplier to ensure continuous emergency medical service. Technical, nonsubstantive amendments were also made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2571, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2571, H.D. 2.

Signed by all members of the Committee.

**SCRep. 568-92 Finance on H.B. No. 2530**

The purpose of this bill is to establish the Flexible Work Hour Program for state employees to be administered by the Department of Personnel Services.

The Department of Personal Services and the Department of Transportation submitted testimony on this measure.

This bill has been amended by:

- (1) Inserting the sum of \$1 in the appropriation section for the purpose of further discussion;
- (2) Changing the effective date to provide that the appropriation sections take effect July 1, 1992; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2530, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2530, H.D. 2.

Signed by all members of the Committee.

**SCRep. 569-92 Finance on H.B. No. 2504**

The purpose of this bill is to authorize the establishment of mutual housing associations that will assist Hawaii residents to purchase, develop, build, or rehabilitate land and residential structures.

The participating residents will possess a personal property ownership interest in the residential dwellings.

In addition, this bill would establish:

- (1) A Homebuyer's Club Program to assist participants save money for a down payment and resolve credit problems;
- (2) A Loan Guarantee Program for people who wish to purchase a home but who do not meet standard mortgage underwriting criteria; and
- (3) A Rent-to-Own Program that will allow developers to credit 50 percent of the rent received from resident participants to down payment or closing costs.

Moneys to support the activities of these three programs would come from the Hawaii Development Revolving Fund.

Technical, nonsubstantive amendments have been made to the bill to correct drafting errors and for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2504, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2504, H.D. 2.

Signed by all members of the Committee.

**SCRep. 570-92 Finance on H.B. No. 2349**

The purpose of this bill is to clarify the rental motor vehicle and tour vehicle surcharge tax by:

- (1) Amending the definitions of "tour vehicle", and "tour vehicle operator"; and
- (2) Deleting the reference that tour vehicles be categorized by the Public Utilities Commission (PUC).

Testimony was submitted by the Department of Taxation, the Tax Foundation of Hawaii, the Hawaii Transportation Association, Polynesian Hospitality Tours, Inc., and the E Noa Corporation.

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

- (1) Stipulating that the monthly surcharge tax of \$65 be levied on each tour vehicle falling into the over twenty-five passenger seat category, and a monthly surcharge tax of \$15 be levied on tour vehicles falling into the eight to twenty-five passenger seat category; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2349, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2349, H.D. 2.

Signed by all members of the Committee.

**SCRep. 571-92                      Finance on H.B. No. 2614**

The purpose of this bill is to appropriate funds to the Legislative Reference Bureau to conduct a study to:

- (1) Evaluate the system of support services currently being provided to victims of domestic violence; and
- (2) Make recommendations to improve the delivery of these services.

Your Committee received testimony from the Juvenile Crime Prevention Division of the Honolulu Police Department; the Department of the Prosecuting Attorney of the City and County of Honolulu; the Hawaii State Committee on Family Violence; the Hawaii State Commission on the Status of Women; and the Child and Family Service in support of this measure.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2614, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2614, H.D. 2.

Signed by all members of the Committee.

**SCRep. 572-92                      Finance on H.B. No. 2696**

The purpose of this bill is to propose constitutional amendments to authorize the issuance of special purpose revenue bonds to finance the construction of student housing facilities at private nonprofit universities, colleges, and other higher education institutions.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2696, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2696, H.D. 3.

Signed by all members of the Committee.

**SCRep. 573-92                      Finance on H.B. No. 2714**

The purpose of this bill is to add a third associate judge to the Intermediate Appellate Court.

The Deputy Administrative Director of Courts of the Judiciary testified in support of the intent of the bill.

Upon further consideration, your Committee has amended the bill to incorporate the concept of creating additional judgeships contained in H.B. No. 3322, H.D. 1, that was heard earlier by your Committee, by:

- (1) Adding an eighteenth judge to the first circuit court, effective upon approval of this bill; and
- (2) Adding a nineteenth judge to the first circuit court, effective July 1, 1992.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2714, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2714, H.D. 2.

Signed by all members of the Committee.

**SCRep. 574-92                    Finance on H.B. No. 3100**

The purpose of this bill is to authorize the Housing Finance and Development Corporation to develop or assist in the development of federal lands, with the approval of appropriate federal authorities.

Testimony in support of this measure was submitted by the Housing Finance and Development Corporation and the Chamber of Commerce of Hawaii.

This bill was amended to correct technical and stylistic errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3100, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3100, H.D. 2.

Signed by all members of the Committee.

**SCRep. 575-92                    Finance 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.

This measure would authorize the State to assume custody of unclaimed property held by issuers who are "otherwise located" in the State.

Testimony in support of this measure was submitted by the Department of Budget and Finance.

Your Committee has made technical, nonsubstantive amendments to correct drafting errors and for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3110, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3110, H.D. 1.

Signed by all members of the Committee.

**SCRep. 576-92                    Finance on H.B. No. 3111**

The purpose of this bill is to authorize the Department of Public Safety to receive and manage donations from sources other than the state and federal government. This bill further requires contributions or donations of money to be deposited in a special fund.

Your Committee received testimony from the Department of Public Safety and the State Ethics Commission in support of this measure.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3111, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3111, H.D. 2.

Signed by all members of the Committee.

**SCRep. 577-92                    Finance on H.B. No. 3121**

The purpose of this bill is to amend some of the procedures of the Criminal Injuries Compensation Commission (Commission) by:

- (1) Allowing any member on the Commission to sign orders in the absence of the Commission chair;
- (2) Permitting the Commission to delegate to the administrator authority to sign any order approved by the Commission;
- (3) Allowing any person who made an application and was aggrieved by an order or decision to make a request for reconsideration to the Commission; and
- (4) Specifying that request for reconsideration be received by the Commission within 30 days after service of a certified copy of such order or decision.

The Department of Public Safety and the Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of the bill.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3121, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3121, H.D. 2.



Signed by all members of the Committee.

**SCRep. 578-92                      Finance on H.B. No. 3122**

The purpose of this bill is to allow the State to charge inmates for restitution in cases where inmates are responsible for damage to State property.

Your Committee received supporting testimony from the Department of Public Safety . However, the American Civil Liberties Union of Hawaii testified in opposition to the bill.

Technical, nonsubstantive amendments to the bill were made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3122, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3122, H.D. 2.

Signed by all members of the Committee.

**SCRep. 579-92                      Finance on H.B. No. 3277**

The purpose of this bill is to replace preferential tax rates given to Hawaii insurance companies with a single insurance premium tax rate for all domestic and foreign insurers. This bill also provides tax credits for eligible insurers who comply with certain requirements.

Your Committee received supporting testimony from the Hawaii Domestic Insurers Tax Committee. However, the Department of Taxation testified in opposition to the bill.

Your Committee has made technical, nonsubstantive amendments to correct drafting errors and for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3277, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3277, H.D. 2.

Signed by all members of the Committee.

**SCRep. 580-92                      Finance on H.B. No. 3148**

The purpose of this bill is to statutorily establish the Office of International Relations (Office) within 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 with the stipulation that no State funds may be deposited into this trust fund.

Testimony in support of the intent of this measure was submitted by the Office of International Relations, the University of Hawaii, the East-West Center, the School of Ocean and Earth Science and Technology, the Hawaii International Hospitality Center, Tokai University at Honolulu, the Pacific Forum/CSIS, the Pacific Basin Development Council, the Hawaii State Guava Association, Sam Brown & Company, the Bishop Museum, the Consulting Engineers Council of Hawaii, PICHTR, Festivals of Hawaii, Inc., and others.

Upon further consideration, your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3148, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3148, H.D. 2.

Signed by all members of the Committee.

**SCRep. 581-92                      Finance on H.B. No. 3002**

The purpose of this bill is to appropriate funds from the general revenues of the State to satisfy claims for legislative relief, judgments against the State and settlements of claims, and miscellaneous claims.

Your Committee received testimony from the Department of the Attorney General indicating that since the measure was first introduced, an additional case, Teri M. Kimura v. State of Hawaii, has been settled, and the Department recommended payment of this additional claim in the amount of \$125,000.

Accordingly, your Committee has amended this bill by:

- (1) Including the additional case settlement as recommended by the Department of the Attorney General;
- (2) Providing the reasons why and the amount and rate by which the appropriations contained in this bill exceed the state spending limit for fiscal year 1991-1992; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3002, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3002, H.D. 2.

Signed by all members of the Committee.

**SCRep. 582-92 Finance on H.B. No. 3353 (Majority)**

The purpose of this bill is to authorize the issuance of reimbursable general obligation bonds by the Housing Finance and Development Corporation (HFDC) to acquire the Queen Emma Gardens apartments complex.

The bill also:

- (1) Provides that the issuance of bonds is subject to the relinquishment by the City and County of Honolulu (CCH) of its reversionary interests in the urban renewal project; and
- (2) Requires the HFDC to obtain a prior commitment from the CCH for relinquishment of the CCH's reversionary interest, prior to negotiating with the owner or trustee of the Queen Emma Gardens apartments.

Your Committee received testimony in support of the bill from the Queen Emma Gardens Tenants' Association. Testimony was also submitted by the HFDC and the CCH's Department of Housing and Community Development.

Upon further consideration, your Committee has amended the bill by changing the issuance of "reimbursable general obligation bonds" to "revenue bonds". Technical, nonsubstantive amendments were also made for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3353, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3353, H.D. 3.

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

**SCRep. 583-92 Finance on H.B. No. 3283**

The purpose of this bill is to provide a general excise tax exemption on amounts received for common expenses by nonprofit homeowners or community associations.

Testimony in support of this measure was submitted by Chaney, Brooks and Company, the Gentry-Waipio Community Association, the Hawaii Association of Realtors, Realty Management Corporation, the Waikele Community Association, the Newtown Estates Community Association, and other community groups and private citizens. The Department of Taxation was not opposed to the passage of this measure.

Technical, nonsubstantive amendments were made to correct drafting errors and for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3283, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3283, H.D. 2.

Signed by all members of the Committee.

**SCRep. 584-92 Finance on H.B. No. 3708**

The purpose of this bill is to:

- (1) Impose a conveyance tax on the beneficiary interest in a land trust regardless of any provision in the trust document declaring the assets in the trust as personal property; and
- (2) Prohibit a person who is a beneficiary of a land trust or has been assigned a beneficiary interest in a land trust from participating in a sale of a residential house/lot within a development tract.

The Kamehameha Schools/Bernice Pauahi Bishop Estate testified in support of this bill. Your Committee also received testimony from the Department of Taxation, the Housing Finance and Development Corporation, the Tax Foundation of Hawaii, and the Hawaii Association of Realtors.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3708, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3708, H.D. 1.

Signed by all members of the Committee.

**SCRep. 585-92                      Finance on H.B. No. 3692**

The purpose of this bill is to repeal the Transit Capital Development Fund on December 31, 1992, if the City and County of Honolulu establishes a general excise and use tax surcharge pursuant to Section 46-16.7, Hawaii Revised Statutes; provided that the remaining terms and conditions of the development agreement remain in effect.

Testimony was submitted by the Department of Transportation, the Department of Transportation Services of the City and County of Honolulu, and the Tax Foundation of Hawaii.

Upon further consideration, your Committee has amended this measure by changing the repeal date of the Transit Capital Development Fund to October 1, 1992, if the City and County of Honolulu establishes a general excise and use tax surcharge.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3692, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3692, H.D. 1.

Signed by all members of the Committee.

**SCRep. 586-92                      Finance on H.B. No. 3425**

The purpose of this bill is to propose a constitutional amendment to prohibit the counties from taxing the real property of any public utility that is currently paying the State public service company tax.

The State Department of Taxation, the Public Utilities Commission, Hawaiian Electric Industries, Inc., and The Gas Company supported this bill. The Tax Foundation of Hawaii also presented testimony.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3425, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3425, H.D. 2.

Signed by all members of the Committee.

**SCRep. 587-92                      Finance on H.B. No. 3787**

The purpose of this bill is to authorize the counties to assess, impose, levy, and collect impact fees for all land development activity by:

- (1)        Setting forth general guidelines for the adoption of impact fee ordinances; and
- (2)        Establishing uniform general provisions within the county impact fee ordinances.

Your Committee received testimony from the Maui County Council, Hawaii Resort Developers Conference, Land Use Research Foundation of Hawaii, and the Chamber of Commerce of Hawaii in support of this measure. Testimony opposing this bill was also submitted by the Mayor of the City and County of Honolulu.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3787, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 588-92                      Water, Land Use, and Hawaiian Affairs and Transportation on H.B. No. 3132**

The purpose of this measure is to provide that the Chairperson of the Board of Directors of the Aloha Tower Development Corporation (ATDC) shall be elected by the Board from its members, rather than being the Director of Business, Economic Development, and Tourism.

Your Committees received testimony in support of this bill from ATDC, which argued that the expertise of members of the Board other than the Director of Business, Economic Development, and Tourism may be as useful or more useful in the role of the Chairperson. The Downtown Neighborhood Board of the City and County of Honolulu also testified in favor of the bill.

Your Committees on Water, Land Use, and Hawaiian Affairs and Transportation are in accord with the intent and purpose of H.B. No. 3132 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 589-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 3061**

The purpose of this bill is to amend Act 150, Session Laws of Hawaii 1990, by extending the deadline for the Department of Land and Natural Resources (DLNR) to enter into lease agreements with residents of Kalawahine, Oahu, from January 1, 1992 to January 1, 1993.

The DLNR testified before your Committee that it has been unable to meet the 1992 deadline, and would require more time to subdivide the land in question and to secure necessary state and county approvals.

Upon further consideration, your Committee has decided to ensure that DLNR is given adequate time to meet the provisions of Act 150, by amending the bill to provide for a December 31, 1993 deadline.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3061, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 590-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 3041**

The purpose of this measure is to correct the inadvertent omission of a citation in Section 209 of the Hawaiian Homes Commission Act, 1920, as amended, upon passage of Act 150, Session Laws of Hawaii 1990.

The Department of Hawaiian Home Lands testified in support of this bill.

A technical, nonsubstantive change was made for the purposes of style and clarity.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3041, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 591-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 2462**

The purpose of this measure is to subject the exchange of any public land parcel with a value of more than \$1 million to legislative approval, and to require the Department of Land and Natural Resources (DLNR) to submit a resolution for review of approval action 20 days prior to the start of the regular or special session at which the review is sought.

The DLNR and the Hawaii Sugar Planters' Association testified in opposition to this bill, noting that current law already provides for legislative disapproval of any public land exchange and expressing concern that the bill's provisions could complicate and delay land exchanges. Your Committee received testimony in support of this bill from the Downtown Neighborhood Board of the City and County of Honolulu and from the Native Hawaiian Legal Corporation, arguing that stronger controls of public lands transactions are important to protecting the interests of the public in general and of Native Hawaiians in particular.

Your Committee agrees that the public will benefit from a greater degree of legislative oversight of particularly large public land exchanges. Your Committee does not feel that requiring legislative approval for exchanges of only those public land parcels with a value in excess of \$1 million entails a risk of unduly burdening DLNR and the Legislature and obstructing such exchanges.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2462 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 592-92      Consumer Protection and Commerce and Judiciary on H.B. No. 3030**

The purpose of the bill is to amend Section 453-8(a), Hawaii Revised Statutes, to allow the Board of Medical Examiners ("Board") to consider disciplinary action against doctors for negligence which causes harm to another.

Your Committees received testimony from the Hawaii Federation of Physicians & Dentists and the Hawaii Medical Association. Both organizations opposed the bill, and testified that the current statute, in their view, provides adequate review of the medical profession. The Department of Commerce and Consumer Affairs supported the bill.

The current standard requires "gross negligence" before disciplinary action can be instituted. "Gross negligence" has been defined to mean a conscious indifference to circumstances and is a ridiculously high standard. Severe harm may be the result of mere negligence and it was felt that consumers should be protected in these instances as well.

Your Committees amended the bill in accordance with compromise language agreed upon by the testifiers substituting "egregious conduct" for "negligence causing harm to another." This is presumably a lower standard than "gross negligence" and will allow the Board greater latitude in its proceedings.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 3030, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 3030, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 593-92                      Judiciary on H.B. No. 3180 (Majority)**

The purpose of this bill is to ensure more efficient use of the available resources in the operation of polling places during elections.

One of the unintended effects of the 1992 reapportionment plan was the creation of a number of precincts comprised of 1 to 100 registered voters. There would be some precincts where the number of polling officials outnumber voters.

If enacted, this bill would provide that if the chief election officer determines that it is not practical or possible to establish a suitable polling place in a precinct, the chief election officer may issue a proclamation requiring the registered voters of any precinct to vote by absentee ballot provided that the precinct has less than 100 voters and a request for such proclamation is made by the county clerk.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor.

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. 3180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3180, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takamine.  
(Representatives Thielen and Ward did not concur.)

**SCRep. 594-92                      Judiciary on H.B. No. 3424**

The purpose of this bill is to provide the public the right to inspect and duplicate records containing the exact salaries of employees of the Department of Education and University of Hawaii. The bill removes these employees from those government employees whose salary range only is required to be publicly accessible.

Testimony in support of this bill was received from the Office of Information Practices and the Society of Professional Journalists, University of Hawaii at Manoa Student Chapter.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3424 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 595-92                      Judiciary on H.B. No. 3323**

The purpose of this bill, as received, is to impose a mandatory term of imprisonment of five years where a person possesses, uses, or threatens to use a firearm while engaged in the commission of a felony and a mandatory term of imprisonment of three years where a person carries or possesses a loaded firearm or carries or possesses a loaded or unloaded pistol or revolver without a license.

Testimony in support of this bill was received from the Prosecuting Attorney of the City and County of Honolulu and the League of Women Voters of Hawaii. Testimony in opposition to this bill was received from the Public Defender.

Your Committee has reservations about requiring a mandatory sentence under the conditions provided in this bill and has amended this bill by giving the court the discretion to impose a mandatory term of imprisonment.

This bill was also amended by deleting the provisions of Section 134-6, Hawaii Revised Statutes, which made it a class A felony to possess, use, or threaten to use a firearm while engaging in the commission of a felony because these provisions appear to be in large part duplicative of the provisions of Section 706-660.1, Hawaii Revised Statutes.

Technical, nonsubstantive changes 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. 3323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3323, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 596-92                      Consumer Protection and Commerce on H.B. No. 3018**

The purposes of this bill are to:

- (1) Clarify the licensing requirements of optometrists;
- (2) Require applicants for optometry licenses to pass the National Board of Examiners in Optometry's (NBEO) Clinical Skills Examination (CSE); and
- (3) Make various "housekeeping" revisions to Chapter 459, Hawaii Revised Statutes (HRS), for the purposes of clarity and style.

Your Committee finds that certain inconsistencies and ambiguities in Chapter 459, HRS, have impeded the State's ability to license and regulate the profession of optometry. For many years, the Board of Examiners in Optometry (Board) has developed and administered its own practical examination to measure the applicants' clinical skills. However, because of a "loophole" in the language of Chapter 459, HRS, the Board has been unable to prevent undertrained optometrists from practicing in the State. For example, while Section 459-7(a), HRS, specifies that an applicant must "take an examination before the Board", the statute does not require the applicant to pass the Board examinations. The revisions in this bill correct this inconsistency, as well as insure that a license will not be issued unless the prospective licensee meets the Board's examination requirements.

Your Committee notes that while the current Board examinations may provide a cursory review of an applicant's knowledge of the basic skills of the profession, the examinations are not as intensive as the NBEO CSE. The representative from the Board of Examiners in Optometry testified that the NBEO CSE would not only more accurately test an applicant's skills, but would conform Hawaii State licensure requirements for optometrists with national standards. Revisions proposed in this bill will strengthen the profession of optometry by adopting national standards for the licensure of optometrists in Hawaii.

In addition, your Committee further finds that while Section 459-7(f), HRS, requires all applicants to successfully complete instruction in general and clinical pharmacology, the provisions of this section are outdated and unnecessary because pharmacology is included in the curricula of all accredited schools of optometry. The provisions of this bill clarify Chapter 459, HRS, by deleting references to the obsolete pharmacology training requirement.

A technical, nonsubstantive change was made for purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3018, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 597-92                      Consumer Protection and Commerce on H.B. No. 3020**

The purpose of this bill is to repeal the drop dead date provision of the mandatory continuing education requirement for real estate licenses, making the requirement permanent.

The Real Estate Commission, the Committees of the Hawaii Association of Realtors, Hawaii Island Board of Realtors, Maui Board of Realtors, and the Kona Board of Realtors testified in strong support of the bill.

In 1987, the Legislature added a requirement for ten hours of continuing education over a two year period for a real estate broker or salesperson renewing their license. This requirement is scheduled to expire in 1995. This bill will delete the provision that Act 95 is repealed in 1995 making the requirement for continuing education permanent.

The real estate industry continues to grow in complexity. A recent report prepared by the Hawaii Real Estate Research and Education Center found that the mandatory continuing education program contributes significantly to ensuring that the level of professional knowledge and competency among real estate licensees is maintained and to protecting real estate consumers.

The Maui Board of Realtors also testified that since mandatory continuing education has been required, the range and frequency of classes available on the neighbor islands has greatly increased.

Your Committee finds that the mandatory continuing education requirement is serving an important function and providing benefit to consumers in the real estate industry. The requirement should accordingly be made permanent.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3020 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 598-92 Consumer Protection and Commerce on H.B. No. 2341**

The purpose of this bill is to add a new section to Chapter 437, Hawaii Revised Statutes, which allows a buyer to cancel a contract to purchase a new motor vehicle within three business days after the buyer signs the contract.

The Hawaii Automobile Dealers' Association testified that there was no need for this bill because a new motor vehicle sale is not complete until the buyer takes delivery of the car. The Department of Commerce and Consumer Affairs noted that questions and complaints had been received regarding cancellation of new motor vehicle contracts. Because there is a three day cancellation period for door-to-door sales, consumers have asked whether the same provision applies to new motor vehicle sales.

Your Committee recognizes the need to protect consumers in this area and to allow cancellation of the contract within three business days. Your Committee considered extending the cancellation period for a greater period, until the buyer takes possession of the vehicle. However, while such a provision may be good for the consumer, it hampers the dealer who presumably will be unable to sell any trade-in vehicle in the interval, and who may also incur large costs of changes or additions made to the car prior to delivery, in accordance with the buyer's wishes.

Technical, nonsubstantive changes were made to the bill to conform the bill to its intent. Your Committee clarified that the cancellation must be delivered within three days, and not mailed. Mailing within the three-day period extends the cancellation period until receipt of the mail, and makes resale of a trade-in vehicle impossible.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2341, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2341, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 599-92 Consumer Protection and Commerce on H.B. No. 2976**

The purpose of this bill is to amend the law relating to non-narcotic drug prescriptions which are written by out-of-state physicians. It would allow local pharmacists to refill these out-of-state prescriptions and also fill orally ordered out-of-state prescriptions. Under the current law, only original out-of-state prescriptions can be filled. No refills or orally ordered out-of-state prescriptions are permitted.

The Department of Health, Hawaii Pharmaceutical Association, and Hawaii Medical Association testified in support of the bill.

The bill will affect tourists and visitors to Hawaii. Because pharmacists are prohibited from accepting telephone prescriptions from out-of-state physicians or refilling valid out-of-state prescriptions, they often are faced with the situation where a visitor has run out of some chronic medication for blood pressure or diabetes and the pharmacist cannot provide the person with a necessary medication without violating the current statute. In a state where tourism is so important, having pharmacy statutes which do not allow Hawaii pharmacists to take care of our visitors is counter-productive.

Your Committee agrees with the purpose of the bill, but amends the bill so that "habit forming drugs" as well as "controlled substances" cannot be filled or re-filled under these provisions since not all habit forming drugs with a potential for abuse are "controlled substances."

Your Committee also made amendments for purposes of style, clarity, and consistency.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2976, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 600-92 Consumer Protection and Commerce on H.B. No. 3721**

The purpose of the bill is to amend §514A-82, Hawaii Revised Statutes, to require that the by-laws of condominium associations provide for the election of directors by cumulative voting.

Your Committee received testimony from the Condominium Property Regime Committee of the Real Property and Financial Services Section of the Hawaii State Bar Association, the Blue Ribbon Panel and the Condominium Subcommittee of the Hawaii Association of Realtors Government Affairs Committee. All supported the addition of cumulative voting, but expressed concern that the bill is confusing in its intent, does not use proper terms, and does not indicate whether cumulative voting will be mandatory or allowed only if requested.

Cumulative voting ensures that minorities have the opportunity for representation on an association's board of directors. It is an accepted corporate practice and is provided for in the statutes regarding for-profit and non-profit corporations.

Your Committee is in agreement with the intent of bill, but amended the bill to reflect the concerns noted above. The bill is amended as follows:

- (1) To add the term "cumulative voting;"



- (2) To indicate that cumulative voting will be allowed if requested forty eight hours prior to the meeting; and
- (3) To move the placement of the bill to §514A-82(b) so that cumulative voting will apply to all condominiums, and not just those built in the future.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3721, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 601-92 Consumer Protection and Commerce on H.B. No. 3284**

The purpose of this bill is to amend Section 460-6(3), Hawaii Revised Statutes, which would allow applicants for a Hawaii Osteopathic license to serve an internship of at least one year in a hospital approved by the American Osteopathic Association (AOA) and the American College of Osteopathic Surgeons, or in a hospital approved by the American Medical Association (AMA).

The Board of Osteopathic Examiners and a private citizen testified in support of the bill.

Forty-two states require a one-year internship in either an AOA or AMA hospital. Eight states require an internship in an AOA hospital only, including Hawaii. This bill will give more flexibility to recent graduates without compromising the licensure requirements.

Your Committee notes that accreditation by the AMA is delegated within the AMA to the Accreditation Council for Graduate Medical Education.

Your Committee made a grammatical non-substantive amendment to remove a comma on line 18, clarifying that equivalency is considered only for those who graduated prior to 1943.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3284, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 602-92 Consumer Protection and Commerce on H.B. No. 3035**

The purpose of this bill is to provide an alternative service of process method upon a corporation, and to eliminate service of process upon the Director of the Department of Commerce and Consumer Affairs.

Your Committee received testimony from the Department of Commerce and Consumer Affairs in support of the bill.

The bill will amend Section 415-14, Hawaii Revised Statutes, by deleting the provision for service of process upon the Director and by adding the provisions based on the Revised Model Business Corporation Act providing service of process upon the corporation by registered or certified mail, return receipt requested, addressed to the secretary of the corporation at its principal office.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3035 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 603-92 Consumer Protection and Commerce on H.B. No. 2737**

The purpose of the bill is to amend Section 521-43, Hawaii Revised Statutes, to require the following written disclosures to tenants:

- (1) The identity of the person responsible for the safekeeping or custody of the security deposit; and
- (2) The person to whom interest on the security deposit will be paid.

The Hawaii Association of Realtors testified in support of this bill. They noted that if the security deposit is held by a real estate licensee, then the holder is subjected to a stricter regulation than is applicable to private landlords and is required to keep the funds in a federally regulated banking institution in Hawaii. While not intending to impose the requirement that all landlords place security deposits in banking institutions, this bill will require all landlords to disclose to their tenants in writing the identity of the person responsible for the safekeeping or custody of the security deposits, and to whom interest on the security deposits, if any, shall accrue. In addition, this requirement will assist in those problems incurred by absentee landlords who violate Section 521-43(f) of the Landlord-Tenant Code which requires on-island representation.

Your Committee amended this bill by making a technical, nonsubstantive amendment for the purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2737, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 604-92 Consumer Protection and Commerce on H.B. No. 3011**

The purposes of this bill are (1) to meet the national accreditation standards established by the National Association of Insurance Commissioners, and (2) to provide for enhanced regulatory scrutiny and safeguards to better protect policyholders from the financial hardship and trauma of insurer insolvency.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs, the National Association of Independent Insurers ("NAII"), and the Hawaii Independent Insurance Agents Association.

The bill incorporates provisions of the model laws which have been adopted by the National Association of Insurance Commissioners (the "NAIC"), and consists of six parts: (1) Business Transacted with Producer Controlled Property/Casualty Insurer; (2) Holding Company System; (3) Managing General Agents; (4) Credit for Reinsurance; (5) Reinsurance Intermediary; and (6) Alien Reinsurers. Each of the provisions focuses on additional disclosures, review, reports and financial examination requirements needed to bring to Hawaii the minimum national standards designed by the NAIC to provide the increased vigilance that may prevent future failures like Executive Life Insurance Company (based in California) and Mutual Benefit Life Insurance Company (based in New Jersey).

The Department of Commerce and Consumer Affairs and NAII recommend that section 4 of the bill be amended to include an amendment that was added to the NAIC Managing General Agents Model Act in December 1990. This amendment will put the Hawaii law in conformity with the NAIC Model Act. Accreditation ensures that financial exams of our domestic insurers performed by the State of Hawaii will be accepted by the other states. It also assures us that we are competent pursuant to national standards. Nine states already conformed with the model act, and the other forty-one are in the process.

Your Committee has therefore amended section 4 of the bill to include the revised definition of "managing general agent".

Several nonsubstantive, technical amendments were made also.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3011, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 605-92 Judiciary on H.B. No. 3045**

The purpose of this bill is to:

- (1) Define "alcohol concentration";
- (2) Expand section 286-240(a)(2) so that a driver is disqualified from driving a commercial vehicle for a period of not less than a year if that driver is found to have any amount of controlled substance in the driver's blood;
- (3) Mandate the issuance of an out-of-service order to a driver who drives a commercial vehicle while having an alcohol concentration of 0.01 or more, or whose blood contains any amount of controlled substance;
- (4) Provide a procedure for holding hearings for drivers of commercial 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
- (5) Provide a way of holding hearings for drivers who are alleged to be driving a commercial vehicle while having in the driver's body a controlled substance.

Testimony in support of this measure was received from the Department of Transportation, the Honolulu Police Department, the Hawaii Transportation Association, and Mothers Against Drunk Driving. The Office of the Public Defender took no position on this matter but expressed concern over some of the provisions of the bill.

This measure proposes to penalize the driver of a commercial vehicle if the driver's blood contains "any amount of a controlled substance." This provision, as used throughout the proposed bill, does not require any impairment in the person's ability to operate the commercial vehicle.

Your Committee finds that "controlled substance" is defined in section 286-2 as "any substance so classified under section 102(6) of the Controlled Substance Act (21 United States Code §802(6)), and includes all substances listed on

schedules I through V of 21 Code of Federal Regulations Part 1308, as they may be revised from time to time." Chapter 329 provides similar schedules. These controlled substances include a wide number of drugs which may lawfully be prescribed by treating physicians. Thus, a person may lawfully be taking prescribed medication which does not impair driving ability but would violate the proposed law. Also, even if the medication taken as prescribed does impair driving ability, once the person stops taking the medication, it would have no effect on the person's driving ability. However, depending on the drug involved, there may still exist some residual amount of the drug in the person's blood. Some barbiturates, for example, exist for as long as two to three weeks in a person's blood.

This bill is amended by:

- (1) Deleting all proposed language involving "any amount of a controlled substance"; and
- (2) 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. 3045, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3045, H.D. 2.

Signed by all members of the Committee.

**SCRep. 606-92                      Judiciary on H.B. No. 3749**

The purpose of this bill is:

- 1) To implement a three year pilot project to require human immunodeficiency virus ("HIV") and sexually transmitted disease ("STD") counseling for persons convicted of prostitution who are not sentenced to a term of imprisonment; and
- 2) To provide that the \$500 fine assessed by the court will be allotted to the Department of Health to pay for the counseling.

The wider dissemination of information on HIV transmission and methods of protection is one of the best weapons we have against the spread of HIV, and counseling will assist in educating individuals engaged in behaviors that place them at a high risk of contracting or transmitting HIV on how to reduce this risk.

Testimony in support of this bill was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Governor's Committee on AIDS, the Hawaii Public Health Association, and the Department of Health.

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. 3749, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3749, H.D. 2.

Signed by all members of the Committee.

**SCRep. 607-92                      Judiciary on H.B. No. 3467**

The purpose of this bill is to prohibit the public and private sector from permanently replacing employees who are lawfully engaged in a strike. The bill also prohibits preferential treatment of individuals based on their willingness to work during a strike.

Testimony in support of this bill was received from Hawaii State AFL-CIO and from a private citizen.

Technical, non-substantive changes were made to the bill for purposes of style, clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3467, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3467, H.D. 1.

Signed by all members of the Committee.

**SCRep. 608-92                      Judiciary on H.B. No. 2308**

The purpose of this bill is to allow foreign nationals to retain their foreign drivers' licenses after such drivers' licenses have been invalidated and Hawaii drivers' licenses have been issued to them.

Foreign nationals working in Hawaii in excess of one year are experiencing a tremendous economic burden and inconvenience when they return to their home country. They must surrender their Hawaii drivers' licenses and reapply for their drivers' licenses issued in their home country. Since such individuals are treated as initial licensees, they are required to retake driver education courses, pass written and performance tests. If these foreign nationals were to surrender their valid Hawaii drivers' licenses together with their invalidated drivers' licenses issued in their home country, the process will be simplified and the costs dramatically reduced, since the applications will be treated as renewals.

If enacted, this bill would allow a driver's license issued by another country to be returned to the applicant upon invalidation of such driver's license when the applicant is issued a Hawaii driver's license.

Testimony in support of this measure was submitted by the Department of Transportation and the Department of Finance of the City and County of Honolulu.

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. 2308, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2308, H.D. 2.

Signed by all members of the Committee.

**SCRep. 609-92            Judiciary on H.B. No. 2597**

The purpose of this bill is to mandate prison terms and increase fines for people who are convicted of intentionally importing, possessing, or selling snakes or other prohibited animals, plants, and microorganisms in the State of Hawaii.

Testimony in support of this measure was received from the Sierra Club.

The State is currently encountering a growing problem with the illegal importation of alien species. The fragile ecosystems of Hawaii are already ravaged by non-native species of plants and animals. Much of the illegal importation of these non-native species is done purposefully and the perpetrators of these crimes should and must be held accountable. Some importations, however, are done accidentally and through ignorance and latitude should be used when affixing a proper punishment on the guilty party.

Your Committee amends this bill by deleting language mandating that the penalty for any person or organization who brings in an illegal alien species is guilty of a class C felony. It is felt that the range of fines which shall be applied to a guilty party, from \$2,500 to \$25,000 per violation, is sufficient to cause a person who may be planning to intentionally import an illegal alien species to think twice. Technical, nonsubstantive changes were also made for the purposes of clarity, consistency, and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2597, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2597, H.D. 2.

Signed by all members of the Committee.

**SCRep. 610-92            Judiciary on H.B. No. 3059**

The purpose of this bill is to allow the Department of Land and Natural Resources (DLNR) to adopt administrative rules relating to issuing permits to take aquatic life for scientific, education, or propagation, and for aquarium purposes.

Testimony in support of this measure was received from the DLNR.

The authority to adopt administrative rules for the issuance of other fishery-related licenses, permits, and fees in the Hawaii Revised Statutes were granted by the Legislature to the DLNR in previous years. This bill will allow the DLNR to transfer the measures on issuing the two permits from the Hawaii Revised Statutes to the DLNR's administrative rules on Fishing, Licenses, Permits and Fees.

Your Committee clarifies in this committee report that permits issued by the DLNR shall remain valid for not more than one year in duration. A technical, nonsubstantive change has also been made for the purposes of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3059, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3059, H.D. 1.

Signed by all members of the Committee.

**SCRep. 611-92            Judiciary on H.B. No. 3052**

The purpose of this bill is to define the job qualification criteria for elevator inspectors. Currently, qualifications for state inspectors require five years of previous experience as an elevator mechanic. This bill would require that the inspector meet the qualifications of the American Society of Mechanical Engineers and the American Society of Mechanical Engineers and the American National Standards Institute Standards for the Qualification of the Elevator Inspectors.

Testimony in support of the bill was received from the State Department of Labor and Industrial Relations.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3052, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3052, H.D. 1.

Signed by all members of the Committee.

**SCRep. 612-92                    Judiciary on H.B. No. 2300**

The purpose of this bill, as received, is to provide authority to fine persons who fail to comply with any State regulation and County ordinance regarding restrictions on the use of controlled-access roadways or highways. The fine imposed is no less than \$100 and no more than \$500.

Testimony in support of this bill was received from the State Department of Transportation, the Honolulu Police Department, and the Leeward Oahu Transportation Management Association.

Your Committee has amended this bill as follows:

1. By providing that the fine may be assessed for violations involving carpool lanes only;
2. By changing the minimum fine from \$100 to \$50;
3. By providing that 1 to 3 points may be assessed for carpool lane violations; and
4. By making technical, nonsubstantive changes for purposes of style, clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2300, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2300, H.D. 1.

Signed by all members of the Committee.

**SCRep. 613-92                    Judiciary on H.B. No. 1180**

The purpose of this bill is to set a dollar limit that towing companies are legally allowed to charge customers for towing service and storage of vehicles. It also provides that the towing company shall notify the legal and registered owner within a reasonable period not to exceed twenty days following the tow.

Your Committee received testimony from the City and County of Honolulu in support of this measure. The City and County of Honolulu has recently increased its rates for the towing of recovered stolen vehicles. Rates for towing of abandoned vehicles, tow zone violations, and accident vehicles have remained constant. All rates are below the allowable limits.

Testimony was also received from Hawaii Automotive & Retail Gasoline Dealers Association and private businesses in support of this measure.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1180, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1180, H.D. 2.

Signed by all members of the Committee.

**SCRep. 614-92                    Judiciary on H.B. No. 3046**

The purpose of this bill is to help reduce the damaging effects that over weight vehicles have on road and highway conditions.

The less than ideal conditions of some of Hawaii's roads and highways are often caused by over weight vehicles. To help reduce the damaging effects caused by these over weight vehicles, vehicle weight limitations have been enacted.

If enacted, this bill would eliminate the 5% tolerance for cases where the vehicle is weighed using a permanently installed platform scale.

Testimony in support of this measure was submitted by the Department of Transportation and the Hawaii Transportation Association.

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. 3046, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3046, H.D. 2.

Signed by all members of the Committee.

**SCRep. 615-92                    Judiciary on H.B. No. 2931**

The purpose of this bill is to establish uniformity and continuity in the definition of "alcohol concentration" as it relates to drunk driving.

Testimony in support of this measure was received from the Department of Transportation and the Law Enforcement Coalition.

This bill has been amended by adding language to clarify that a person commits the offense of driving under the influence of intoxicating liquor if the person operates or assumes physical control of the operation of any vehicle with an alcohol concentration of .10 or more in the person's blood or breath.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2931, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2931, H.D. 2.

Signed by all members of the Committee.

**SCRep. 616-92                    Judiciary on H.B. No. 3327**

The purpose of this bill is to add new definitions of injury in traffic accidents and provide increased penalties for individuals who fail to stop when they are involved in such accidents.

Testimony in support of this measure was received from the Department of Transportation, the Honolulu Department of the Prosecuting Attorney, the Honolulu Police Department, and Mothers Against Drunk Driving.

Your Committee makes it clear that the additional definitions contained in this bill are only for the purposes of determining criminal liability under chapter 291C, Hawaii Revised Statutes.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3327, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3327, H.D. 2.

Signed by all members of the Committee.

**SCRep. 617-92                    Judiciary on H.B. No. 3563**

The purpose of this bill is to give the Hawaii Housing Authority (HHA) the power to certify vehicles that are left on property owned, managed, or operated by HHA as derelict under Chapter 290, Hawaii Revised Statutes, so that the vehicles can be removed and disposed or junked.

Testimony was received in favor of this bill from the Hawaii Housing Authority and the City and County Department of Finance.

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

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

Signed by all members of the Committee.

**SCRep. 618-92                    Judiciary on H.B. No. 3239**

The purpose of this bill is to amend Chapter 291, part III, HRS, to conform with the rules established by the U.S. Secretary of Transportation for a uniform system of parking for persons with disabilities.

Testimony in favor of this measure was received from the State Department of Transportation, the Director of Finance for the City and County of Honolulu, the Commission on Persons with Disabilities, the Hawaii Centers for Independent Living, and the Department of Human Resources for the City and County of Honolulu.

Congress passed Public Law 100-641 and thereby directed the U.S. Secretary of Transportation to establish a uniform system for parking for persons with disabilities. On March 11, 1991, the U.S. Department of Transportation issued the final rules for Public Law 100-641. This measure will conform Hawaii law to the federal rules promulgated pursuant to Public Law 100-641.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3239, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3239, H.D. 1.

Signed by all members of the Committee.

**SCRep. 619-92                    Judiciary on H.B. No. 2315**

The purpose of this bill is to require persons who violate the child passenger restraint law to attend a safety training course approved by the State Director of Transportation.

Testimony in support of this bill was received from the State Department of Transportation and the Honolulu Police Department.

This bill was amended so that only first-time violators of the passenger restraint law will be required to attend and complete the child passenger restraint safety training course.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2315, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2315, H.D. 2.

Signed by all members of the Committee.

**SCRep. 620-92                    Judiciary on H.B. No. 3746**

The purpose of this bill is to provide statutory guidelines regarding the issuance of driver licenses to persons with epilepsy.

Testimony in support of the was received from the Department of Transportation and the Epilepsy Foundation of Hawaii. The Department of Finance of the City and County of Honolulu expressed no objection to this bill.

Your Committee has amended this bill by clarifying that every driver's license issued under this section after the first ten years of original issuance shall expire as provided in Section 286-106, Hawaii Revised Statutes. Technical, nonsubstantive changes were also made for purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3746, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3746, H.D. 2.

Signed by all members of the Committee.

**SCRep. 621-92                    Judiciary on H.B. No. 2455**

The purpose of this bill, as received, is to require inspection stations to replace lost, stolen, or destroyed inspection stickers upon presentation of the vehicle's current certificate of inspection, where the general appearance of the vehicle displays no visual defects indicating that the vehicle is in an unsafe operating condition.

Testimony in support of this bill was received from the State Department of Transportation.

Testimony from the Hawaii Automotive & Retailers Gasoline Dealers Association indicated concerns about possible additional liability upon the issuance of the replacement stickers.

Your Committee does not intend this bill to give rise to any liability on the part of inspection stations. The stations are merely required to replace what was lost, stolen, or destroyed. No new duty to inspect the vehicles is imposed.

To conform to this intent, your Committee has amended this bill by deleting the clause that required the general appearance of the vehicle to be without visual defects before the stickers may be replaced.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2455, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2455, H.D. 2.

Signed by all members of the Committee.

**SCRep. 622-92                    Judiciary on H.B. No. 49**

The purpose of this bill, as received by your Committee, is to limit the liability of landowners who enter into an agreement with the State to make land and water areas available for public access. The bill will authorize the State to enter into agreements with landowners wherein the State agrees to defend and indemnify against claims, injuries, and losses incurred by a landowner as a result of the public's use of the land.

Your Committee received testimony on H.B. No. 969, in conjunction with this bill, due to the similarities between the two bills.

Testimony in support of the operative portions of this bill was received from the Department of Land and Natural Resources, Hawaii Academy of Plaintiffs' Attorneys, Sierra Club, Hawaii Chapter, NA ALA HELE, Kauai County Council and two private citizens.

The bill was amended as follows:

- (1) All substantive provisions were deleted;
- (2) Substantive provisions of H.B. No. 969 were inserted;



- (3) A new definition of "Owner" was added; and
- (4) Technical, non-substantive changes were made for purposes of style, clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 49, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 49, H.D. 2.

Signed by all members of the Committee.

**SCRep. 623-92                      Judiciary and Education on H.B. No. 2896**

The purpose of this bill is to amend the State Constitution by creating four county boards of education, which would replace the current State Board of Education, and allow the Governor to appoint the Superintendent of Education subject to confirmation by the Senate.

Testimony in favor of this measure was received from the Lieutenant Governor. Testimony in opposition to this bill was presented by the Board of Education, the Hawaii State Teachers Association, and numerous private citizens.

After considering the presentations of all concerned, your Committees have made the following amendments to H.B. No. 2896:

- (1) Changed the title of Article X, section 2, of the State Constitution to read "State and Counties' Boards of Education";
- (2) Retained language keeping in existence a State Board of Education;
- (3) Mandated that each County's Board of Education incorporate the name of the county it serves;
- (4) Changed the title of Article X, section 3, of the State Constitution to read "Powers of the State and Counties' Boards of Education";
- (5) Mandated that the State Board of Education shall only set statewide, minimum education standards for public schools;
- (6) Mandated that the Counties' Boards of Education implement the State Board of Education's minimum education standards for public schools within each of their own respective counties;
- (7) Changed the question to be placed on the ballot to reflect the amendments made in H.B. No. 2896; and
- (8) Made technical, nonsubstantive changes for the purposes of clarity, style, and consistency.

Your Committees on Judiciary and Education are in accord with the intent and purpose of H.B. No. 2896, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2896, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 624-92                      Judiciary on H.B. No. 253**

The purpose of this bill is to remove the criminal offense of "cockfighting" from the Hawaii Penal Code and to place it within Chapter 142, Hawaii Revised Statutes (HRS), which relates to animals, brands, and fences.

Testimony in support of this bill was received from numerous private citizens, the President of the Hawaii Game Breeders Association, and a Hawaii County Councilmember.

Although this bill still classifies cockfighting as a misdemeanor, your Committee finds that classification of this offense in Chapter 142, HRS, is more appropriate.

Your Committee has amended this bill by adding the phrase "or baiting" to the definition of cruelty to animals in section 1 of the bill.

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

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

Signed by all members of the Committee.

**SCRep. 625-92                      Consumer Protection and Commerce and Judiciary on H.B. No. 2725**

The purpose of this bill is to authorize the board of directors or the manager of homeowner's associations, rental projects and commercial projects to conduct criminal history record checks on certain prospective employees through the Hawaii Criminal Justice Data Center (HCJDC). Act 293, Session Laws of Hawaii 1988, provided similar authorizations to condominium associations, and Act 325, Session Laws Hawaii 1989, provided similar authorizations to cooperative housing corporations.

Your Committees received testimony from the State Attorney General, Hawaii Association of Realtors, Chaney, Brooks & Company, Chamber of Commerce, and the Hawaii Council of Associations of Apartment Owners.

Condominium and cooperative associations may subject prospective employees of multi-family dwellings who handle funds, security keys, or who have access to apartment units to screening by the HCJDC. This bill extends this right to commercial and rental properties, as well as other multi-family residential developments. This will ensure greater safety for the occupants of multi-family dwellings. In order to qualify for this service a project must have at least twenty units. This will reduce the number of inquiries for smaller projects, and be less burdensome to the HCJDC.

The Attorney General expressed some concern about the workload that may result from this bill, noting that their workload is already expected to increase substantially due to checks on Department of Education personnel. However, they hope to have a public access computer terminal available soon. This would allow those requesting information from the HCJDC to access it personally, and lighten the burden for the Attorney General's staff.

While understanding the Attorney General's concern, your Committees found persuasive the fact that since other multi-family entities, namely condominiums and cooperative housing corporations, already have access to this information, the same safety concerns should apply to other multi-family projects.

Therefore, your Committees support the intent of the bill. However, the need for this service for commercial properties was questioned. Private guards or the personnel who would normally have access to commercial properties, are already licensed by the Department of Commerce and Consumer Affairs, thereby making this service unnecessary.

Therefore, your Committees amended the bill by deleting commercial property from the category of "qualified projects." Other nonsubstantive amendments were made for clarification.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 2725, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2725, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

#### **SCRep. 626-92**

#### **Consumer Protection and Commerce and Judiciary on H.B. No. 3358**

The purpose of this bill is to amend Chapters 444 and 481C, Hawaii Revised Statutes, to strengthen the law pertaining to unlicensed contractors.

Testimony in support of the bill was received from the Department of Commerce and Consumer Affairs, the Building Industry Associations of Hawaii and the Hawaii Landscape and Irrigation Contractor's Association. The Hawaii Flooring Association, the Pacific Insulation Contractors Association, and the Hawaii Tile, Marble, and Terrazzo Contractors testified in opposition to the bill.

The bill proposes five changes to the statutes regarding unlicensed contracting:

- (1) Increasing the licensing law exemption for "handymen" from less than \$100 to \$500 unless a building permit is required. Small residential projects usually cost more than the current \$100 exemption;
- (2) Allowing verifiable self-employment experience to be applied toward licensure;
- (3) Strengthening the aiding and abetting section by:
  - (a) Increasing the fines to a maximum of \$25,000 or the total amount of the contract price, whichever is greater; and
  - (b) Eliminating the necessity of proving the state of mind of the contractor when the contractor entered into a contract with an unlicensed contractor (by deletion of "knowingly");
- (4) Changing the owner-builder exemption by:
  - (a) Extending the holding period of the owner-builder of the property from one to two years after the completion; and
  - (b) Prohibiting a person who has violated the owner-builder exemption from registering as an owner-builder for a period of five years;
- (5) Providing a 30-day cancellation period for contracts with an unlicensed contractor solicited from a door-to-door sale.

Your Committees find that a reduction in unlicensed contracting is needed and agree with the intent and methods of this bill. Your Committees believe this will decrease unlicensed contracting activity.

Technical amendments were made to the bill to correct typographical errors and to clarify Section 3. Certain bill sections were moved and renumbered to conform to the Ramseyer convention.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 3358, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3358, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 627-92 Consumer Protection and Commerce on H.B. No. 2496**

The purpose of the bill is to conform real estate transactions law to the Federal Fair Housing Amendments Act of 1988, which protects the disabled from housing discrimination. The bill also contains a provision which would prohibit steering persons toward or away from a real estate transaction, and adds age as a protected group in a real estate transaction while still recognizing the special situation of housing designed for older persons.

Your Committee heard testimony from the Hawaii Civil Rights Commission and Hawaii Association of Realtors in support of the bill.

The amendments made by the bill, with the exception of the addition of age as a protected group, are necessary for Hawaii's statutes to be considered substantially equivalent to federal law by the Department of Housing and Urban Development ("HUD"), and for Hawaii to retain the equivalency certification that was issued to Hawaii in 1982. If Hawaii does not retain its equivalency certification, Hawaii will not be eligible to enter into a workshare agreement with HUD to conduct investigations of housing discrimination cases.

Without certification, the same act of discrimination in a real estate transaction can be the subject of two separate agency investigations, wasting valuable government resources and subjecting the accused to increased expenses and legal fees.

The bill also adds age as a protected group, to make the real estate transactions law consistent with Hawaii's employment and public accommodations laws. The Hawaii Association of Realtors expressed concern about a potential conflict with existing laws protecting minors. Accordingly, your Committee has amended the bill to exclude persons who have not reached the age of majority from the age category.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2496, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 628-92 Consumer Protection and Commerce on H.B. No. 3029**

The purpose of this bill is to allow the Board of Examiners in Naturopathy to qualify an applicant for licensure by endorsement, if certain requirements are met.

The Board of Examiners in Naturopathy (Board) testified in support of the bill. The proposed amendments enable the Board to qualify an applicant for licensure by endorsement provided the following criteria are satisfied:

- (1) The applicant holds a current, unrestricted, unsuspended, or unrevoked license to practice naturopathic medicine in another jurisdiction;
- (2) The applicant is not subject to a pending disciplinary action;
- (3) The applicant qualified for licensure in the other jurisdiction by having met equivalent or higher licensure requirements as those set by Hawaii (see section 455-7, HRS, and sections 16-88-12.1 and 14.2, Hawaii Administrative Rules).

Section 455-7, HRS requires that Hawaii applicants pass a test administered by a professional testing agency. Currently Hawaii contracts with the Naturopathic Physicians Licensing Examination (NPLEX). Your Committee amended the bill to only admit applicants from other jurisdictions who have passed the NPLEX exam, and not merely an exam administered by an individual state, which may be less thorough than the NPLEX. The amendment will guarantee that applicants pass the same national test that Hawaii practitioners must take, and thereby ensure that they meet the same standards.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3029, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3029, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 629-92 Consumer Protection and Commerce on H.B. No. 3039**

The purpose of this bill is to amend Chapter 672, Hawaii Revised Statutes, regarding the Design Professional Reconciliation Panel (DPCP).

The Department of Commerce and Consumer Affairs testified in support of the bill.

The proposed amendments clarify both procedural and substantive matters regarding the functioning of the DPCP, in order to address concerns regarding efficiency and fairness. Changes are proposed in the following areas:

- (1) To clarify that any party to a DPCP claim, not just the respondent, may seek a determination from the circuit court that the dispute is unsuitable for review by the DPCP;
- (2) To provide that a dispute is unsuitable for disposition under this chapter, where one or more design professionals are no longer under the legal or geographic jurisdiction of the panel, or refuse to participate in the DPCP proceedings to the detriment of the remaining parties;
- (3) To amend the section regarding appointment of persons to the Board so the Director of the Department of Commerce and Consumer Affairs will select the panel chairperson from a list of eligible persons approved by the Chief Justice of the Supreme Court. Currently the statute requires that the Chief Justice appoint the panel chairperson;
- (4) To compensate DPCP panel members even if a claim settles (at the discretion of the Director of the DCCA), because the panel may have spent considerable time reviewing documents prior to settlement. Additionally, the bill allows any moneys remaining from the mandatory \$450 fee paid by each party to be returned on a pro rata basis;
- (5) To delete provisions relating to department claim forms and oral presentation of claims;
- (6) To schedule hearings as soon as possible, in lieu of thirty days after the filing of the response;
- (7) To clarify that discovery is not allowed in DPCP proceedings, other than the production of work-related documents and records;
- (8) To give the panel thirty days in which to issue its written decision, rather than fifteen;
- (9) To amend the service requirements by allowing service upon either the party or the party's attorney; and
- (10) To require the panel to make a determination of damages only if evidence of damages has been presented.

Your Committee agrees with the intent of the bill, but made the following clarifying amendments:

- (1) A rebuttable presumption is created that the subject matter is unsuitable for review by a DPCP where the design professional is a third party defendant;
- (2) In cases which are settled, but the panel members are paid, such payment will be made at the time that the case is resolved, and therefore withdrawn from DPCP consideration; and
- (3) The determination as to which documents and records shall be produced shall be made by the chair of the panel.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3039, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3039, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

#### **SCRep. 630-92 Labor and Public Employment on H.B. No. 3470**

The purpose of this bill is to require the Hawaii Labor Relations Board to render a decision in a prohibited practice case within sixty days after the conclusion of the hearing.

Your Committee finds that under current practices, the Hawaii Labor Relations Board takes an inordinate amount of time to render its decisions for prohibited practices cases. Prompt and timely decisions are critical in these cases because public employers and unions may be potentially liable for back pay to a charging employee. This measure would ensure the expeditious handling of these cases.

The Hawaii Labor Relations Board and the United Public Workers submitted testimony on this measure.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3470 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

#### **SCRep. 631-92 Housing on H.B. No. 2601**

The purpose of this bill is to repeal Act 15, Session Laws of Hawaii 1988.

Testimony was submitted by the Housing Finance and Development Corporation, Kauai County Council and the City and County of Honolulu Department of Land Utilization.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2601 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. 632-92                      Planning and Economic Development and Water, Land Use, and Hawaiian Affairs on H.B. No. 2572 (Majority)**

The purpose of this bill is to amend chapter 205 of the Hawaii Revised Statutes to exclude golf courses, golf driving ranges, and country clubs from permissible uses within the agricultural districts.

Your Committees received voluminous testimony concerning H.B. No. 2572. The Office of State Planning, Board of Agriculture, Hawaii Farm Bureau Federation, Hawaii's Thousand Friends and the Sierra Club testified in favor of the measure. The Department of General Planning of the City and County of Honolulu, Planning Department of the County of Hawaii, the Chamber of Commerce of Hawaii, Land Use Research Foundation of Hawaii, and the Hawaii Resort Developers Conference testified in opposition to the measure.

Your Committees have amended this bill by adding a new Section 1 amending §205-2(d) of the Hawaii Revised Statutes, by removing golf courses and driving ranges as included uses on agricultural land that does not have an overall (master) productivity rating of class A or B. Section 1 has been renumbered as Section 2.

Your Committees have also amended this bill to correct technical drafting errors.

Your Committees on Planning and Economic Development and Water, Land Use, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 2572, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2572, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Alcon and D. Ige.  
(Representative Kanoho did not concur.)

**SCRep. 633-92                      Health on H.B. No. 2835**

The purpose of this bill, as received, is to establish within the Department of Health a rural health care task force to study the adequacy, accessibility, and availability of health care in rural areas of Hawaii and to develop strategies for the provision of appropriate and adequate access to health care.

Your Committee received testimony supporting the intent of this bill from representatives of the Department of Health, the Hawaii Academy of Family Physicians, the Hawaii Medical Association, the Hawaii State Primary Care Association, Wahiawa General Hospital, and some physicians and consumers testifying as individuals. Various suggestions were made for amending this bill. It was noted that medically underserved persons, who may be defined as "individuals who because of economic, geographic, cultural, or physical barriers lack access to primary care services", may be found in both rural and urban areas. It was further noted that family practice is an important component of a primary health care system, and that family practice has not been adequately developed as a specialty of medical practice in Hawaii.

Your Committee amended the purpose of this bill to:

- (1) Establish a primary health care incentive program;
- (2) Formalize the Department of Health's ongoing advisory group known as the Primary Care Roundtable; and
- (3) Acknowledge the important role of family practitioners in serving the medically underserved.

Your Committee further amended this bill by deleting those sections which established a rural health task force and described its duties. As amended, this bill would instead establish within the Department of Health a primary health care incentive program that would use existing resources to:

- (1) Focus additional attention on primary health care;
- (2) Study the adequacy, accessibility, and availability of primary health care to persons in Hawaii who are medically underserved;
- (3) Convene and provide staff support for a Primary Care Roundtable composed of knowledgeable professionals, consumers, and other interested parties to:
  - (a) Investigate the characteristics of medically underserved areas and populations in Hawaii, giving particular attention to shortages of health care professionals necessary to provide primary care;
  - (b) Investigate the feasibility of family practice clerkships, residencies, and other programs for medical school students and graduates;

- (c) Make recommendations for incentives to promote primary care as an area of practice by physicians and other providers;
  - (d) Develop strategies based upon the findings from its investigations; and
  - (e) Maintain an ongoing forum for discussion of data collection regarding primary health care gaps, incentives to promote the provision of primary care, and interdisciplinary cooperation among health care professionals;
- (4) Develop a strategy for the provision of primary health care in underserved areas;
  - (5) Promote community and consumer involvement in issues relating to primary health care in underserved areas;
  - (6) Produce and distribute minutes of the Primary Care Roundtable's discussions and submit annual reports to the Legislature; and
  - (7) Facilitate communication and coordination among providers, health care educators, community groups, and consumers.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2835, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2835, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Bainum.

**SCRep. 634-92                      Health on H.B. No. 3617**

The purpose of this bill is to assign to the Department of Health the responsibility for:

- (1) Establishing standards and training for dispatchers in the emergency medical services system and
- (2) Maintaining a program of quality assurance for dispatch equipment and operations.

A representative of the Department of Health provided testimony strongly in support of this bill. The testimony noted that medical dispatchers are recognized as a separate and important component of an effective emergency medical service system and that the Department of Health, supported by a federal grant, currently is developing training courses for medical dispatchers.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3617 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 635-92                      Transportation on H.B. No. 3049**

The purpose of this bill is to enlarge the area designated as pilotage waters off Barbers Point to increase safety for ships entering the harbor.

Your Committee on Transportation finds that the present area of pilotage waters at Barbers Point is inadequate for ships to anchor while awaiting entry to either the offshore moorings or the harbor. The enlargement of the pilotage area will enhance safety for vessels and reduce the possibility of an oil spill due to vessel grounding.

Your Committee received testimony from the Department of Transportation, Hawaii Pilots Association, and the Sierra Club.

Your Committee has amended this bill by modifying the description of pilotage waters for Honolulu to reflect the obliteration of Ahua Point by the construction of the airport reef runway.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3049, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3049, H.D. 1.

Signed by all members of the Committee.

**SCRep. 636-92                      Judiciary and Consumer Protection and Commerce on H.B. No. 3954**

The purposes of this bill, as received, are:

- (1) To create a new program within the Department of Commerce and Consumer Affairs (DCCA), whereby minimum standards for regulating environmental impact statement (EIS) preparers will be established; and

- (2) To direct the Director of the Department of Commerce and Consumer Affairs (Director) to conduct a review and evaluation of individuals engaged in the practice of preparing EISs and to report to next year's Legislature.

The report by the Director should:

- (1) Recommend a statutory mechanism for the regulation of EIS preparers;
- (2) Recommend minimum requirements for EIS preparers;
- (3) Recommend staffing requirements to implement and administer the program;
- (4) Recommend a transition program for implementation; and
- (5) Identify any other relevant issues or recommendations necessary.

Presently, there is no regulatory system for EIS preparers and there is a fair amount of concern that at least some preparers exhibit too much preparer bias in their reports or lack the ability to prepare fully informative, objective reports. Establishing a regulatory system whereby EIS preparers will have to abide by strict standards will help to ensure the competency and veracity of EIS preparers.

Testimony in support of the intent of this bill, but not to the bill as written, was received from the Land Use Research Foundation of Hawaii, the Sierra Club, Hawaii Chapter, the Hawaii Resort Developers Conference, the Hawaii Construction Industry Association, and the Construction Industry Legislative Organization, Inc. Some of the testimony presented indicated concerns that DCCA might not be the appropriate regulating agency.

This bill was amended by deleting the portions of the bill establishing the EIS program within DCCA and by requiring the Legislative Auditor's Office, instead of DCCA, to conduct the review and evaluation report on EIS preparers, and for the Legislative Auditor to take into consideration the sunset provisions of Chapter 26H, Hawaii Revised Statutes.

Your Committees on Judiciary and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 3954, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 3954, H.D. 1.

Signed by all members of the Committees.

**SCRep. 637-92                      Judiciary on H.B. No. 2340**

The purpose of this bill is to mandate that the minimum drinking age remain at 21 years.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Transportation, the Police Department of the City and County of Honolulu, the Hawaii Insurers Council, and Mothers Against Drunk Driving.

Technical changes for purposes of clarity and consistency were made.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2340, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2340, H.D. 1.

Signed by all members of the Committee.

**SCRep. 638-92                      Consumer Protection and Commerce and Judiciary on H.B. No. 3032**

The purpose of this bill is to amend Hawaii's Lemon Law in order to take into account certain concerns of manufacturers, consumers, and arbitrators who have participated in the Lemon Law arbitration process. This bill adds a new chapter to the Hawaii Revised Statutes, which will replace §490:2-313.1 and §490:2-313.2 of the Hawaii Revised Statutes.

Your Committees received testimony from the Department of Commerce and Consumer Affairs in support of this bill. Your Committees also received testimony from the Hawaii Automobile Dealers' Association and a private citizen.

The new chapter makes the following changes to the Lemon Law:

- (1) It establishes a specific "Lemon Law rights period" of the manufacturer's express warranty -- two years from original delivery to the consumer, or the first 24,000 miles, whichever occurs first. This corrects a problem in the original law which tied the Lemon Law rights period to the manufacturer's warranty. This served as a disincentive for manufacturers to offer longer warranty periods, as by doing so, they subjected themselves to a longer period during which the Lemon Laws were applicable. In addition, arbitrators had difficulty making decisions about events which could have occurred 6 or 7 years earlier.
- (2) It provides a fairer and more meaningful method for calculating the offset to an award to consumers for the consumer's use of the motor vehicle. The value of the consumer's use of the vehicle will be calculated based on the period from the date of delivery to the consumer to the third repair attempt, or up to the first repair attempt where the nonconformity is likely to cause serious bodily injury, or the date of the 30th cumulative



business day when the vehicle is out of service because of the nonconformity. This addresses the concern of arbitrators that some consumers receive a windfall because the full value of their use of their vehicle is not taken into account in the arbitration award.

- (3) It allows an offset for excessive wear and tear to the motor vehicle against an award to the consumer, if the excess wear and tear is unrelated to the nonconformity.
- (4) It makes certain changes to ensure consistency in the definition and use of "nonconformity" throughout the statute. The definition of nonconformity in the previous statute referred at various times to "use and market value", or "use, market value or safety". These inconsistencies caused confusion.
- (5) All references to "new" vehicles have been deleted. This is to clarify that the Lemon Law applies to any person to whom the vehicle has been transferred during the Lemon Law rights period, not just the original owner. This bill also clarifies that the Lemon Law applies to lessees as well as owners.
- (6) The definition of "Motor Vehicle" has been expanded to include vehicles registered in an individual's name, which is used for that individual's business purposes as well as for personal, family or household purposes.

Your Committees heard testimony stating that small family corporations, by virtue of being corporations, would still not qualify under the expanded definition of "Motor Vehicle", even if they do not possess the kind of leverage that fleet buyers have enabling them to obtain satisfactory resolution to problems with their vehicles.

Your Committees find that the choice of business entity (corporation, sole proprietorship or partnership) should not be the sole basis for exclusion from the protection of the Lemon Law, and that small business entities face the same kinds of problems that the Lemon Law was intended to address for individual purchasers.

Accordingly, your Committees amended this bill to include corporations and partnerships who have purchased or leased no more than three vehicles in the same year in which they purchased the "lemon." This definition should exclude fleet buyers while affording the protection of the Lemon Law to family or small business corporations.

- (7) This bill also requires the manufacturer or dealer to provide a detailed repair order. This will assist the consumer in obtaining the supporting documentation necessary to prove their case.
- (8) Under the current Lemon Law, a consumer is required to inform the manufacturer directly, in writing, of the alleged defect. However, the consumer may not be aware of this requirement unless the consumer receives the statement of rights, as required by law.

This bill remedies this by tying the requirement for notice to the requirement that the consumer receive the statement of rights. Thus, a consumer who has not be informed of the requirement because he has not received the statement of rights will not have to satisfy the requirement for written notice to the manufacturer.

- (9) Under the current Lemon Law, it is presumed that the manufacturer has been given a reasonable opportunity to repair the motor vehicle if it has been out of service at least three times. This bill adds an additional presumption: for a defect that is likely to cause death or serious bodily injury, there is a presumption that the consumer has given the manufacturer a reasonable opportunity to repair the vehicle after the first repair attempt. This recognizes that the consumer in these types of serious defect situations loses confidence in the manufacturer's ability to make the necessary repairs, and is unlikely to go back to the same person if the serious defect is not repaired the first time.
- (10) This bill also requires an automobile manufacturer to provide the consumer with a copy of any service bulletins or reports with respect to the vehicle, at the consumer's request. This would include notices that the condition may be repaired without charge after the warranty period has expired.

Your Committees believe consumers may not be aware of the existence of these bulletins, and therefore are not likely to request copies. Accordingly, your Committees have amended this bill to require a manufacturer to inform the consumer of any existing bulletins or reports relating to the nonconformity, and to advise the consumer of his or her right to obtain a copy of the bulletins or reports.

- (11) This bill will also require specific disclosure to any subsequent purchasers of "lemons" which have been returned to the dealer. This addresses the concern that "lemons" are being resold to unsuspecting consumers who have not be told that the vehicles have had, and may continue to have, significant defects.

To ensure compliance with this important provision, the bill provides that a violation of this section is prima facie evidence of an unfair or deceptive act under Chapter 480 of the Hawaii Revised Statutes.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 3032, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3032, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Cachola.

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 from the Medical Licensing Board and the Department of Health.

This bill adds a new section to chapter 453, Hawaii Revised Statutes, to permit the board of medical examiners to license graduates of foreign medical schools to fill administrative positions. The license is limited and does not qualify applicants to practice medicine.

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. The Department of Health informed your Committee that this will allow them to fill approximately twenty positions which are currently unfilled.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1186, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1886, H.D. 2.

Signed by all members of the Committee except Representative Cachola.

**SCRep. 640-92                      Consumer Protection and Commerce on H.B. No. 2809**

The purpose of this bill is to amend Chapter 437, Hawaii Revised Statutes, by deleting the bond requirements for new and used vehicle dealers.

The Motor Vehicle Industry Licensing Board (Board) and the Hawaii Automobile Dealers' Association testified in support of the bill.

The Board submitted a report to the Legislature in December 1988 regarding the need for, and the amount of, motor vehicle dealer licensing bonds. In response, the 1989 Legislature eliminated the bond requirements for manufacturers, factory branches, factory representatives, distributors, distributor branches and representatives, salespersons, and auctioneers. This bill eliminates the bond requirements for new and used car dealers, motorcycle and motor scooter dealers, and auctions. It also adds new licensing requirements for these licensees.

Your Committee finds that in order to qualify for a franchise awarded by a car manufacturer, a new car dealer must meet substantial financial requirements which are greater than the bond requirements. In addition the licensing procedures require a significant line of credit. However, the bond requirements will still apply to brokers because they do not need to meet the financial criteria outlined above.

Your Committee made technical, nonsubstantive amendments to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2809, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

**SCRep. 641-92                      Consumer Protection and Commerce on H.B. No. 2724**

The purpose of this bill is to provide that final public reports for two-apartment condominium projects will not be subject to the automatic 13-month expiration period otherwise mandated and that two-apartment condominium projects will not be subject to the requirement of the issuance of supplementary public reports.

Your Committee received testimony from the Condominium Property Regime Real Property and Financial Services section of the Hawaii State Bar Association and a private citizen.

The bill refers to two-apartment condominium projects which are usually held by one family. When conveyed to another family member, the action is often not a final sale. This bill will clarify the requirements in those instances.

Your Committee amended the bill to require that the developer shall notify the Real Estate Commission when both apartments are sold. Technical, nonsubstantive changes were also made for the purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2724, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2724, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

**SCRep. 642-92                      Consumer Protection and Commerce on H.B. No. 3025**

The purpose of the bill is to permit the Board of Medical Examiners to issue an educational teaching license, for teaching purposes only, to a physician who is not licensed in this state.

Your Committee received testimony in favor of the bill from Hawaii Federation of Physicians & Dentists, Hawaii Medical Association and the Dean of the John A. Burns School of Medicine, University of Hawaii.

Your Committee finds that this provision will allow physicians and medical students in Hawaii to benefit from the special expertise of renowned physicians who will be able to teach in Hawaii with the enactment of this bill. The visiting physician must be invited by a hospital, and will not be able to meet patients or have a practice out of the hospital setting.

Your Committee made technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3025, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Cachola.

**SCRep. 643-92                      Judiciary on H.B. No. 2820**

The purpose of this bill is to authorize the State Department of Transportation to issue citations to consignees of a container on a motor carrier.

Testimony in support of this bill was received from the State Department of Transportation and the Hawaii Transportation Association.

Your Committee has amended this bill by clarifying the definition of person and making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2820, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2820, H.D. 2.

Signed by all members of the Committee.

**SCRep. 644-92                      Water, Land Use, and Hawaiian Affairs on H.B. No. 3983**

The purpose of this measure is to expand the boundaries of the Diamond Head State Monument (Monument) by including additional State lands as well as providing for the transfer of land from the City and County of Honolulu, and to control development within the boundaries of the Monument.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, a Council member of the City and County of Honolulu, Neighborhood Board #5 of the City and County of Honolulu, the West Diamond Head Association, the East Diamond Head Association, the Save Diamond Head Association, Hawaii's Thousand Friends, the Outdoor Circle, and the Historic Hawaii Foundation, as well as several residents of the Diamond Head area.

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

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3983, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3983, H.D. 2.

Signed by all members of the Committee.

**SCRep. 645-92                      Water, Land Use, and Hawaiian Affairs on H.B. No. 3772**

The purpose of this measure is to establish a Mo'okini Heiau State Monument (Monument) on the island of Hawaii, and to return all State lands within and adjacent to the Monument to the Department of Land and Natural Resources (DLNR) for inclusion therein.

Your Committee received testimony from the current keeper of the Mo'okini Heiau in support of this measure. Although supportive of the intent of this bill, the DLNR testified in opposition, noting that the lands considered essential

for the purposes of the bill are primarily privately-owned, and maintaining that this matter is better addressed in a related measure, S.B. No. 3200, S.D. 1.

Your Committee finds that the Mo'okini Heiau is one of the most sacred sites to Native Hawaiians, and in 1963 became the first federally recognized historic site in the State. Your Committee further finds that action is required to recognize and protect Mo'okini Heiau and other associated sites nearby.

Upon further consideration, your Committee has amended this measure by replacing its provisions with the language contained in S.B. No. 3200, S.D. 1. As amended, the bill designates the Monument as the Hui Na Maka o Mo'okini State Monument, and includes the nearby associated sites within its boundaries.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3772, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3772, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 646-92                      Water, Land Use, and Hawaiian Affairs on H.B. No. 2981**

The purpose of this measure is:

- (1) To subject maximum building heights and densities in the Kakaako Community Development District to existing County or State regulations; and
- (2) To limit the height of structures constructed on Kakaako Community Development District land located seaward of Ala Moana Boulevard to 30 feet.

The Hawaii Community Development Authority (HCDA) testified in opposition to this bill, arguing that the height limit would hinder sound planning and effective redevelopment, and indicating that the only applicable height and density regulations in the area are those adopted by HCDA itself.

Your Committee finds that the construction of structures which obstruct the view seaward from Ala Moana Boulevard is contrary to the general development guidance policies established in Section 206E-33, Hawaii Revised Statutes, which governs HCDA's action in the Kakaako Community Redevelopment District. These general development guidelines provide, among other principals, for the preservation of major view planes and view corridors.

Your Committee has amended this measure by deleting the reference to existing state and county regulations.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2981, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 647-92                      Water, Land Use, and Hawaiian Affairs on H.B. No. 2489**

The purpose of this bill is to require the Hawaiian Homes Commission to publish annually in a newspaper of general circulation a list of all applicants for homestead leases.

Testimony was submitted by the Department of Hawaiian Home Lands, The Aged Hawaiians, The Hawaii Island Ahupua'a, Waimea Hawaiian Homesteaders' Association, Kawaihae Hawaiian Homesteaders' Association, and the Homestead Advisory Council.

Your Committee has amended the bill by:

- (1) Providing for publication of separate lists of applicants by island;
- (2) Providing for listing to be in order of numerical priority placement;
- (3) Providing for a descriptive explanation of the lists to be published; and
- (4) Making technical, non-substantive revisions for the purposes of clarity and style.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2489, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 648-92                      Water, Land Use, and Hawaiian Affairs on H.B. No. 2361**

The purpose of this measure is to require the Board of Land and Natural Resources (BLNR), upon application by all land owners in a subdivision, to waive any restrictive covenant upon the land, as long as the waiver shall not cause a violation of any state or county zoning requirements.

The Department of Land and Natural Resources (DLNR), presented testimony in support of this bill, while recommending that it be amended by:

- (1) Permitting, rather than requiring, the BLNR to grant a waiver;
- (2) Subjecting the granting of a waiver to the condition that the grantee or patentee pay to the BLNR the difference between the fair market value of the land based upon its restricted use and the fair market value with the restrictive condition waived; and
- (3) Stipulating that the authority granted to the BLNR shall not be construed to authorize the BLNR to waive the condition contained in any agreement of sale, deed, or patent which provides that upon change in use or breach of a condition, the title automatically reverts to the State, or the State shall have power of termination.

Your Committee finds that the amendments proposed by DLNR will bring the language of the bill into conformity with similar statutory language, and has amended the bill accordingly.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2361, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 649-92                      Finance on H.B. No. 3022**

The purpose of this bill is to improve the licensing and regulation of contractors by:

- (1) Requiring building permit applicants to submit a statement verifying that all specialty contractors are licensed under Chapter 444, Hawaii Revised Statutes (HRS);
- (2) Conforming the experience and examination requirements of contractor licensure to Contractors License Board (Board) rules;
- (3) Allowing licensing applicants sixty days from the date of the Board's decision to submit a request for a contested case hearing;
- (4) Applying the statute of limitations provisions of Section 444-28, HRS, to actions for arbitration awards which may result in collection from the Contractors Recovery Fund;
- (5) Increasing the interest rate on reimbursements to the Contractors Recovery Fund; and
- (6) Making various "housekeeping" revisions to Chapter 444, HRS, for purposes of clarity and style.

The Contractors License Board submitted testimony in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3022 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 650-92                      Finance on H.B. No. 3028**

The purpose of this bill is to amend the Uniform Land Sales Practices Act by:

- (1) Clarifying standards for the submittal of documents and establishing additional disclosures a subdivision developer must provide to the Department of Commerce and Consumer Affairs;
- (2) Repealing an exemption on the registration of subdivisions comprising one hundred or fewer units; and
- (3) Making various "housekeeping" revisions for purposes of clarity and style.

Testimony in support of this bill was submitted by the Department of Commerce and Consumer Affairs.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3028 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 651-92                      Consumer Protection and Commerce 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 one year of age.

Your Committee received supporting testimony from the Department of Transportation, Alamo rent-a-car, Inc., CATRALA-Hawaii, and the Car and Truck Renting and Leasing Association (CATRALA).

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3963, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 652-92                      Consumer Protection and Commerce on H.B. No. 3811**

The purpose of this bill is to enable the Board of Medical Examiners to extend temporarily, limited licenses it grants to physicians for periods beyond the eighteen month limit that is currently mandated in the law. The original intent of 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 heard testimony in support of this bill from the Board of Medical Examiners, the Hawaii Medical Association and a physician.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3811 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Cachola.

**SCRep. 653-92                      Judiciary on H.B. No. 3829**

The purpose of this bill is to require the Department of Education to submit a semesterly personnel certification compliance report to the Board of Education.

This measure will help provide specific demographic and quantitative information necessary to improving the quality of the teaching workforce.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3829, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 654-92                      Judiciary 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 mandated by federal law on child care providers that are exempt from state licensure.

If enacted, this measure 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 Judiciary is in accord with the intent and purpose of H.B. No. 3898 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 655-92                      Judiciary on H.B. No. 3248**

The purpose of this bill is to allow the County Directors 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) Enter into a contract for the registration of new vehicles.

If enacted, this measure will allow the State to facilitate the registration of transferred vehicles by accepting the certificate of title as prima facie evidence, as well as expedite the registration and issuance of license plates for new vehicles by enabling the Director of Finance of each county to contract for these services.

Testimony in support of this measure was submitted by the Department of Finance of the City and County of Honolulu and the Department of Finance of the County of Maui.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3248 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 656-92                    Judiciary on H.B. No. 2500**

The purpose of this bill is to amend the definition of "thrill craft" by:

- (1)        Deleting the definition limiting provision that "thrill craft" have an operational passenger carrying capacity of not more than the operator and one other person; and
- (2)        Including the term "thrill craft" within the category of "personal watercraft" as provided for by the Personal Watercraft Industry Association.

Testimony in support of this measure was submitted by the Department of Attorney General, the Department of Transportation, and the West Maui Taxpayers Association.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2500 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 657-92                    Judiciary on H.B. No. 3047**

The purpose of this bill is to penalize employers who knowingly allow unqualified drivers to drive commercial motor vehicles.

This measure is necessary to uphold the intent and purpose of Section 286-234, Hawaii Revised Statutes (HRS), which prohibits employers from allowing unqualified drivers to drive commercial motor vehicles. Currently, there are no provisions to penalize employers who violate this law.

Testimony in support of this bill was submitted by the Department of Transportation and Mothers Against Drunk Driving.

The Hawaii Transportation Association submitted testimony to support the intent of the bill but expressed some concern regarding how the term "knowingly" would be interpreted. Your Committee believes that the term "knowingly" should be interpreted according to the standards as established by the Penal Code of the HRS.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3047 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 658-92                    Judiciary on H.B. No. 2312**

The purpose of this bill is to allow only authorized information to be printed on temporary motor vehicle number plates.

Currently, many car dealers include advertisements or "thank-you" notes on the temporary motor vehicle number plates. The purpose of the information contained on the temporary motor vehicle number plates is only to identify the motor vehicle owner and to indicate the expiration date of the temporary motor vehicle license plate.

Testimony in support of this measure was submitted by the Department of Finance of the City and County of Honolulu and the Police Department of the City and County of Honolulu.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2312 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 659-92                    Finance on H.B. No. 3102**

The purpose of this bill is to improve the grants, subsidies, and purchases of service process by, among other things:

- (1)        Establishing within the Office of State Planning an Executive Coordinating Council to review and make recommendations on subsidies and purchases of services;
- (2)        Repealing the award of grants by the State; and



- (3) Appropriating funds to coordinate a planning process to ensure that health and human services needs are addressed.

Testimony in support of the intent of this bill was submitted by the Department of Budget and Finance, the State Planning Council of Developmental Disabilities, the Private Sector Team, Catholic Charities, Rehabilitation Facilities of Hawaii Inc., and Winners at Work.

Your Committee has made technical, nonsubstantive amendments throughout this bill to correct drafting errors and for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3102, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 660-92                      Finance on H.B. No. 3040**

The purpose of this bill is to:

- (1) Require the Hawaii Property Insurance Association (HPIA) to submit a report to the Insurance Commissioner when a member insurer fails to pay any HPIA assessment when due, and authorizes civil court action to enforce payment;
- (2) Limit the liability of the State with regard to claims, debts or causes of action arising out of HPIA actions or activities; and
- (3) Clarify the standards to be used by the Insurance Commissioner in evaluating HPIA's plan of operation.

Testimony in support of this measure was received by the Department of Commerce and Consumer Affairs, the Hawaii Island Board of Realtors, Inc., and the Hawaii Association of Realtors.

This bill has been amended by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3040, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3040, H.D. 2.

Signed by all members of the Committee.

**SCRep. 661-92                      Finance on H.B. No. 2519**

The purpose of this bill is to establish the Glass Incentive Special Fund to be administered by the Department of Health (DOH). The funds deposited to the special fund will be:

- (1) Generated by charging an assessment fee of 2 cents per glass container to glass packaging importers; and
- (2) Distributed to the counties for their glass recovery programs.

Testimony in support of this measure was received by the DOH, the City and County of Honolulu, the County of Kauai, the Hawaii Food Industry Association, the Recycling Association of Hawaii, and an interested individual.

This bill has been amended by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2519, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2519, H.D. 2.

Signed by all members of the Committee.

**SCRep. 662-92                      Finance on H.B. No. 2518**

The purpose of this bill is to:

- (1) Establish the Used Motor Vehicle Oil Recycling Special Fund, to be administered by the Department of Health (DOH); and
- (2) Authorize the Director of Health to:
  - (a) Collect a deposit of not less than 50 cents per quart of oil from wholesalers;
  - (b) Remit a deposit of not less than 50 cents, plus an incentive of not less than 10 cents per quart, to an approved disposer receiving used oil; and
  - (c) Pay those who are approved to dispose used motor oil, a fee of 50 cents per quart.

In addition, this bill requires persons accepting used oil to refund not less than 50 cents for each quart of used oil turned in by an individual.

Testimony supporting the intent of this bill was submitted by the DOH, Chevron U.S.A., the Recycling Association of Hawaii, and the Hawaii Automotive and Retail Gasoline Directors Association. However, the Department of Public Works of the City and County of Honolulu submitted testimony in opposition to the bill.

This bill has been amended by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2518, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2518, H.D. 2.

Signed by all members of the Committee.

**SCRep. 663-92      Finance on H.B. No. 2324**

The purpose of this bill is to amend various provisions relating to reapportionment by:

- (1) Allowing the Reapportionment Commission (Commission) to continue in operation and to assist the court in formulating a new reapportionment plan in the event of a successful court challenge of the plan;
- (2) Changing the period during which the Commission must be constituted, to after the third Wednesday of March but before May 1 of each reapportionment year;
- (3) Specifying that beginning with the 2001 reapportionment year, members shall be appointed and hold office until a general election is held under a reapportionment plan of the Commission or a new commission is constituted;
- (4) Specifying that the Commission reapportion members of both houses of the Legislature as prescribed by the Constitution of the United States and Article IV of the Hawaii State Constitution; and
- (5) Apportioning members of congressional districts according to the average number of persons in the total population counted in the last preceding United States Census.

The Chair of the 1991 Reapportionment Commission and the League of Women Voters of Hawaii testified in support of this bill.

Upon further consideration, your Committee has amended this bill by increasing the compensation for each Commission member to \$100 per meeting, not to exceed \$2,000 per month. Technical, nonsubstantive amendments were also made for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2324, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2324, H.D. 2.

Signed by all members of the Committee.

**SCRep. 664-92      Finance on H.B. No. 3799**

The purpose of this bill is to assist in the efforts to establish a complete health care system for the people of Hawaii by:

- (1) Facilitating the establishment of a statewide network of community-based primary health care centers in designated areas of need;
- (2) Establishing operational and service standards for the centers; and
- (3) Requiring the Department of Health (DOH) to submit an implementation plan for the centers' establishment which contains specific components for health care innovations.

The DOH, the Founder's Group for the Kokua Council for Senior Citizens, the Hawaii Public Health Association, the Hawaii Medical Association, the Hawaii Nurses' Association, and the Kalihi-Palama Health Clinic submitted comments in support of the intent of this measure.

Technical, nonsubstantive revisions 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. 3799, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3799, H.D. 2.

Signed by all members of the Committee.

**SCRep. 665-92      Finance on H.B. No. 3856**

The purpose of this bill is to expand and develop parenting education programs statewide.

Testimony in support of this measure was submitted by the Leeward Infant and Toddler Development Program of the Department of Health, Prevent Child Abuse Hawaii, the Hawaii Women's Political Caucus, a kindergarten teacher from Pearl City Highlands Elementary, and several parents who have participated in the Families for R.E.A.L. program.

Your Committee has amended this bill by:

- (1) Reducing the appropriation to \$1 for purposes of continued discussion; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3856, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3856, H.D. 2.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 666-92 Finance on H.B. No. 3179**

The purpose of this bill, as received by your Committee, is to expand the scope of Act 302, Session Laws of Hawaii 1991 (Act 302), to:

- (1) Allow the Office of the Lt. Governor to explore voting system technologies other than totally electronic systems;
- (2) Extend the lapse date for the appropriation from June 30, 1992, to June 30, 1993; and
- (3) Specify that the term "electronic voting system" includes but is not be limited to punchcard and marksense voting systems.

In addition, this bill also reduces the amount of the general fund appropriation from \$10,000,000 to \$3,000,000;

The Lieutenant Governor's Office and the Association of Clerks and Election Officials of Hawaii testified in favor of this bill, noting that the Temporary Advisory Committee on Electronic Voting Systems could not find a totally electronic voting system that could meet all of State's specifications and still remain affordable.

Upon further review, your Committee finds that Act 302 was entitled "Making an Appropriation for a Totally Electronic Voting System" and that it was the intent of the Legislature to appropriate funds for a totally electronic voting system in Act 302. This measure, as presently drafted, would not ensure the validity of Act 302 because it would go beyond the scope of the title and purpose of Act 302.

To maintain the integrity of the legislative process, your Committee has amended this measure by deleting its substance and instead:

- (1) Repealing Act 302 and providing that the unexpended balance of the appropriation made in Act 302 would lapse into the general fund;
- (2) Appropriating \$100,000 for the costs related to the acquisition of an electronic voting system, including the hiring of staff; and
- (3) Defining an electronic voting system to include punchcard and marksense voting systems.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3179, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3179, H.D. 2.

Signed by all members of the Committee.

**SCRep. 667-92 Finance on H.B. No. 3672**

The purpose of this bill is to provide health care coverage for emergency hires of the State who are employed for at least four consecutive weeks and have worked at least twenty hours in each of those weeks.

Currently, while most emergency hires work full-time schedules, their temporary status precludes them from participating in health care coverage offered to permanent full-time State employees. The emergency hires provide an array of needed human resources to meet the demands for government services.

The Department of Health, the Hawaii Public Health Association, and an individual who is classified as a State emergency hire submitted testimony in support of this measure. The Department of Budget and Finance and the Hawaii Public Employees Health Fund submitted comments.

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

- (1) Deleting the appropriation and expending agency sections; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3672, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3672, H.D. 2.

Signed by all members of the Committee.

**SCRep. 668-92                      Finance on H.B. No. 3067**

The purpose of this bill is to ensure that only the most suitable temporary employees are given permanent civil service status by allowing the appointing authority the option to require a full probationary period to assess the performance of these employees.

Under current law, the appointing authority is required to subtract temporary service from the required period of probationary service for all temporary employees hired from a list of eligibles, regardless of an employee's performance.

The Department of Personnel Services testified that the bill should be amended to clearly specify the conditions under which temporary service should be credited. Accordingly, your Committee has amended this bill to clarify that a temporary employee should be given probationary service credit when:

- (1) The employee has been performing in a satisfactory manner as a temporary employee; and
- (2) The duties the employee has been performing as a temporary employee are essentially similar to the duties that will be required of the employee in the probationary appointment.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3067, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3067, H.D. 1.

Signed by all members of the Committee.

**SCRep. 669-92                      Finance on H.B. No. 2567**

The purpose of this bill is to encourage operators of motorcycles and motor scooters to use safety helmets by imposing financial disincentives for those operators who choose not to use safety helmets.

Specifically, this measure would:

- (1) Establish a two-tiered fee schedule for vehicle registration and the Driver Education Fund underwriters fee, with higher fees for those who choose not to wear safety helmets;
- (2) Utilize the additional revenue to enhance the Driver Education Program for operators of motorcycles and motor scooters; and
- (3) Provide a 15 percent reduction to insurance premium charges for all coverage relating to personal injury for helmeted motorcycle or motor scooter operators.

Your Committee received testimony from the Department of Transportation, the Department of Health, the Department of Commerce and Consumer Affairs, the Department of Finance of the City and County of Honolulu, the Honolulu Police Department, the Hawaii Medical Association, the Chamber of Commerce of Hawaii, the Pacific Head Injury Foundation, the Injury Prevention Advisory Committee, the Rehabilitation Hospital of the Pacific, State Farm Insurance Companies, the Healthcare Association of Hawaii, the Hawaii Safety Helmet Coalition, and concerned citizens.

Upon further consideration, your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2567, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2567, H.D. 2.

Signed by all members of the Committee.

**SCRep. 670-92                      Finance on H.B. No. 3926**

The purpose of this bill is to appropriate funds for Hawaii tourism marketing.

The Department of Business, Economic Development, and Tourism; the Maui Hotel Association; and the Hawaii Hotel Association submitted comments on this measure.

The bill has been amended by inserting the nominal sum of \$1 in the appropriation section for purposes of continued discussion. Other technical, nonsubstantive revisions have also been made.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3926, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3926, H.D. 1.

Signed by all members of the Committee.

**SCRep. 671-92                      Finance on H.B. No. 3463**

The purpose of this bill is to reduce the State's dependence on imported oil for vehicular use by appropriating funds for an international clean fuels nonpolluting vehicle conference and rally which would advance the use and production of these types of vehicles in Hawaii.

The Department of Business, Economic Development, and Tourism; the Electric Vehicle Association of Hawaii; and Hawaiian Electric Company, Inc. supported this measure.

Your Committee notes that the language contained in this bill is broader than the bill's title. Accordingly, Section 2 of the bill has been amended by:

- (1)        Narrowing the focus of the conference from a clean fuels nonpolluting vehicle conference to an electric vehicle conference; and
- (2)        Deleting references to a rally.

This bill has been further amended by:

- (1)        Reducing the appropriation from \$40,000 to \$10,000; and
- (2)        Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3463, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3463, H.D. 2.

Signed by all members of the Committee.

**SCRep. 672-92                      Finance on H.B. No. 3342**

The purpose of this bill is to establish a Nonpoint Source Pollution Management and Control Program (Program) within the Department of Health (DOH).

The Program would administer, enforce, and carry out all laws, rules, and programs to control nonpoint sources of pollution in the state.

Your Committee received testimony supporting the intent of this measure from the United States Department of Agriculture Soil Conservation Service, the DOH, the University of Hawaii College of Tropical Agriculture and Human Resources, the Department of Public Works of the City and County of Honolulu, the Hawaii Chapter of the Soil and Water Conservation Society of America, the Koolau Agricultural Co., Ltd., and an interested citizen.

Upon further consideration, your Committee has amended the appropriated amount to \$1 for the purpose of continued discussion. Technical, nonsubstantive amendments were also made for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3342, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3342, H.D. 2.

Signed by all members of the Committee.

**SCRep. 673-92                      Finance 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.

Among other things, this bill would:

- (1)        Require the State to prepare a Biennial State Energy Emergency Preparedness Plan;
- (2)        Require each county to prepare a County Energy Emergency Preparedness Plan that is consistent with the State's Biennial State Energy Emergency Preparedness Plan;
- (3)        Clarify the conditions and the process in which the Governor may utilize moneys from the Petroleum Products Control Fund in the event of a shortage or when a shortage is imminent;
- (4)        Repeal the authority that currently allows counties to pass ordinances to exempt themselves from the State's energy emergency management control during a crisis; and
- (5)        Appropriate funds to be paid into the Petroleum Products Control Fund and allocated for county energy emergency preparedness purposes.

The Department of Business, Economic Development, and Tourism; the County of Maui's Planning Department; and the County of Kauai's Office of Economic Development supported this measure.

The bill was amended to correct certain typographic, technical, and stylistic errors. No substantive changes were made.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3134, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3134, H.D. 2.

Signed by all members of the Committee.

**SCRep. 674-92                      Finance on H.B. No. 3509**

The purpose of this bill is to establish a consistent process regarding donations of equipment and fixtures to the schools by:

- (1) Authorizing the Department of Education (DOE) to accept donations of all new equipment and fixtures;
- (2) Making the Department of Accounting and General Services (DAGS) responsible for the repair and maintenance of all donations of new fixtures; and
- (3) Making the DOE responsible for the repair and maintenance of all donations of new equipment.

Testimony in support of the intent of this bill was submitted by the DOE, DAGS, Hawaii Business Roundtable, Pearl Ridge Elementary School, Noelani Elementary School, Roosevelt High School PTSA, and Diversified Plumbing and Air Conditioning.

This bill has been amended by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3509, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3509, H.D. 2.

Signed by all members of the Committee.

**SCRep. 675-92                      Finance on H.B. No. 3157**

The purpose of this bill is to:

- (1) Disallow a deduction from gross income on an individual's income tax return for an amount paid into an Individual Housing Account (IHA) which is distributed within 365 days from the date on which the contribution was made to the IHA;
- (2) Clarify current statutory provisions that allow a husband and wife to deduct \$10,000 on a joint income tax return, if \$5,000 was deposited by each spouse in a taxable year; and
- (3) Clarify that the ten percent penalty applies to a person who sells the residential property during the ten year period subsequent to the purchase.

The Department of Taxation submitted testimony in support of this measure. The Hawaii Tax Foundation submitted comments.

Your Committee has amended this measure by deleting reference to the Federal Savings and Loan Insurance Corporation and substituting instead the entities that took its place, the Office of Thrift Supervision and the Resolution Trust Corporation.

Other technical, nonsubstantive revisions have been made to the bill for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3157, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3157, H.D. 2.

Signed by all members of the Committee.

**SCRep. 676-92                      Finance on H.B. No. 2319**

The purpose of this bill is to provide that the Housing Finance and Development Corporation (HFDC) shall require the installation of solar water heating equipment at any residential development project constructed with State funds, located on state lands, or otherwise subsidized by the State.

Supportive testimony was received by the Department of Business, Economic Development, and Tourism (DBED), Hawaiian Electric Company, Inc., and the Hawaii Solar Energy Association, Inc. While supporting the intent of this measure, HFDC testified that this bill was unnecessary and the requirements could be established administratively. HFDC also noted that they did not have the expertise to make an evaluation of the requirements.

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

- (1) Designating DBED as the agency to perform an evaluation of these solar water heating requirements and to submit a report to the Legislature in 1996; and
- (2) Making a technical, nonsubstantive amendment for the purpose of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2319, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2319, H.D. 2.

Signed by all members of the Committee.

**SCRep. 677-92 Finance on H.B. No. 3853**

The purpose of this bill is to provide interpreter services for deaf, hard-of-hearing, and deaf-blind persons at public hearings and other legislative events deemed appropriate by the Commission on Persons with Disabilities.

Hawaii Services on Deafness, the Commission on Persons with Disabilities, and the Hawaii State Coordinating Council on Deafness submitted testimony supporting the intent of this bill.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3853, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3853, H.D. 2.

Signed by all members of the Committee.

**SCRep. 678-92 Finance on H.B. No. 3564**

The purpose of this bill is to establish a revolving fund to be known as the Challenge Grant Fund, to be administered by the Housing Finance Development Corporation (HFDC), for loans and grants to individuals for innovative housing proposals and projects that:

- (1) Streamline housing development and construction processes;
- (2) Use new products, materials, and methods that can lower housing production costs or accelerate construction; and
- (3) Assist homeless, low-income, or moderate-income persons or families.

In addition, the sum of \$100,000 from the Homes Revolving Fund would be transferred into this new revolving fund.

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

- (1) Changing the name of the revolving fund from the "Challenge Grant Fund" to the "Challenge Grant and Loan Fund" since this revolving fund will be authorized to make grants and loans to eligible applicants;
- (2) Specifying the transfer of \$100,000 from the Homes Revolving Fund to the state general fund as repayment for moneys advanced pursuant to Section 201E-207, Hawaii Revised Statutes;
- (3) Appropriating \$100,000 from the State general fund to be paid into the Challenge Grant and Loan Fund; and
- (4) Making technical, nonsubstantive revisions to correct drafting errors and for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3564, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3564, H.D. 2.

Signed by all members of the Committee.

**SCRep. 679-92 Finance on H.B. No. 3164 (Majority)**

The purpose of this bill is to amend the law that allows resident taxpayers to claim a county surcharge excise tax credit beginning after December 31, 1992, if a county general excise and use tax surcharge is enacted and collected starting January 1, 1993.

More specifically, this bill:

- (1) Revises the computation method of the county surcharge excise tax credit to follow a tax credit schedule based on adjusted gross income;
- (2) Allows only taxpayers residing in a county that has a county general excise and use tax surcharge in effect to claim the tax credit;



- (3) Requires 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;
- (4) Increases the medical services excise tax credit to 4.5 percent for residents residing in a county that has a county general excise and use tax surcharge in effect;
- (5) Allows taxpayers to claim a capital goods excise tax credit of 4.5 percent of the cost of eligible depreciable tangible personal property purchased for use in a trade or business in a county in which the county general excise and use tax surcharge is in effect; and
- (6) Provides penalties for taxpayers who falsely claim these tax credits.

The Department of Taxation and the City and County of Honolulu's Department of Finance submitted testimony supporting this measure. The Tax Foundation of Hawaii also submitted testimony.

This bill was amended to correct certain typographic, technical, and stylistic errors; no substantive changes were made.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3164, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3164, H.D. 2.

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

**SCRep. 680-92                      Finance on H.B. No. 2683 (Majority)**

The purpose of this bill is to:

- (1) Centralize scattered and disparate environmental protection programs within one administrative unit;
- (2) Better enforce existing environmental statutes; and
- (3) Establish a process to improve coordination, communication, and conflict resolution with regard to environmental protection issues among various departments.

This bill proposes to accomplish these objectives through the establishment of a new Department of Environmental Protection.

The following agencies and organizations supported this bill: the Department of Health; the Office of State Planning; the State of Hawaii Environmental Council; a broad coalition of Hawaii environmental organizations; the Hawaii Audubon Society; the Hawaii Food Industry Association; the Hawaii Public Health Association; Young Democrats of Hawaii; and the Conservation Council for Hawaii. The Land Use Research Foundation of Hawaii opposed the bill.

Your Committee has amended this bill by:

- (1) Deleting the requirement in Section 21 that the proposed budget for the new department shall be no less than two percent of the State's operating budget request; and
- (2) Correcting certain typographic, technical, and stylistic errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2683, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2683, H.D. 2.

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

**SCRep. 681-92                      Finance on H.B. No. 2783**

The purpose of this bill is to:

- (1) Establish a permanent program within the Department of Education (DOE) and appropriate \$33,000 to continue the visitor industry practicum courses offered at Farrington High School and Waipahu High School, and to expand the course offering to other public high schools;
- (2) Establish a two-year pilot program within the Department of Labor and Industrial Relations and appropriate \$50,000 to develop visitor industry practicum courses for a high school located in each of the counties of Hawaii, Kauai and Maui; and
- (3) Require the Tourism Training Council to submit interim reports to the Legislature on the progress of the Neighbor Island visitor industry course offerings.

The DOE, the Department of Labor and Industrial Relations, the Commission on Employment and Human Resources, Hilton Hotels, the Maui Hotel Association, Outrigger Hotels Hawaii, and the Hawaii Hotel Association submitted comments in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2783 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 682-92                    Finance on H.B. No. 3332**

The purpose of this bill is to repeal the Dispersal Review Council and to transfer its personnel, equipment, documents, and appropriations to the State Health Planning and Development Agency.

Your Committee received testimony in support of this measure from the Department of Health, the State Health Planning and Development Agency, and the Hawaii Statewide Health Coordinating Council.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3332 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 683-92                    Finance on H.B. No. 2980**

The purpose of this bill is to preserve an injured employee's right to vocational rehabilitation after a determination of permanent partial disability if, within four years of the employee's return to work, the employee's job description changes so that the employee is no longer able to perform the job because of the disability or because the position has been eliminated.

This measure also requires the Director of Labor and Industrial Relations to submit a report on the impact of affected vocational rehabilitation cases to the Legislature before the 1993 Regular Session.

Testimony in support of the intent of this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii Nurses Association, the Hawaii State Teachers Association, and the ILWU Local 142. The Chamber of Commerce of Hawaii submitted testimony in opposition to this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2980, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 684-92                    Finance on H.B. No. 2800**

The purpose of this bill is to appropriate \$900,000 to the Legislative Reference Bureau for the publication of replacement volumes to the Hawaii Revised Statutes (HRS) and to employ temporary staff to accomplish this task.

As a result of this major undertaking, a 1992 supplement to the HRS will not be published.

The Legislative Reference Bureau submitted testimony in support of this measure clarifying the rationale for the publication of the replacement volumes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2800 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 685-92                    Finance on H.B. No. 2843**

The purpose of this bill is to require the Department of Health (Department) to administer and implement a comprehensive hearing and vision program for the detection, identification, treatment and monitoring of hearing and vision deficiencies of school-aged children.

In addition, the Department, in conjunction with educational personnel, will be responsible for educational programs emphasizing hearing and vision conservation for the community at-large.

At the present time, the Department, in cooperation with the Department of Education, currently screens for hearing and vision deficiencies only when it is deemed "advisable."

Testimony in support of this measure was submitted by the Department of Education, the Commission on Persons with Disabilities, the Hawaii State Coordinating Council on Deafness, Hawaii Services on Deafness, the Hawaii Speech-Language-Hearing Association, speech-language pathologists of the DOE, recipients of the current services offered, and concerned citizens. The Department submitted testimony in opposition to the measure citing reservations with regard to the mandating of additional services as set forth.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2843 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 686-92                      Finance on H.B. No. 3698**

The purpose of this bill is to:

- (1)        Include permanent full-time employees of collective bargaining unit 9--nurses--in the voluntary job-sharing pilot project; and
- (2)        Eliminate the requirement that the Legislative Auditor submit yearly status reports to the Legislature for the life of the job-sharing pilot project.

The Office of the Legislative Auditor and the Hawaii Government Employees Association submitted testimony in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3698 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 687-92                      Finance on H.B. No. 3070**

The purpose of this bill is to authorize the State Foundation on Culture and the Arts (SFCA) to establish an assistant director position, exempt from the provisions of Chapters 76 and 77, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the SFCA and the Department of Accounting and General Services. The SFCA indicated that dramatic growth and the substantial increase in its budget, programs, and personnel require additional administrative staff support.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3070 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 688-92                      Finance on H.B. No. 3603**

The purpose of this bill is to specify that one of the three Governor-appointed members of the Board of Trustees of the Employees' Retirement System (System) shall be a retirant of the System to represent the interests of the retirees and beneficiaries.

Your Committee received testimony on this bill from the Employees' Retirement System and the Coalition of Hawaii State-Counties Retirees Association.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3603 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 689-92                      Finance on H.B. No. 3246**

The purpose of this bill is to include State and County employees in the coverage of Section 103-10, Hawaii Revised Statutes, which requires that the State and the counties pay their bills within thirty days following the receipt of a statement, the satisfactory delivery of goods, or the satisfactory performance of services. After the expiration of the thirty days, interest in the amount of twelve percent begins to accrue on the unpaid amount.

Currently, only vendors doing business with State or County government are afforded prompt payment protection. This measure will help ensure the prompt payment of proper requests for the reimbursement of mileage, excess hotel costs, petty cash, and similar work-related expenses to state and county employees.

The Hawaii Government Employees Association testified in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3246 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 690-92                      Finance on H.B. No. 3890**

The purpose of the bill is to appropriate funds to restore the prison inmate grievance system by authorizing the Department of Public Safety (PSD) to establish four full-time equivalent permanent positions for the inmate grievance project.

Your Committee received testimony from the PSD.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3890, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 691-92      Finance on H.B. No. 3427**

The purpose of this bill is to appropriate funds to be expended by the Department of Business, Economic Development, and Tourism (DBED) for the Pacific Mapping Program which will archive a variety of physical characteristics of the Pacific Ocean for future economic development purposes.

Testimony in support of the intent of this bill was received by DBED and the Pacific Mapping Program.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3427 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 692-92      Finance on H.B. No. 3097**

The purpose of this bill is to allow lending institutions that participate in the development of low-income rental housing projects to utilize low-income housing tax credits.

At the present time, the application of this particular housing tax credit is limited to income and corporate tax liabilities. Financial institutions are subject to a franchise tax. This measure would expand the applicability of this tax credit to financial institutions who wish to participate in the development of low-income rental housing projects.

This particular credit is a statutorily fixed amount which is determined by the federal government.

The Department of Taxation, the Housing Finance and Development Corporation, and the Hawaii Bankers Association submitted testimony supporting the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3097, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 693-92      Energy and Environmental Protection on H.B. No. 3228**

The purpose of this bill is to make the State's hazardous waste management law consistent with the federal hazardous waste permitting requirements.

Your Committee on Energy and Environmental Protection finds that although Hawaii has a state hazardous waste law in effect, the federal law and regulations relative to monitoring and enforcement are routinely conducted pursuant to federal standards. This bill will correct the discrepancy between state and federal laws regarding permitting requirements for hazardous waste facilities.

Supportive testimony for this bill was heard from the Department of Health. The Department testified that it is actively preparing for federal authorization to regulate hazardous waste in Hawaii in lieu of the federal program. This bill will permit local hazardous waste facilities that are in compliance with federal permitting standards to be authorized to operate under State law.

Your Committee on Energy and Environmental Protection has amended this bill by deleting the words "or before" as they relate to the time of existence of a hazardous waste facility.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3228, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 694-92      Energy and Environmental Protection on H.B. No. 2336**

The purpose of this bill is to encourage the development and application of environmentally-sound conservation practices by requiring the publishers of newspapers in Hawaii with a circulation over fifty thousand to utilize newsprint containing recycled paper in the publication of their newspapers.

Your Committee finds that the making of paper consumes large volumes of valuable resources such as energy, water, and rapidly dwindling forest products. Furthermore, the paper making industry pollutes our nation's air and waters with many toxic by-products, and post-consumer paper waste takes up valuable landfill space each year. In order to conserve resources and landfill space and prevent further environmental degradation as much as possible, your Committee finds that recycling and waste reduction programs are essential.

Testimonies received from the Recycling Association of Hawaii, the State Department of Health, the City and County of Honolulu Department of Public Works, the Sierra Club, and the University of Hawaii's Environmental Center supported the intent of the bill but indicated that its goals were very conservative and recommended several modifications to strengthen it. These suggestions included requiring as much as fifty per cent post-consumer waste fiber be used in newsprint, giving post-consumer waste fiber a ten to fifteen per cent cost differential over virgin paper, significantly shortening the timetable for implementation of such requirements, and including enforcement and penalty provisions in the bill.

Testimony received from the Hawaii Publishers Association supported the measure in its present form but expressed concerns about increased costs to the consumer which might be caused by more aggressive amendments.

Your Committee finds that the need to reduce waste through aggressive recycling policies is critical to the health and economic well-being of Hawaii's people. Your Committee also recognizes that recycling has proven to be one of the most effective means of conserving valuable resources and mitigating the environmental damage associated with modern process industries. Therefore, your Committee has amended this bill by requiring all newspapers with a circulation of twenty-five thousand or more per week to utilize at least ten per cent post-consumer waste fiber in their annual aggregate fiber content as of 1994. This requirement shall increase to fifteen per cent in 1996, twenty per cent in 1998, and twenty-five per cent in 2000. In order to make a strong commitment to the recycling industry and address the current market imbalance between recycled fiber and virgin paper production, the bill has also been amended to include a five per cent price differential for post-consumer waste fiber.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2336, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2336, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 695-92**

**Energy and Environmental Protection on H.B. No. 2391**

The purpose of this bill is to amend Chapters 341 and 343, Hawaii Revised Statutes in order to make changes to Hawaii's Environmental Impact Statement system. These changes include the addition of definitions for "cumulative impact," "preparation notice," and "wetland;" requiring the Director of Environmental Quality to actively review environmental impact statement documents and coordinate and review agency participation in the review process; deleting the environmental assessment (EA) trigger for helicopter facilities; requiring the preparation of an EA for any proposal for the introduction of a new species, including genetically altered organisms; enhancing both public and secondary agency participation and review provisions in the environmental impact statement process, particularly in regards to negative declarations; and including dispute resolution as a method for appealing an agency determination.

Your Committee finds that strengthening Chapter 343 is essential if Hawaii's Environmental Impact Statement system is to become a truly effective tool for providing public participation and information in the land use planning process. This bill addresses current deficiencies in Chapter 343 by enhancing public and agency participation, and by broadening potential uses which should trigger the environmental impact statement review process.

Testimonies received from the Sierra Club and the University of Hawaii's Environmental Center supported this measure while Hawaii Resort Developers Conference and the Land Use Research Foundation of Hawaii submitted testimonies in opposition to H.B. 2391. The Office of Environmental Quality Control and Dr. Carl Honig also submitted testimony.

Your Committee has amended this measure in the following ways:

- (1) By modifying the definition of "preparation notice" by substituting the word "may" in place of "will;"
- (2) By adding a new definition of "wetland" to section 343-2;
- (3) By including "special management areas" with the shoreline area environmental assessment (EA) trigger;
- (4) By requiring environmental assessments for sites designated by the Office of Hawaiian Affairs;
- (5) By deleting proposed language in subsection 343-5(a)(6);
- (6) By retaining the helicopter facility EA trigger;
- (7) By deleting the proposed EA trigger for introduced species, including genetically altered organisms;
- (8) By adding an EA trigger for any proposed use within a wetland;
- (9) By adding an EA trigger for any use which would adversely affect critical habitat areas or endangered species;

- (10) By deleting proposed language for public review and comment for a thirty day period following the agency submittal of a draft negative declaration, or following the acceptance of an agency's final statement, because this issue is addressed in another pending bill;
- (11) By deleting proposed language requiring the Office of Environmental Quality Control to review environmental impact statements for accuracy and adequacy, flag issues, and coordinate and monitor other agencies participating in the review process;
- (12) By deleting all of section 5 of the measure, as it is redundant; and
- (13) By consolidating sections 6 and 7 with section 5 of the measure.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2391, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 696-92      Energy and Environmental Protection on H.B. No. 3085**

The purpose of this bill is to correct a statute drafting error. This bill would amend Chapter 342N-30(c), Hawaii Revised Statutes, correcting a statute drafting error found in Act 200, Session Laws of Hawaii 1991.

Your Committee on Energy and Environmental Protection finds that Act 200, as written, would allow the disposal of oil onto the ground with approval of the Director of Health and the landowner. It was not the intent of Act 200 to permit discharge of oil onto the ground, but the provision for "re-enactment of Section 342N-30(c) in the form in which it read on the day before the approval of this Act" would permit such disposal.

The Department of Health testified that this was a housekeeping bill to clear up any misconception that oil could be discharged onto the ground under certain conditions.

A technical, nonsubstantive amendment was made to correct a typographical error.

Your Committee on Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3085, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 697-92      Energy and Environmental Protection and Transportation on H.B. No. 3233**

The purpose of this bill is to create uses for recycled glass by requiring that the State Department of Transportation develop specifications for ten per cent crushed glass in road base fill paving and asphalt modified aggregate within twenty-four months after the enactment of this measure. Prior to the development of such specifications, this bill requires that crushed glass be utilized in non-structural applications in all state and county contracts.

Your Committees find that the State's and Counties' increasing stockpiles of recycled glass coupled with the dramatic nationwide price decrease for this product pose costly solid waste disposal problems for Hawaii. As it is expected that there will be no mainland market for recycled glass in the near future, and as many of Hawaii's landfills are already at or close to capacity, the oversupply of post-consumer glass must be addressed immediately if Hawaii is to alleviate its solid waste disposal crisis. Your Committees find that the best solutions to this problem incorporate the reuse or recycling of glass in necessary applications within the State. By using recycled glass in road reconstruction and as non-structural fill, Hawaii will not only solve its post-consumer glass disposal problem but will also save energy and costs associated with shipping the glass out of state, and save natural resources used in the construction industry.

The State Department of Transportation, the State Department of Health, the City and County of Honolulu Department of Public Works, the Hawaii Food Industry Association, the Recycling Association of Hawaii, Kauai Economic Opportunity, Inc., and Terry Carroll submitted testimony in support of H.B. 3233, and offered recommendations to clarify the goals and enhance the implementation of the bill's requirements.

Your Committees have amended this measure:

- (1) By adding a new section to Chapter 264, Hawaii Revised Statutes, to require the use of glassphalt for road construction and repair after September 1, 1993, when post-consumer glass is available at equal or lower cost than aggregate;
- (2) By requiring that the Department of Transportation develop glassphalt standard specifications within twelve months after enactment;
- (3) By deleting the specific percentage of glass to be used in glassphalt;
- (4) By broadening the meaning of glassphalt to "asphaltic concrete mixtures"; and

- (5) By giving the Department of Transportation one hundred eighty days to incorporate the crushed glass requirement for non-structural applications in its contract specifications.

Your Committees on Energy and Environmental Protection and Transportation are in accord with the intent and purpose of H.B. No. 3233, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3233, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hashimoto, Ihara and Yonamine.

**SCRep. 698-92                      Energy and Environmental Protection and Higher Education and the Arts on H.B. No. 3660**

The purpose of this bill is to establish a Hawaii biological survey at the Bishop Museum to conduct an ongoing natural history inventory of the archipelago to locate, identify, evaluate, and maintain the reference collections of all species of flora and fauna within the State.

Your Committees find that a comprehensive statewide inventory of all species of flora and fauna will complement the existing Hawaii Heritage program which manages data on rare native species, enable coordination of other existing departmental and organizational databases, give national prominence to such efforts, and help attract funding from both foundations and federal sources. Most importantly, a biological survey will expand the uses, controls, and knowledge of biological species, and enhance efforts to preserve native species and natural resources.

Testimonies supporting this measure were received from the State Department of Land and Natural Resources, the State Board of Agriculture, the Bishop Museum, and the Nature Conservancy of Hawaii.

Your Committees have amended this bill to clarify the scope of the biological survey and the complementary role it shall play to the Hawaii Heritage program and other existing biological databases.

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

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. 3660, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3660, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Ihara, Okamura, Tom and Tatibouet.

**SCRep. 699-92                      Consumer Protection and Commerce and Judiciary on H.B. No. 2818**

The purposes of this bill are to:

- (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);
- (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; and
- (4) Make various housekeeping revisions to Chapter 457, Hawaii Revised Statutes (HRS), for the purposes of clarity and style.

Testimony was submitted by the Board of Nursing; the Hawaii Nurses' Association; and the Healthcare Association of Hawaii.

Your Committees find that the State is experiencing a serious shortage of registered nurses in Hawaii's hospitals and nursing homes. According to recent statistics, over 750 of the registered nursing positions at Hawaii's hospitals and residential care home facilities are vacant, equating to a shortage of more than 17 percent of the registered nursing positions at these facilities. Because of this, hospitals have had to cope with this shortage by closing bed space, working employees overtime, and recruiting nurses from the mainland or from other nations at a cost exceeding \$6 million per year.

While the Legislature has attempted to address the nursing shortage by supporting an assortment of programs geared toward expanding the number of locally trained nurses in the State, your Committees find that there is a desperate need to satisfy the immediate demand for registered nurses at in-patient facilities. In light of this, your Committees believe that the provisions of this bill would immediately expand the supply of competent registered nurses in Hawaii by easing the licensing requirements for prospective nurses who have successfully graduated from a registered foreign nursing program.

Your Committees have amended this bill by making technical, nonsubstantive revisions for the purposes of clarity and style.



Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 2818, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2818, H.D. 2.

Signed by all members of the Committees.

**SCRep. 700-92 Consumer Protection and Commerce on H.B. No. 2720**

The purpose of this bill is to provide activity desks the option of either posting a bond or a yearly irrevocable letter of credit naming the Director of Commerce and Consumer Affairs as the obligee or beneficiary in lieu of maintaining client trust accounts to provide more flexibility to the industry.

Testimony was submitted by the Department of Commerce and Consumer Affairs (DCCA); the Activity Owners Association; Safari Helicopter and Twin-Engine Airplane Tours; City Bank; U-Me Enterprises, Inc.; Japan Hawaii Travel Association; Aloha 7 Travel; Sheraton Travel Services; Polynesian Hospitality Tours, Inc.; Noguchi and Associates, Inc.; Polynesian Adventure Tours; Maui Downhill Bike Tours; Outrigger Hotels Hawaii; the Hawaii Hotel Association; and the Halekulani Corporation.

In 1990, the Legislature found that there was a need to regulate the business practices of activity desks, or intermediaries between consumers and businesses that provide specialized tours, excursions, and activities. The Legislature enacted Act 214, Session Laws of Hawaii (SLH) 1990 to regulate the financial transactions and advertising practices of activity desks.

In 1991, your Committee found that problems regarding the solvency of activity desks and the prompt payment of fees to activity providers for services rendered were still unresolved. While your Committee endeavored to examine the possible establishment of bonding requirements for activity desks, your Committee was unable to fully incorporate these requirements into Act 240, SLH 1991, which among other things, amended Act 214, SLH 1990 to require activity desks to maintain client trust accounts and set forth provisions regarding the maintenance of and withdrawal from such accounts.

This bill attempts to establish such a bonding alternative in Act 240, SLH 1991.

Your Committee has learned that:

- (1) A number of activity desks have filed for bankruptcy over the past year;
- (2) There should be an alternative to the client trust account, such as bonding or letters of credit;
- (3) DCCA has experienced difficulties in administering Act 280, SLH 1991 because of ambiguities between Act 280, SLH 1991 and Chapter 486L, Hawaii Revised Statutes (HRS) (Travel Agencies). The representative from DCCA testified that Chapter 486L, HRS, and Act 280, SLH 1991 may be separated if a registration requirement was added to Act 280, SLH 1991, and the definition of "travel services" in Chapter 486L, HRS, was revised;
- (4) A substantial number of activity desks have not registered as required under the travel agencies law; and
- (5) DCCA currently does not have any statistical data related to the compliance and non-compliance of laws regarding activity desks and activity providers.

In light of this, your Committee finds that there is a need to make further changes to the existing statute regarding activity providers and activity desks.

Accordingly, your Committee has amended this bill by:

- (1) Increasing the bond or irrevocable letter of credit coverage requirement for activity desks from \$20,000 to \$50,000;
- (2) Stipulating that an activity desk providing a bond or an irrevocable letter of credit for the first time must initially obtain at least \$75,000 in coverage;
- (3) Revising the period in which activity desks are required to make payment to activity providers from forty-five days to thirty days;
- (4) Requiring all activity desks to register with the DCCA prior to engaging in commercial activities;
- (5) Authorizing DCCA to issue a \$100 fine for each day an unregistered activity desk is found to have conducted commercial operations;
- (6) Requiring DCCA to submit a status report to the 1993 Legislature regarding the incidence of non-compliance with the provisions of this bill; and
- (7) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2720, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2720, H.D. 2.

Signed by all members of the Committees.

**SCRep. 701-92 Consumer Protection and Commerce on H.B. No. 3279**

The purpose of this bill is to make stylistic changes to the Uniform Commercial Code Article 2A, regarding leases, to correspond to the specific language in the Uniform Act.

Your Committee heard testimony from the Hawaii Commission to Promulgate Uniform Legislation in support of this bill. The measure will bring this section of the Hawaii Uniform Commercial Code into conformity with laws in other jurisdictions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3279 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 702-92 Consumer Protection and Commerce on H.B. No. 2985**

The purpose of this bill is to amend Chapter 486N, Hawaii Revised Statutes, to allow health clubs to accept the full purchase price of health club contracts up front for contracts up to two years in duration. Contracts longer than two years may be prepaid if the consumer waives the provisions of this section, limiting payment to no more than 20% of the contract amount as initial payment. The bill would also require a consumer to notify the club of cancellation by certified mail.

Your Committee received testimony in opposition to the bill from the Department of Commerce and Consumer Affairs ("DCCA"), and in support of the bill from the Legislative Center.

The DCCA opposed the bill on the grounds that the bill would weaken the protections afforded the consumer. The statute now protects a consumer from the risk of having paid up front for a long term health club membership, and the club closing down before the services were provided. Allowing payment of the full amount, through waivers of the partial payment requirement, would significantly weaken the protections of the statute. Further, the DCCA also felt that certified mail would not diminish disputes on the timing of cancellations of the membership.

On the other hand, your Committee was informed that some consumers want the option of paying for the full membership in advance, for convenience and to avoid the finance charge; 2-year contracts are the "norm" in the industry; and the certified mail provision will protect consumers by providing a record of the cancellation date.

Your Committee believes that some flexibility should be allowed to consumers who want to pay more than 20% of the total membership, provided that adequate disclosures are made by the health club to the consumers. However, your Committee believes the waiver of the partial payment provision should be limited to one year. That is, a member may pay up to a one year's membership in advance, or one year's fees in advance, by waiver, if the membership is longer than one year. Your Committee has removed the provision that a member may pay for up to a two year membership in advance.

Your Committee also believes that the additional burden on the consumer of requiring certified mail is not justified, and accordingly has deleted that provision from the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2985, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 703-92 Consumer Protection and Commerce on H.B. No. 3280**

The purpose of the bill is to permit a public utility providing local exchange telecommunication services to include the capital costs for enhanced 911 ("E-911") emergency telephone service in its rate base. The capital costs and related operating expenses incurred would be recovered from subscribers through the basic telephone service rate.

Your Committee received testimony in strong support of the bill from the Department of Health, the Police Departments of the City and County of Honolulu, County of Kauai, County of Maui, and County of Hawaii, the Hawaii State Association of Counties, members of the Council of the Counties of Kauai and Hawaii, the Department of Finance of the County of Hawaii, the State Fire Council. Your Committee also received testimony on the bill from the Public Utilities Commission ("PUC" or "Commission"), GTE Hawaiian Telephone Company Incorporated ("GTE"), and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (the "Consumer Advocate").

There was extensive testimony on the benefits to the community and visitors to the State of an E-911 service, which is capable of automatically identifying the telephone number and address of callers. Directional information, identifying the location of the caller, can save critical minutes in an emergency situation, where a caller may be unable to stay on the line or give adequate information for a variety of reasons (for example, physical injury to the caller). In addition, the E-911 system would assist visitors to the State, who are often unable to provide an address and have difficulty with Hawaiian names.

The E-911 system would also assist the various emergency providers in cutting down bomb threats, harassment calls and generally improving service to their community.

GTE supported the intent of the bill, and provided information on the various funding proposals that have been explored by GTE including funding by the State and various telephone line surcharge methods.

The PUC and Consumer Advocate expressed concern that capital expenditures and operational expenses to be recovered from subscribers receive appropriate review and monitoring. For example, as new subscribers are added to the system, the revenues derived from E-911 service may exceed the costs of providing E-11 service. These savings should be passed on to subscribers. The Commission recommended certain amendments to the bill to provide for such review and monitoring.

Your Committee believes the benefits of the E-911 system are clearly established. Funding for the capital expenditures and operating expenses through inclusion in the public utility's ratebase and recovery through rates charged to subscribers is a viable solution. However, the concerns of the PUC and Consumer Advocate are well-taken, and accordingly your Committee has amended the bill to:

- (1) Specifically allow the PUC to set forth conditions and requirements as the PUC determines is in the public interest;
- (2) Require separate accounting for E-911 costs and revenues; and
- (3) Clarify that this does not preclude the Commission from changing any rates in the course of a general restructuring of rates.

It is not contemplated that the public utility would be required to file a full rate case application to include the E-911 expenditures in the rate base or to recover operating expenses from subscribers in their rates. However, it is also not intended to foreclose the Consumer Advocate or PUC from reviewing and monitoring the E-911 expenditures submitted for recovery, either in the expedited E-911 application or in a subsequent general rate proceeding.

Your Committee also reviewed the materials submitted by GTE regarding costs per subscriber on a State-wide and County basis. It is the Committee's belief that recovery of these expenses should be on a State-wide flat monthly per line surcharge basis, with consideration being given to special classes of subscribers, such as life-line subscribers, who are on a different rate schedule.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3280, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 704-92 Consumer Protection and Commerce on H.B. No. 2986**

The purpose of this bill is to exempt air or ocean carriers from Hawaii's Travel Agency Law.

Testimony was submitted by the Department of Commerce and Consumer Affairs; Aloha Airlines; International Travel Service; The Hawaii Business League; and Outrigger Hotels Hawaii.

Your Committee finds that under the current provisions of Chapter 468L, Hawaii Revised Statutes (HRS), a travel agency is defined as a commercial entity that acts as an intermediary between travel services providers and the consuming public for compensation or other consideration. However, due to the broad interpretation of this definition, hotel and air carrier businesses that provide intermediary services to consumers for no compensation (such as providing reservations for rental motor vehicles) have been required to register with the Department of Commerce and Consumer Affairs (DCCA) as travel agencies.

In addition, your Committee has learned that DCCA has experienced difficulty in regulating Hawaii's activity desks and activity providers because of similarities in the definition of "travel services" in Chapter 468L, HRS and "activity provider" under Act 240, Session Laws of Hawaii (SLH) 1991. The representative from DCCA pointed out that both problems would be alleviated if the definition of "travel services" in Section 468L-1, HRS, was revised to exclude hotel and air carriers from Hawaii's Travel Agency law, and to delete references to specialized air, land, or sea tour excursions and activities that are more appropriately covered under Act 240, SLH 1991.

Accordingly, your Committee has amended this bill by:

- (1) Revising the definition of "travel services" to:
  - (A) Exclude hotels and air carriers from the provisions of Chapter 468L HRS; and
  - (B) Delete references to specialized air, land, or sea tour excursions and activities; and
- (2) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2986, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 705-92                      Consumer Protection and Commerce on H.B. No. 2805**

The purpose of this bill is to extend the period for a secured party to record the security interest in a purchase money security interest from 10 days to 20 days.

Testimony was submitted by the Department of Commerce and Consumer Affairs; the Uniform Laws Commission; and the Hawaii Financial Services Association, Inc.

Your Committee finds that 38 states have already expanded the time within which a secured party must file the security interest in a purchase money security interest to 20 days for the following reasons:

- (1) To increase cost effectiveness and management efficiency of creditors;
- (2) To allow for trial and inspection periods; and
- (3) To provide a creditor with a more realistic time period to complete and correct documentation before the necessary documentation must be filed.

Because of this, your Committee believes that the provisions of this bill would significantly enhance the efficiency of commercial transactions as well as conform Hawaii's commercial code to national standards.

A technical, nonsubstantive amendment was made to correct a typographical error.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2805, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 706-92                      Consumer Protection and Commerce on H.B. No. 3937**

The purpose of the bill is to provide a waiver of re-examination requirements for a psychology license for applicants who were licensed in another state prior to 1967 and have maintained the license continuously. It would permit senior, experienced psychologists to become licensed in Hawaii without needing to take an academic written examination.

Your Committee received supporting testimony from the Department of Health, Kauai Non-Profit Resource Center, YWCA Kauai, Hale 'Opio Kauai, Inc., Wai'anae Coast Community Health Center, Inc., Queen's Liliuokalani Children's Center, and two private citizens. The Board of Psychology expressed reservations about the bill.

Your Committee finds that there is a need for clinical psychologists on Kauai, and that some exception is necessary in order to meet this need. Currently, there is only one State-employed psychologist on Kauai and she is unlicensed, though she has many years of experience and is licensed elsewhere. However, your Committee has policy concerns about creating licensing exceptions. Therefore, your Committee amended the bill to narrow its scope. No State license would be granted, but psychologists would be able to work in the narrow category of government employment in areas with a shortage if certified by the Director of Health.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3937, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 707-92                      Judiciary and Consumer Protection and Commerce on H.B. No. 3750**

The purpose of this bill is to broaden the scope of offenses, and increase the penalties related to, seeking commercial advantage by reproducing recordings, recording of a live performance, or not clearly disclosing the true name and address of the manufacturer of a recording.

Testimony and information supporting this bill was received from a private individual.

Your Committees on Judiciary and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 3750 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 708-92                    Judiciary on H.B. No. 211**

The purpose of this bill is to reserve the oath of office for State officials that are elected or whose appointment requires confirmation by the Senate.

This measure would eliminate the requirement of a loyalty oath for other State or county employees for which the requirement is unnecessary and inappropriate. For example, the University of Hawaii will be able to encourage the hiring of scholars from different nations that are not citizens and are not comfortable with the oath of office requirement.

Testimony in support of this measure was submitted by the University of Hawaii, the American Civil Liberties Union of Hawaii, the Manoa Faculty Senate, and private citizens.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 211 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 709-92                    Judiciary on H.B. No. 2393**

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii, to require all senators to run for office at the general election at which a new apportionment plan becomes effective.

If ratified, this bill would provide for a method of computing staggered terms for single-member districts, and provide for the assignment of four-year terms to the senators with the highest votes. This bill proposes to accomplish this by dividing the total number of senators into two classes based on the number of votes each senator received as a percentage of the number of registered voters in that senator's district. The thirteen senators with the highest percentages of district votes shall be designated as class (A) and shall serve for four-year terms. The remaining senators shall be designated as class (B) and shall serve for two-year terms.

This proposed amendment, if ratified, will not have an adverse impact on any of the senators currently in office since it will not take effect until the first election held after the reapportionment following the next census.

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

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. 2393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2393, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 710-92                    Judiciary on H.B. No. 3666**

The purpose of this bill is to amend Section 601-7, Hawaii Revised Statutes, to provide that a party or party's attorney may at anytime during a proceeding, file an affidavit asking that a judge be disqualified in a situation where a "reasonable person" would find an appearance of impropriety using the standard of conduct that a "law abiding citizen" would follow.

Testimony opposed to this measure was received from the Judiciary and a private citizen.

Your Committee is concerned that this bill will result in forum shopping and put a severe strain upon limited judicial resources. Conceivably, a party or that party's attorney may seek to have the judge of the case removed during the trial when the outcome may be unfavorable to that party. To have a statute in which a party or that party's attorney may request at any time during the trial the removal of an unlimited number of judges without a certificate of the counsel of record that the affidavit is made in good faith may prove unworkable and burdensome to the judicial system. This bill is amended by:

- (1) Changing the reasonable person standard and the law-abiding citizen standard to the reasonably prudent person standard;
- (2) Adding that a party's attorney may file an affidavit with the party's permission;
- (3) Adding that the affidavit be filed with the clerk of the court;
- (4) Deleting language that the affidavit may be filed at any time during the action or proceeding;
- (5) Reinserting language that the affidavit be filed before a trial or hearing;
- (6) Reinserting language that the affidavit be accompanied by a certificate of counsel of record that the affidavit is made in good faith;
- (7) Adding language that no party or party's attorney may file more than one affidavit; and

- (8) Making technical, nonsubstantive changes for the purposes of clarity, consistency and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3666, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 711-92                      Judiciary on H.B. No. 3724**

The purpose of this bill is to protect the interests of the fee simple owner and lessor of real property where the lessee's interest, including the leasehold and any improvements on the property, has been forfeited pursuant to chapter 712A. In particular, affording the holder of the reversionary interest the first opportunity to acquire the improvements on the property preserves the fee owner's control of the property and facilitates disposition of the property.

Testimony in support of this measure was received from the Department of the Attorney General and Kamehameha Schools/Bernice Pauahi Bishop Estate.

Your Committee finds that while this bill does not define the term "property", subparagraph (i) of section 712A-16(1)(b) proposes that the reversionary interest holder would be given the right to acquire the leasehold improvements as well as the leasehold itself for the value of the improvements alone. At the same time, subparagraph (ii) proposes that if the reversionary interest holder declines to exercise this right and the State sells the property, the State would be required to pay the reversionary interest holder the value of the leasehold itself. The rights accorded to the reversionary interest holder under this proposal are far in excess of those accorded to other persons or entities holding an interest in property subject to forfeiture.

When property is forfeited, the State acquires title to it as of the commission of the offense giving rise to forfeiture. In the context of a leasehold property interest, the State would step into the shoes of the lessee at the time of forfeiture, meaning that the State acquires the lessee's leasehold interest as well as the lessee's interest in the improvements. The forfeiture action would have no legal effect on the interest held by the reversionary interest holder.

This measure, however, would accord the reversionary interest holder rights not accorded by contract with the lessee into whose shoes the State would step. As a result, the reversionary interest holder would achieve from a forfeiture action by the State that which it could not obtain under contract in which it freely entered. On the other hand, forfeiture and sale of the leasehold and its improvements benefits the public as a whole, through the use of forfeiture proceeds for law enforcement purposes, without diminishing the reversionary interest.

This bill has been amended by:

- (1) Adding language to the purpose section clarifying that protection of the interests of innocent third parties in forfeited property was also a major purpose of the 1988 Hawaii Omnibus Criminal Forfeiture Act;
- (2) Deleting language that the holder of the immediate reversionary interest shall have the right to first acquire the property for a price equal to the value of any leasehold improvements built or paid for by the lessee, augmented by any costs of compromising and paying valid claims against the property and by the estimated costs of its administration and sale;
- (3) Adding language that the holder of the immediate reversionary interest shall have the right to first acquire the portion of years remaining on the existing lease and any improvements built or paid for by the lessee for the then fair market value of the portion of years remaining on the existing lease and improvements;
- (4) Deleting language that the Department of the Attorney General shall remit to the holder of the immediate reversionary interest who fails to exercise the right of first refusal a portion of the sale proceeds;
- (5) Deleting subparagraph (iii) of section 712A-16(1)(b);
- (6) Renumbering subparagraph (iv) of section 712A-16(1)(b) to be read as subparagraph (iii);
- (7) Clarifying that any dispute between the Department of the Attorney General and the holder of the immediate reversionary interest as to the fair market value of the portion of years remaining on the existing lease and improvements shall be settled by arbitration; and
- (8) Making technical, nonsubstantive changes for the purposes of clarity, style, and continuity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3724, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3724, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 712-92                      Judiciary on H.B. No. 2479**

The purpose of this bill is to exempt special service deputies of the Department of Public Safety from all State and County parking meter fees and County time parking restrictions while on duty and in the performance of their official duties.

This measure will allow the Special Services Division to operate more efficiently in the execution of their duties such as transporting prisoners, processing evictions, making appearances in court, and serving court orders or warrants.

Testimony in support of this measure was submitted by the Department of Public Safety.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2479, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 713-92                      Judiciary on H.B. No. 3215**

The purpose of this bill is to allow County fire chiefs to inspect all State buildings and to enforce all fire code regulations.

Unless explicitly mandated in State law, the State Model Fire Code and amendments adopted by the counties do not apply to the State or its buildings. If enacted, this measure will help ensure the safety and welfare of all those that work, use, or visit State buildings.

Testimony in support of this measure was submitted by the State Fire Council and the Fire Department of the City and County of Honolulu.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3215, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 714-92                      Judiciary 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 schools, and private colleges and universities.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, Brigham Young University-Hawaii Campus, and the Hawaii Association of Independent Schools.

Your Committee made technical, non-substantive amendments to match the Penal Code numbering system.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2352, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2352, H.D. 2.

Signed by all members of the Committee.

**SCRep. 715-92                      Judiciary on H.B. No. 2570**

The purpose of this bill is:

- 1) To permit school principals to withhold grades, diplomas, and transcripts of pupils, who, with the pupil's parents or guardians do not make restitution for the loss or damage of school property by the pupil; and
- 2) To allow the pupil and the pupil's parents or guardians to make an appeal to the district superintendent, in cases when the pupil and pupil's parents or guardians do not agree with the determination made by the principal.

The restitution process contributes to the total education of students with respect to learning responsibilities and, if enacted, this bill would assist in this manner.

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

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. 2570, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2570, H.D. 2.

Signed by all members of the Committee.

**SCRep. 716-92                      Judiciary on H.B. No. 3941**



The purpose of this bill is to expand public hearing notice requirements for a development agreement. This measure amends the State enabling legislation authorizing the counties to enter into development agreements. Specifically, this bill adds detailed notice requirements for county public hearings on development agreements. The requirements include the following:

- (1) Publication in a newspaper of general circulation of at least two public hearing notices in two consecutive weeks;
- (2) Posting of one or more hearing notices on or adjacent to the property subject to the development, depending on the length of street frontage; and
- (3) Notification by certified mail of all property owners within 500 feet of the affected property.

The county must also maintain a list of interested persons who will be provided with copies of all proceedings and actions taken by the county in relation to the development.

Testimony in support of this bill was received from the Land Use Research Foundation of Hawaii, Hawaii Resort Developers Conference, Hawaii Construction Industry Association, The Construction Industry Legislative Organization, Inc., Sandy Beach Initiative Coalition, and the Pacific Electrical Contractor's Association.

Testimony opposed to the bill was received from the City and County of Honolulu and the Department of Land Use Utilization.

Your Committee believes that public access to information regarding hearings on development applications is essential to the affected community. The added burden of posting, mailing, and publishing notices is minute compared to the benefits of public participation when discussing zoning changes.

After consideration, this bill is amended by:

- (1) Placing this proposed language in Section 46-4, Hawaii Revised Statutes;
- (2) Defining the word "project" to mean a development of property which is the subject of either a community development plan application, a regional development plan application, or a zoning map application;
- (3) Mandating that notice of public hearing be published in the legal section of the newspaper;
- (4) Allowing the counties to determine the number of notices to be posted on occasions not covered by this section;
- (5) Adopting mailing criteria similar to that used by the liquor commission for the mailing of notices;
- (6) Providing that the notice requirements of a county shall apply if the county's notice requirements are greater than the notice requirements provided in this bill; and
- (7) Making technical, nonsubstantive changes for the purposes of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3941, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3941, H.D. 1.

Signed by all members of the Committee.

#### **SCRep. 717-92**

#### **Judiciary on H.B. No. 3944**

The purpose of this bill is to establish a "wilderness" category which would be the fifth category of land classification in this State.

Testimony in support of this bill was received from the Office of State Planning, the Land Use Research Foundation of Hawaii, the Hawaii Resort Developers Conference, the Hawaii Construction Industry and other private organizations and individuals.

Your Committee emphasizes that wilderness districts have outstanding opportunities for solitude or a primitive and unconfined type of recreation, and they may also contain ecological, geological, or other features of scientific, educational, scenic, or historical value. It is especially desired that areas designated as "wilderness" shall be administered for the use and enjoyment of the people of Hawaii in such a manner that will:

- (1) Leave them unimpaired for future use and enjoyment as wilderness areas; and
- (2) Provide for the protection of these areas, the preservation of their wilderness character, and for the gathering and dissemination of information regarding their use and enjoyment as wilderness.

To achieve these purposes, this bill:

- (1) Specifies that the Land Use Commission shall group contiguous land areas suitable for inclusion in this new district and set standards for determining the boundaries of each district;

- (2) Requires that the greatest possible protection shall be given to wilderness lands;
- (3) Allows wilderness districts to only include areas of undeveloped state owned land retaining its primeval character and influence, without permanent improvements or human habitation, which is protected and managed so as to preserve its natural conditions; and
- (4) Adds language to amend sections in the State Plan.

Your Committee makes clear in this committee report that water areas may also be included as "wilderness" areas and that this bill is not intended to impact on existing development in geothermal subzones. Technical, nonsubstantive amendments have been made for the purposes of style, clarity, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3944, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3944, H.D. 1.

Signed by all members of the Committee.

**SCRep. 718-92                      Judiciary on H.B. No. 3946**

The purpose of this bill is to:

- (1) Provide for a 30 day public review period for environmental assessments prepared pursuant to Section 343-5, Hawaii Revised Statutes;
- (2) Require written responses to public comments; and
- (3) Reduce from 60 to 30 days the time during which a judicial proceeding concerning the necessity for an environmental impact statement may be initiated.

Testimony in support of this measure was received from the Office of Environmental Quality Control, the Land Use Research Foundation of Hawaii, the Sierra Club, the Hawaii Resort Developers Conference, the Pacific Electrical Contractor's Association, the Hawaii Construction Industry Association, and a private citizen.

This bill was amended by:

- (1) Adding the words "or not" after "to determine whether" on page 1, line 10;
- (2) Replacing the word "such" with "its" on page 1, line 14;
- (3) Adding the words "that a statement is required" after "determination" on page 1, line 15;
- (4) Adding the words "or not" after "to determine whether" on page 3, line 18;
- (5) Replacing the words "in turn" with "pursuant to section 343-1" on page 3, lines 22-23; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, style, and continuity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3946, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3946, H.D. 2.

Signed by all members of the Committee.

**SCRep. 719-92                      Judiciary on H.B. No. 2309**

The purpose of this bill is to extend to private schools the current exemptions regarding use of non-regulation school vehicles which are granted to the Department of Education.

Both public and private school administrators are often faced with difficult transportation requirements arising from the logistics of athletic events or educational field trips for which vehicles other than "school vehicles" are the best or only solution.

If enacted, this bill would grant exemptions to private schools the use of vehicles other than school vehicles when it is impossible or impractical due to factors, such as the unavailability of school vehicles, which are beyond the control of the school.

Testimony in support of this measure was submitted by the Department of Education, the Department of Transportation, and the Hawaii Association of Independent Schools.

Your Committee has amended this bill by changing the proposed exemption to cover a board of independent schools, which is registered with the Department of Commerce and Consumer Affairs, to administer to private schools utilizing criteria developed by the Departments of Transportation and Education, provided that the board shall submit a report to the Department of Transportation at the end of each school year on the extent to which these exemptions were utilized.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2309, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2309, H.D. 2.

Signed by all members of the Committee.

**SCRep. 720-92                      Finance on H.B. No. 2784**

The purpose of this bill is to exempt government agencies that construct, renovate, or repair school facilities, from county requirements for off-site improvements.

The Department of Accounting and General Services submitted testimony in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2784, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 721-92                      Finance on H.B. No. 3982**

The purpose of this bill is to preserve Diamond Head by:

- (1) Requiring all state lands within and adjacent to the Diamond Head State Monument, including areas specifically enumerated by tax map key numbers and the area from Diamond Head Road to Beach Road to Kahala Avenue to be returned to the Department of Land and Natural Resources (Department);
- (2) Specifying that the Diamond Head State Monument Plan of 1979 adopted by the Board of Land and Natural Resources shall serve as the official document setting forth the future of the Diamond Head State Monument;
- (3) Setting forth a moratorium on construction and the expansion of existing buildings and structures in the monument area;
- (4) Transferring the title of the abandoned reservoir site from the City and County of Honolulu to the State; and
- (5) Appropriating \$200,000 for improvement to the Diamond Head trail system, and \$75,000 for the relocation of the Hawaii National Guard and Federal Aviation Administration crater facilities.

The Department submitted comments setting forth its commitment to coordinate the transfer of lands and improvements with the City and County of Honolulu for inclusion into the Diamond Head State Monument and questioning whether the abandoned reservoir site could be transferred to the State without compensation.

The Outdoor Circle, the West Diamond Head Community Association, the Save Diamond Head Association, Hawaii's Thousand Friends, the East Diamond Head Association, Neighborhood Board No. 5, the area's Councilmember, and concerned citizens submitted comments in support of the measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3982, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tajiri

**SCRep. 722-92                      Finance on H.B. No. 2374**

The purpose of this bill is to allow the Department of Land and Natural Resources (Department) to participate in a joint liaison program with the Center for Ocean Analysis and Prediction of the National Oceanic and Atmospheric Administration (NOAA), which assists states in gaining oceanographic data and products available from the federal government through the NOAA.

The Department testified that this measure is a proposal which originated with the Western Legislative Conference. While concurring with the purpose and intent of this bill, the Department noted the need for funding and would not support a reduction in the Department's funding priorities.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2374 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 723-92                      Finance on H.B. No. 2799**

The purpose of this bill is to establish the Supreme Court Law Library Revolving Fund to replace the Supreme Court Law Library Special Fund.

Your Committee received testimony in support of this bill from the Judiciary.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2799, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 724-92                      Finance on H.B. No. 3160**

The purpose of this bill is to provide shareholders of an S corporation an income tax credit for employment of vocational rehabilitation referrals.

These types of referrals involve individuals who are certified by the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services, in consultation with the Department of Labor and Industrial Relations, as having a physical or mental disability that constitutes, or results in, a substantial handicap to employment.

The Department of Taxation testified in support of this measure. Comments were submitted by the Tax Foundation of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3160 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 725-92                      Finance on H.B. No. 3493**

The purpose of this bill is to appropriate funds to:

- (1) Increase the repair and maintenance budget of the Department of Accounting and General Services (DAGS);
- (2) Hire additional staff for a third roving repair and maintenance crew for the Honolulu and Leeward school districts; and
- (3) Distribute to every public school principal the sum of \$8,000 for emergency repairs, which are exempt from State bidding procedures.

Testimony was received from DAGS and the Department of Education (DOE).

This bill has been amended by:

- (1) Authorizing the DOE to establish school-level minor repairs and maintenance accounts, not to exceed \$8,000 for each public school;
- (2) Removing the appropriation section to increase the repair and maintenance budget and to hire staff for a third roving repair and maintenance crew;
- (3) Inserting the appropriation sum of \$1,888,000 for fiscal year 1992-1993 to distribute to each of the 236 public schools in the State the sum of \$8,000 for minor repairs and maintenance; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Upon further consideration, your Committee requests the DOE to implement guidelines for the use and dispersal of the repair and maintenance funds by each school.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3493, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3493, H.D. 2.

Signed by all members of the Committee.

**SCRep. 726-92                      Finance on H.B. No. 2959**

The purpose of this bill is to appropriate funds to be expended by the Department of Health to investigate the source of the recent algal blooms occurring off the West Maui coastlines.

Testimony in support of the intent of this bill was submitted by the Department of Health, the Maui Hotel Association, the West Maui Taxpayers Association, the Maui Algae Bloom Task Force, and others.

This bill has been amended by:

- (1) Increasing the appropriation amount to \$120,000 for fiscal year 1992-1993;
- (2) Deleting the provision that requires the Hawaii Visitors Bureau to match the state funds; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2959, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2959, H.D. 2.

Signed by all members of the Committee.

**SCRep. 727-92                      Finance on H.B. No. 2580**

The purpose of this bill is to allow the process of developing a convention center to continue. This bill would:

- (1) Extend the life of the Waikiki Convention Center Authority that is scheduled to automatically terminate if a convention center plan has not been approved within three years of the initial empanelling of all of the members of that Authority; and
- (2) Broaden the purpose of the Authority from that of developing a convention center at the International Market Place in Waikiki to recommending alternate sites to the Legislature.

Supporting the bill were the Department of Business, Economic Development, and Tourism, the Waikiki Convention Center Authority, the Chamber of Commerce of Hawaii, the Hawaii Visitors Bureau, the Hawaii Convention Park Council, the Waikiki Improvement Association, the Hawaii Association of Exposition Managers, the Hilton Hotels Corporation, the Hilton Hawaiian Village, the New Otani Kaimana Beach Hotel, the H.T.H. Corporation, the Ilima Hotel, the Hawaii Hotel Association, and the Outrigger Hotels Hawaii. A state legislator also submitted comments.

Your Committee has amended this bill by:

- (1) Replacing "private developer" with "developer" throughout Chapter 206X, Hawaii Revised Statutes, and providing a definition for this term to permit private, governmental, or quasi-governmental entities to develop the facility;
- (2) Deleting language requiring the Legislature to: designate a site for the convention center; designate a convention center district; and establish criteria for development within that district;
- (3) Deleting the requirement that the convention facility be developed and financed at no cost to the State;
- (4) Authorizing, rather than requiring, the Authority to manage, operate, and maintain the convention center facility;
- (5) Providing the option for the State to operate, manage, and maintain the convention center facility if the Authority deems it to be in the best interest of the State;
- (6) Requiring the developer to negotiate with the State for the transfer of a marketable real property interest in the convention center facility;
- (7) Requiring the developer to manage, operate, and maintain the convention center facility for a period to be negotiated between the Authority and the developer; and
- (8) Correcting certain typographic, technical, and stylistic errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2580, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2580, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 728-92                      Finance on H.B. No. 2599**

The purpose of this bill is to:

- (1) Establish a mortgage financing program, administered by the Housing Finance and Development Corporation to offer loans to low-income families at below market interest rates, adjustable on the basis of changing income levels; and
- (2) Create a low-income borrower housing loan revolving fund (fund) to permit the issuance of loans to applicants at below market interest rates and terms adjustable on the basis of the borrower's ability to repay the loan.

Testimony was submitted by the Housing Finance and Development Corporation; Unity House, Inc.; and the Hawaii Association of Realtors.

Your Committee has amended this bill by:

- (1) Limiting the amount which can be advanced from the general fund to \$1; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2599, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2599, H.D. 2.

Signed by all members of the Committee.

**SCRep. 729-92                      Finance on H.B. No. 3567**

The purpose of this bill is to establish an Infrastructure Development Fund by authorizing the Director of Finance to make a one-time transfer of \$50,000,000 from moneys in the Rental Assistance Revolving Fund to the Infrastructure Development Fund.

The Infrastructure Development Fund shall be used by the Housing Finance and Development Corporation (HFDC) 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, moderate, and gap group income families.

The Hawaii Association of Realtors, Hawaii Developers' Council, the Kokua Council for Senior Citizens, and the Public Policy Program of the Roman Catholic Church submitted testimony in support of the bill. Testimony and comments were also received from the HFDC.

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

- (1) Decreasing the sum transferred from the Rental Assistance Revolving Fund to the Infrastructure Development Fund from \$50,000,000 to \$20,000,000; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3567, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3567, H.D. 2.

Signed by all members of the Committee.

**SCRep. 730-92                      Finance on H.B. No. 3053**

The purpose of this bill is to increase the percentage used to calculate the Temporary Disability Insurance weekly benefit amount from 55 to 58 percent of the average weekly wage.

Since the inception of the Temporary Disability Insurance Law, the calculation of the weekly benefit amount has corresponded with the Employment Security Law. In 1991, the calculation of the Employment Security Law's weekly benefit amount increased by three percent. 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.

The Department of Labor and Industrial Relations supported this measure. The Hawaii Association for Domestic Life Insurance, the Society for Human Resource Managers, and the Chamber of Commerce of Hawaii also testified.

The bill was amended to correct certain typographic, technical, and stylistic errors; no substantive changes were made.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3053, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3053, H.D. 1.

Signed by all members of the Committee.

**SCRep. 731-92                      Finance on H.B. No. 3201**

The purpose of this bill is to appropriate funds to be expended by the University of Hawaii for the continued support of the Consortium for Teaching Asia and the Pacific in the Schools (CTAPS).

This bill provides that \$50,000 will be made available to CTAPS only to the extent that private sources provide \$2 for every \$1 appropriated in this Act.

Testimony in support of this bill was submitted by the Office of the Vice President for Academic Affairs of the University of Hawaii, the Department of Education, and CTAPS.

Your Committee has amended this measure by:

- (1) Designating the Department of Education as the expending agency; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3201, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3201, H.D. 2.

Signed by all members of the Committee.

**SCRep. 732-92 Finance on H.B. No. 2917**

The purpose of this bill is to establish the Program for All-Inclusive Care for the Elderly (PACE) demonstration project for five years in the Department of Health's Maluhia Long-Term Care Health Center.

This program would ensure that comprehensive and cost-effective long-term care would be available to the frail elderly population who are at risk of institutionalization.

Your Committee received testimony supporting the intent of this bill from the Department of Human Services, the Department of Health, the Founders' Group of the Kokua Council for Senior Citizens, the National Association of Retired Federal Employees, and a Waimanalo senior citizens club.

Your Committee has amended this bill by:

- (1) Including a provision requiring that any unencumbered or unexpended funds be returned to their original funding sources; and
- (2) Correcting certain typographic, technical, and stylistic errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2917, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2917, H.D. 2.

Signed by all members of the Committee.

**SCRep. 733-92 Finance on H.B. No. 3703**

The purpose of this bill is to address an inequity in Hawaii's Workers' Compensation law by requiring an employer to pay an injured worker a weekly benefit equal to the maximum compensation rate for the period named in the schedule of permanent partial disabilities without regard to the worker's average weekly wage.

Testimony was submitted by the Department of Labor and Industrial Relations, the Hawaii State AFL-CIO, ILWU Local 142, the Hawaii Nurses Association, the Hawaii State Teachers Association, the Chamber of Commerce of Hawaii, and the Hawaii Nurses' Association Collective Bargaining Organization.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3703, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3703, H.D. 2.

Signed by all members of the Committee.

**SCRep. 734-92 Finance on H.B. No. 3139**

The purpose of this bill is to clarify current federal and state policy that financial assistance households with assets in excess of the asset standard of \$1,000 are ineligible for financial assistance.

Your Committee received testimony from the Department of Human Services and the Legal Aid Society of Hawaii.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3139, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3139, H.D. 1.

Signed by all members of the Committee.

**SCRep. 735-92 Finance on H.B. No. 3707**

The purpose of this bill is to exempt, from the gross income tax and the conveyance tax, income derived from the sale of:

- (1) The leased fee interest in a residential lot to a lessee; and
- (2) 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.

Testimony was submitted by the Department of Taxation, the Tax Foundation of Hawaii, Kamehameha Schools/Bernice Pauahi Bishop Estate, and an interested individual.

Upon further consideration, your Committee has amended this bill by deleting the exemption from the gross income tax.



Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3707, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3707, H.D. 1.

Signed by all members of the Committee.

**SCRep. 736-92                      Finance on H.B. No. 2400**

The purpose of this bill is to create a Multi-family Rental Housing Mortgage Insurance Underwriting Program to be administered by the Housing Finance and Development Corporation (HFDC).

This Program would insure mortgage loans made for multi-family rental housing under which a private nonprofit corporation or a government corporation is the mortgagee. Specifically, this Program would:

- (1) Provide that the aggregate amount of mortgage insurance liability of mortgages insured would not exceed \$50,000,000;
- (2) Require the HFDC to adopt rules on the guidelines, procedures, conditions, and details of mortgage insurance premium payments; and
- (3) Provide that a decision on a mortgage insurance application will be made within 40 days.

Testimony in support of the intent of this bill was submitted by the Department of Budget and Finance, the Hawaii Community Reinvestment Corporation, and the Hawaii League of Savings Institutions. HFDC submitted testimony in opposition to this measure.

This bill has been amended by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2400, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2400, H.D. 2.

Signed by all members of the Committee.

**SCRep. 737-92                      Finance on H.B. No. 3096**

The purpose of this bill is to amend the buyback and owner-occupancy restrictions currently imposed on the dwelling units developed under the sponsorship of the Housing Finance and Development Corporation (HFDC) to conform with federal requirements.

Testimony in support of this measure was submitted by the HFDC. The testimony indicated that this measure will address the concerns raised by the United States Department of Housing and Urban Development on the acceptability of certain HFDC buyback and owner-occupancy restrictions.

This bill has been amended by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3096, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3096, H.D. 2.

Signed by all members of the Committee.

**SCRep. 738-92                      Finance on H.B. No. 3295**

The purpose of this bill is to clarify the responsibilities of the State and the counties with regard to providing assistance in the form of tax relief to victims of natural disasters.

In addition, this measure clarifies that the counties bear the fiscal burden of providing real property tax relief to natural disaster victims.

The Department of Taxation testified in support of the bill. The Chair of the Committee on Budget and Finance of the Honolulu City Council, the Director of Finance of the City and County of Honolulu, and the Tax Foundation of Hawaii also submitted testimony.

Upon further consideration, your Committee has amended this bill by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3295, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3295, H.D. 2.

Signed by all members of the Committee.

**SCRep. 739-92                      Finance on H.B. No. 3114 (Majority)**

The purpose of this bill is to:

- (1) Increase the retirement allowance of promotional public safety employees and internal affairs investigators of the Department of Public Safety (Department);
- (2) Allow Department employees who are promoted to departmental managerial positions to retain their higher retirement allowance; and
- (3) Allow judges and elected officials who retired "on paper" under Act 90, SLH 1971, when they reached the maximum benefit of 75 percent, but continued to serve in their office, to recompute their average final compensation and claim a higher retirement benefit.

The Department submitted testimony noting that its internal affairs investigators conduct both criminal and administrative investigations under difficult and hazardous conditions similar to those conducted by investigators in the Department of the Attorney General and county Prosecuting Attorneys' offices. This measure would promote equity and fairness in the computation of retirement benefits for investigators who perform similar duties under similar hazardous conditions.

In addition, the Department noted that certain corrections officers and narcotics enforcement investigators are eligible for a higher retirement benefit. However, when these individuals are promoted to managerial positions they lose their eligibility for this retirement allowance. This measure would encourage the career advancement of these employees.

The bill has been amended to delete references to "elected officials" in the provision to recompute retirement benefits of individuals who retired and still continued in their official capacities. Technical, nonsubstantive revisions have also been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3114, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3114, H.D. 2.

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

**SCRep. 740-92                      Finance on H.B. No. 3873**

The purpose of this bill is to allow for the deposit of inmate contributions into the Correctional Industries Revolving Fund to be applied toward the reimbursement of incarceration costs of the contributing inmate.

At the present time, only moneys collected by the Department of Public Safety from the sale or other disposition of goods and services produced through the correctional industries program can be deposited into the Correctional Industries Revolving Fund.

Technical, nonsubstantive revisions have been made to the bill to correct drafting errors and for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3873, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3873, H.D. 2.

Signed by all members of the Committee.

**SCRep. 741-92                      Finance on H.B. No. 2431**

The purpose of this bill is to establish the Korean Celebration Executive Committee and the Ethnic Celebration Trust Fund for the planning and funding of the ninetieth anniversary of the arrival of the first Korean immigrants to Hawaii.

Testimony in support of this bill was submitted by the Hawaii Korean Chamber of Commerce, the Korean University Club, Dongji Hoi, the Japanese American Citizens League, and interested individuals.

This bill has been amended by:

- (1) Adding an appropriation section with the sum of \$50,000 for fiscal year 1992-1993; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2431, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2431, H.D. 2.

Signed by all members of the Committee.

**SCRep. 742-92                      Finance on H.B. No. 3072**

The purpose of this bill is to authorize the Department of Agriculture to continue to transfer funds among the Agricultural Products Revolving Fund, the Agriculture Loan Revolving Fund, and the Aquaculture Loan Revolving Fund.

Your Committee received supporting testimony from the Department of Agriculture.

Technical, nonsubstantive amendments were made to the bill for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3072, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3072, H.D. 2.

Signed by all members of the Committee.

**SCRep. 743-92 Finance on H.B. No. 3702**

The purpose of this bill is to address inequities affecting contributory and noncontributory members of the Employees' Retirement System (ERS).

The Employees' Retirement System submitted testimony in support of this measure and indicated that this measure would:

- (1) Enable the surviving spouse or dependent children of a deceased contributory member of the ERS to receive an option 2 monthly pension, option 3 monthly pension, or a lump sum death benefit whenever there is an invalid ERS beneficiary form;
- (2) Enable the surviving spouse and dependent children of a deceased noncontributory member of the ERS to qualify for Health Fund benefits if the member was eligible for retirement at the time of death;
- (3) Increase the death benefit for noncontributory members who die on the job as a result of a work-related accident to 30 percent of the member's average final compensation; and
- (4) Allow noncontributory retirees to change their Option C beneficiary after retirement.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3702, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3702, H.D. 1.

Signed by all members of the Committee.

**SCRep. 744-92 Finance on H.B. No. 3351**

The purpose of this bill is to:

- (1) Require the development of a set percentage of rental housing units, owner-built single-family units, and units constructed by "qualified, small-scale contractors" in Housing Finance and Development Corporation-sponsored projects;
- (2) Require that all Housing Finance and Development Corporation-developed lots be leased by the State at a rate of \$1 per year for a term of 99 years;
- (3) Allow the Housing Finance and Development Corporation to cancel leases for violation of a Section 201E-A(1), Hawaii Revised Statutes, condition; and
- (4) Establish a list of persons who may succeed a lessee upon the lessee's death with regard to leases under Chapter 201E, Part III, Hawaii Revised Statutes.

The Housing Finance and Development Corporation, the City and County of Honolulu's Department of Housing and Community Development, the Hawaii Association of Realtors, and the Hawaii Developers' Council testified on this bill.

Your Committee has amended this bill by:

- (1) Deleting all provisions pertaining to leaseholds; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3351, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3351, H.D. 1.

Signed by all members of the Committee.

**SCRep. 745-92 Finance 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.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii State Federation of Labor AFL-CIO, the Hawaii Nurses Association, the Hawaii State Teachers Association, the ILWU Local 142, and the Hawaii Nurses' Association Collective Bargaining Organization.

The Chamber of Commerce of Hawaii, the Hawaii Food Industry Association, and the Hawaii Automotive and Retail Gasoline Dealers Association testified in opposition to this measure.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3469, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3469, H.D. 2.

Signed by all members of the Committee.  
(Representatives Kanohe, Tajiri and Marumoto did not concur.)

**SCRep. 746-92            Finance on H.B. No. 3838**

The purpose of this bill is to:

- (1)        Require 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; and
- (2)        Create a Clean Water Special Fund for the deposit of the permit fees.

The fees would be based on mass emission (i.e. tons of suspended solids) allowed or discharged by the permitted sources, and these fees would be adjusted each year according to changes in the consumer price index.

Currently, the DOH issues discharge permits through the National Pollutant Discharge Elimination System Program that is funded by the State and the United States Environmental Protection Agency.

The DOH and the Sierra Club submitted testimony in support of this measure. The Department of Public Works of the City and County of Honolulu submitted comments in opposition.

Technical, nonsubstantive revisions have been made to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3838, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3838, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 747-92            Finance 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.

The bill also provides for the extension of the Underground Storage Tank Loan Fund for an additional year to January 1, 1994.

The Department of Health, the Department of Business, Economic Development, and Tourism, and the Hawaii Automotive and Retail Gasoline Directors Association submitted testimony.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3084, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3084, H.D. 2.

Signed by all members of the Committee.

**SCRep. 748-92            Finance on H.B. No. 3901**

The purpose of this bill is to convert the religious program manager's position in the Department of Public Safety from temporary to permanent status.

Your Committee received testimony in support of this bill from the Department of Public Safety, the Windward Coalition of Churches, and a Peace Work volunteer.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3901 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 749-92                      Finance on H.B. No. 2755**

The purpose of this bill is to amend the Hawaii Public Employees Health Fund (Fund) law by authorizing an exclusive representative of a collective bargaining unit to limit participation in the employee organization's group life benefit program or the group life insurance program.

This bill further provides for Fund monies to be transferred to exclusive representatives in an amount equal to the monthly contribution of all employees that participate in that bargaining unit. Any employee who declines to participate in the employee organization's group life benefit program or group life insurance program would not be allowed to participate in the Fund's group life insurance plan. In addition, the monthly contribution for a non-participating employee would be returned to the Health Fund.

Your Committee received testimony on this measure from the Hawaii Public Employees Health Fund and the United Public Workers Union.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2755 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 750-92                      Finance on H.B. No. 3396**

The purpose of this bill is to grant permanent status to twelve Hawaii Civil Rights Commission (Commission) employees who have been occupying permanent, civil service positions on a temporary, exempt basis.

Your Committee finds that these twelve positions were temporarily filled on an exempt basis to meet the legislative deadline of December 31, 1990, when enforcement jurisdiction was transferred from other state agencies to the Commission.

Your Committee received testimony in support of this bill from the Hawaii Civil Rights Commission.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3396 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 751-92                      Finance on H.B. No. 3107**

The purpose of this bill is to promote the increase of affordable housing production by providing a general excise tax exemption for all gross income received by qualified persons or firms involved with the planning, design, financing, construction, or sale of privately-sponsored affordable housing projects.

The proposed exemption applies to projects which, among other things:

- (1) Start actual construction between the dates of July 1, 1992, and December 31, 1993;
- (2) Complete construction by December 31, 1994; and
- (3) Are among the first 10,000 affordable units that have met the aforelisted requirements.

The Housing Finance and Development Corporation, the Department of Taxation, the Hawaii Association of Realtors, and the Hawaii Developers' Council submitted testimony in support of this measure. The Tax Foundation of Hawaii also testified.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3107 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 752-92                      Finance on H.B. No. 2320**

The purpose of this bill is to appropriate \$350,000 to conduct a statewide household hazardous waste collection project.

The City and County of Honolulu testified in support of the measure noting that the collection and disposal of household hazardous wastes protects the health of the general public as well as the environment. Testimony from the Department of Health supported the passage of the measure pending the availability of funds and as long as the appropriation does not replace departmental priorities.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2320 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 753-92 Finance on H.B. No. 2417 (Majority)**

The purpose of this bill is to allow an employer to submit a written request that the Director of Labor and Industrial Relations (Director) have an injured employee examined by a duly qualified physician or surgeon, designated and paid for by the employer, in cases where the employer is dissatisfied with the progress of the patient's case or major or elective surgery is being considered.

The bill also:

- (1) Establishes procedures for the employee to object to the examination if the Director determines there is cause for the employee to be examined;
- (2) Provides that the grant or denial of the request for examination is not appealable; and
- (3) Defines duly qualified physician or surgeon as one licensed to practice in Hawaii and be actively engaged in treating patients.

Your Committee received testimony from the Department of Labor and Industrial Relations, the Department of Civil Service of the City and County of Honolulu, the Chamber of Commerce of Hawaii, the Hawaii Insurers Council, and ILWU Local 142.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2417, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.  
(Representatives Kanohe and Marumoto did not concur.)

**SCRep. 754-92 Finance on H.B. No. 2828**

The purpose of this bill is to allow the Department of Education (DOE) to:

- (1) Convert to permanent status 156 full-time school security attendant positions, and allow the incumbent employees to make the transition to permanent status if they have performed the work required satisfactorily for at least six months; and
- (2) Similarly convert to permanent status 1 full-time user support administrator position and 13 user support technician positions.

Your Committee finds that during the 1991 legislative session, the DOE was authorized to convert the 156 full-time school security attendant positions to permanent positions. However, the DOE deferred action on the matter, because according to general state personnel guidelines, experienced incumbent long-term employees would have to compete with inexperienced applicants, and perhaps, be subject to salary decreases. This measure corrects this inequity and ensures the full-time permanent employment of qualified, deserving, and loyal individuals.

Likewise, legislative authorization was given to convert the above-referenced full-time temporary user support administrator and user support technician positions to permanent status. However, the DOE did not exercise the conversion authorization since it was not able to complete the process of departmental reorganization in time for the Department of Personnel Services to classify these positions.

The DOE, the School Security Association, the Boys & Girls Clubs of Honolulu and Waianae, the Hawaii Government Employees Association, the Hawaii State Teachers Association, and concerned individuals expressed their support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2828, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 755-92 Finance on H.B. No. 3073**

The purpose of this bill is to:

- (1) Authorize the Board of Agriculture to set, assess, and collect acreage assessments for irrigation projects; and
- (2) Establish the method and procedure for the levying of a real property lien for delinquent assessments, and specifying this type of lien's priority over all other liens except for real property tax liens.

The Chair of the Board of Agriculture submitted testimony in support of this administration proposal.

Technical, nonsubstantive revisions were made to the bill for purposes of style and clarity and conformance to accepted drafting techniques.

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

Signed by all members of the Committee.

**SCRep. 756-92                      Finance on H.B. No. 3108**

The purpose of this bill is to enable employees of the Hawaii Information Network Corporation (HAWAII INC) to receive the same benefits as other state employees.

At the same time, this measure makes technical revisions to the Hawaii Telecommunications and Information Industries Act (Chapter 206P, Hawaii Revised Statutes), that established the statutory authority for HAWAII INC.

Testimony in support of this measure was submitted by the Department of Budget and Finance.

Technical, nonsubstantive amendments were made to correct drafting errors and for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3108, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3108, H.D. 2.

Signed by all members of the Committee.

**SCRep. 757-92                      Finance on H.B. No. 3071**

The purpose of this bill is to provide standards and procedures for the State Foundation on Culture and the Arts (SFCA) to follow in the disbursement and allocation of public funds for use as grants to qualified organizations and individuals in furtherance of culture and the arts, and history and the humanities.

Specifically, the following types of procedures are set forth:

- (1) Standards for grant applications;
- (2) Conditions for grant applicants;
- (3) Standards for the review of grant applications;
- (4) Issuance of contracts to grant awardees; and
- (5) Monitoring and evaluation of grants awarded.

Technical, nonsubstantive revisions have been made throughout the bill for the purposes of style and clarity and conformance to accepted drafting techniques.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3071, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3071, H.D. 1.

Signed by all members of the Committee.

**SCRep. 758-92                      Finance on H.B. No. 2513**

The purpose of this bill is to allow individual taxpayers to take an annual, aggregate maximum tax deduction of \$50 for political contributions made to candidates who have not agreed to abide by State campaign expenditure limits.

This would be in addition to the \$500 tax deduction already allowed to any individual taxpayer for political contributions made to candidates who agree to abide by State campaign expenditure limits.

Your Committee received testimony and comments from the Department of Taxation and the Tax Foundation of Hawaii.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2513, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2513, H.D. 2.

Signed by all members of the Committee.

**SCRep. 759-92                      Finance on H.B. No. 2994**

The purpose of this bill is to allow an individual making an application for funeral payments to the Department of Human Services (DHS), on behalf of a deceased medical or financial assistance recipient or for an unclaimed body, sixty days from the date of death of the deceased to submit the application to the DHS.



Your Committee received testimony from the DHS.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2994, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2994, H.D. 1.

Signed by all members of the Committee.

**SCRep. 760-92                      Finance on H.B. No. 2715**

The purpose of this bill is to specify that interest income earned on court deposits shall be credited to the State if not specified in the court order or specified by statute.

Testimony in support of this bill was received by the Judiciary.

This bill has been amended by making technical, nonsubstantive amendments to correct drafting errors and for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2715, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2715, H.D. 2.

Signed by all members of the Committee.

**SCRep. 761-92                      Finance on H.B. No. 2618**

The purpose of this bill is to authorize the Department of the Attorney General to intervene or act as an amicus curiae on behalf of the Kamaka descendants in the condemnation action of land in Waikane Valley by the federal government.

The Native Hawaiian Legal Corporation; Kamehameha Schools/Bernice Pauahi Bishop Estate; Fujiyama, Duffy & Fujiyama; and the Hawaiian Civic Political Action Committee testified in support of this bill. The Department of the Attorney General also submitted comments on this measure.

Your Committee has amended this bill by:

- (1)            Inserting the appropriation sum of \$1 for the purpose of continued discussion; and
- (2)            Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2618, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2618, H.D. 2.

Signed by all members of the Committee.

**SCRep. 762-92                      Finance on H.B. No. 2433**

The purpose of this bill is to ensure that public contracts are awarded to bidders whose quality of work and timeliness in performance under previous contracts with the State were of a consistent acceptability.

Testimony in support of this measure was submitted by the Department of Accounting and General Services.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2433, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2433, H.D. 2.

Signed by all members of the Committee.

**SCRep. 763-92                      Finance 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 (Act 291), the Act establishing the Governor's Blue Ribbon Panel Studying Hawaii's 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 to twenty days prior to the convening of the Regular Session of 1993.

Testimony was submitted by the Panel; the Founder's Group of the Kokua Council for Senior Citizens; the Department of Health; the Hawaii Federation of Physicians and Dentists; and the Hawaii Nurses' Association.

Your Committee has amended this bill by:

- (1) Appropriating \$50,000 for fiscal year 1992-1993 to be expended by the Department of Health for the continued work and operational costs of the Panel;
- (2) Deleting from Act 291 the provision requiring the Legislative Auditor to provide assistance to the Panel upon request; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3090, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3090, H.D. 2.

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

**SCRep. 764-92                      Finance on H.B. No. 3127**

The purpose of this bill is to:

- (1) Allow the Director of Business, Economic Development, and Tourism (DBED) to employ staff to develop and operate the Community-Based Economic Development Program; and
- (2) Transfer funds from the Hawaii Large Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Revolving Fund to the Hawaii Community-Based Development Revolving Fund.

Testimony in support of this measure was submitted by DBED.

Your Committee has amended this bill by making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3127, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3127, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 765-92                      Finance on H.B. No. 2802**

The purpose of this bill is to require:

- (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 to ensure the upkeep and maintenance of teacher housing units and sites, including the provision of basic furnishings in good condition and timely response to tenant concerns; and
- (3) Written disclosure of certain pertinent teacher rental housing data to each prospective tenant.

Testimony in support of the intent of this measure was submitted by the Department of Education and the Hawaii State Teachers Association. Noting that the resolution of the teacher housing concerns should be handled administratively, HHA testified against this bill.

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

- (1) Requiring that the written disclosure of pertinent teacher rental housing data be provided to the tenant prior to the scheduled move-in date rather than at least ten working days prior to the scheduled move-in date; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2802, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2802, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 766-92                      Finance on H.B. No. 3154**

The purpose of this bill is to ensure uniformity and consistency in the State tax appeals process.

Currently, most State tax laws require that the disputed taxes be paid before an appeal may be made. The exceptions are:

- (1) The income tax, public service company tax, and the taxation of banks and other financial corporations tax laws which have no such requirements; and
- (2) The estate and transfer tax, the fuel tax, and the conveyance tax which do not provide taxpayers the right to appeal.

This bill would amend Chapters 243 (fuel tax), 247 (conveyance tax), 235 (income tax), and 236D (estate and transfer tax), Hawaii Revised Statutes (HRS), by requiring that any aggrieved taxpayer may appeal an assessment provided that the taxes shall have been paid. The exception is that in the case of income tax appeals under Chapter 235, HRS, an aggrieved taxpayer may file an appeal without payment of the tax in cases where the tax liability does not exceed \$6,000, upon proof that the taxpayer would be irreparably injured by payment of the tax.

Testimony in support of this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii also submitted comments.

Your Committee has amended this bill by:

- (1) Permitting an aggrieved taxpayer to file an appeal without payment of income taxes (Chapter 235, HRS) in cases where the tax liability does not exceed \$50,000 instead of \$6,000; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3154, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3154, H.D. 2.

Signed by all members of the Committee.

**SCRep. 767-92                      Finance on H.B. No. 3801**

The purpose of this bill is to:

- (1) Establish two temporary hospital commissions to develop recommended legislation, plans, and other means necessary to transfer the community hospitals in Maui and Hawaii counties to nonprofit corporations;
- (2) Extend the current autonomy projects at Hilo and Maui Memorial Hospitals; and
- (3) Provide emergency appropriations for the operations of the community hospitals for the current fiscal year.

Testimony was submitted by the Department of Health, the State Health Planning and Development Agency, the Queen's Medical Center-West Hawaii, the United Public Workers, the Maui Memorial Hospital, the Maui Community Legislative Committee, and the Hawaii Statewide Health Coordinating Council.

Your Committee has amended this bill by:

- (1) Deleting the emergency appropriation of \$20,000,000;
- (2) Requiring the approval of the Director of Health, with the advice of the appropriate county public health facility management advisory committee, before transferring a community hospital to a nonprofit corporation;
- (3) Amending the effective date to take effect upon approval, provided that the appropriation section take effect on July 1, 1992; and
- (4) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3801, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3801, H.D. 2.

Signed by all members of the Committee.

**SCRep. 768-92                      Finance on H.B. No. 3958**

The purpose of this bill is to protect Hawaii's economy, specifically the tourism industry, from sudden downturns generated by uncontrollable factors such as recessions, natural disasters, and wars by establishing an Emergency Marketing Revolving Fund to be used for special promotions, marketing, and advertising on relatively short notice.

This bill, among other things:

- (2) Requires the Department of Business, Economic Development, and Tourism to develop criteria for the use of the moneys in the Fund;
- (3) Provides that the Fund would be funded by general appropriations and revenues from a portion of the transient accommodations tax currently retained by the State for administrative purposes; and
- (4) Sets a \$6,000,000 cap on the Fund.

The Department of Business, Economic Development, and Tourism; the Department of Taxation; the Tax Foundation of Hawaii; the Chamber of Commerce of Hawaii; Hilton Hotels Corporation; the Maui Hotel Association; and the Hawaii Hotel Association testified on this bill.

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

- (1) Deleting the provisions that would transfer a portion of the transient accommodations tax to the Emergency Marketing Revolving Fund;
- (2) Replacing the \$6,000,000 appropriation with a nominal sum of \$1 for further discussion;
- (3) Requiring each county to designate an unspecified per cent of its transient accommodations tax revenues to be expended for island destination marketing activities; and
- (4) Correcting certain typographic, technical, and stylistic errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3958, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3958, H.D. 1.

Signed by all members of the Committee.

**SCRep. 769-92      Finance on H.B. No. 2502**

The purpose of this bill is to:

- (1) Establish a Rental Housing Trust Fund within the Housing Finance and Development Corporation (HFDC) to address the housing needs of persons and families by providing loans or grants for housing projects, where:
  - (a) At least fifty percent of the available units are for persons and families with incomes at or below sixty percent of the median family income; and
  - (b) The remaining units are for persons and families with incomes at or below one hundred percent of the median family income;
- (2) Create a 17-member Rental Housing Trust Fund Commission to carry out and protect the interests of the Rental Housing Trust Fund; and
- (3) Authorize the Director of Finance to transfer the sum of \$100,000,000 from the Homes Revolving Fund to the Rental Housing Trust Fund.

Testimony was received from the HFDC, Hawaii Association of Realtors, Hawaii Developers' Council, Land Use Research Foundation of Hawaii, Institute for Affordable Housing, Affordable Housing Alliance, Hawaii Community Reinvestment Corporation, the Rental Housing Trust Fund Coordinating Committee, and Unity House, Inc. Your Committee also received testimony from the American Association of Retired Persons, Honolulu Neighborhood Housing Services, Inc., Hawaii Centers for Independent Living, Catholic Charities of the Diocese of Honolulu, the Public Policy Program of the Roman Catholic Diocese, and other interested individuals.

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

- (1) Eliminating the transfer of moneys from the Homes Revolving Fund to the Rental Housing Trust Fund;
- (2) Specifying that all the proceeds collected from the conveyance tax be paid into the Rental Housing Trust Fund;
- (3) Appropriating \$20,000,000 from the general fund for fiscal year 1992-1993 to be paid into the Rental Housing Trust Fund; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2502, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2502, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 770-92      Finance on H.B. No. 3851**

The purpose of this bill is to provide assistance to foster parents by:

- (1) Including foster parents within the scope of the definition of "volunteer" affording these individuals the benefits, protections, and coverage of state agency volunteers;
- (2) Prohibiting insurance companies from considering a policy holder's foster child differently from a natural or adopted child for the purpose of determining premiums for homeowners or renters insurance; and

- (3) Appropriating monies for:
- (a) A fund to reimburse foster parents for property damage incurred due to the actions of a foster child residing in their home;
  - (b) A demonstration respite care project for licensed foster parents; and
  - (c) Child care for foster parents who attend foster parent training classes or meetings.

The Department of Human Services (Department) provided testimony in support of the provisions regarding the expansion of the definition of "volunteer" to include foster parents, and equality in the calculation of homeowners and renters insurance premiums for the homes of foster parents. However, the Department could not testify in support of the appropriation sections proposed in view of economic projections and anticipated budgetary constraints. The State Advisory Council for the Department's Child Welfare Services supported the above-referenced comments.

After careful deliberation, the bill was amended by deleting the appropriation section for the establishment of the proposed fund to reimburse foster parents for property damage incurred to their homes by a foster child. Other technical, nonsubstantive revisions have been made for purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3851, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3851, H.D. 2.

Signed by all members of the Committee.

**SCRep. 771-92 Finance on H.B. No. 3900**

The purpose of this bill is to establish the Detention Facility Special Fund into which will be deposited moneys received from the United States Marshall's Office to construct a detention facility to temporarily house federal inmates.

Testimony in support of this bill was submitted by the Department of Public Safety.

This bill has been amended by:

- (1) Stipulating that any moneys remaining in the fund on June 30, 1998, will lapse into the general fund;
- (2) Changing the repeal date to June 30, 1998; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3900, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3900, H.D. 1.

Signed by all members of the Committee.

**SCRep. 772-92 Finance on H.B. No. 3163**

The purpose of this bill is to provide a more equitable and up-to-date method of taxing financial institutions and to prepare the State to take the second step which is the taxation of interstate banking.

Currently, financial institutions are subject to the franchise tax in lieu of paying net income and general excise taxes. The need to revise the franchise tax is clear: since its adoption in 1957, the franchise tax has remained virtually unchanged although the fundamental assumptions underlying its structure and the business itself have changed.

Beginning in 1990, the Department of Taxation, the Tax Foundation of Hawaii, and financial institutions held extensive discussions to improve existing Hawaii law and to address interstate banking. Although there is no agreement on how to tax interstate banking, this compromise bill is being proposed.

Among other things, this measure proposes to do the following:

- (1) Based on the suggestions of the Tax Review Commission, the blanket exemption from the general excise tax is eliminated in favor of exempting certain types of income relating to traditional banking activities. Under this bill, the following types of income is subject to the general excise tax: rental income from property owned by a financial institution as opposed to a subsidiary; parking lot fees; safe deposit box fees; fees for tax return preparation for the public; payroll services; data processing fees; and seminar fees;
- (2) The definition of a financial institution subject to the franchise tax is expanded to include: bank holding companies and their subsidiaries; mortgage loan companies; and trust companies;
- (3) The deduction for federal income taxes and the deduction for one-half of capital gains is eliminated.
- (4) The franchise tax rate of 11.7 percent is revised to an appropriate revenue neutral level; and
- (5) An alternative tax rate of 4 percent of capital gains derived by financial institutions is provided.

The Department of Taxation supported this bill. The Hawaii Bankers Association and the Hawaii Financial Services Association also submitted testimony.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3163, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3163, H.D. 1.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 773-92      Finance on H.B. No. 3857**

The purpose of this bill is to:

- (1)      Appropriate funds to continue and expand the two-year family support center demonstration project established by Act 329, Session Laws of Hawaii 1990; and
- (2)      Require family centers to establish a training and technical assistance component to develop and promote family centers and family center concepts.

The Department of Human Services; the Office of Children and Youth; the Hawaii Women's Political Caucus; the Hawaii Community Services Council; the West Hawaii Family Center; Molokai General Hospital; the Hawaii Island YWCA; Parents and Children Together; the Founder's Group of the Kokua Council for Senior Citizens; and Kualoa-Heeia Ecumenical Youth Project all testified in support of the bill.

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

- (1)      Deleting the appropriation; and
- (2)      Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3857, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3857, H.D. 2.

Signed by all members of the Committee.

**SCRep. 774-92      Finance on H.B. No. 3934**

The purpose of this bill is to establish a two-year pilot Hawaii Young Scholars Program in five selected elementary schools.

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

Technical, nonsubstantive amendments were made to this bill for clarification and stylistic purposes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3934, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3934, H.D. 2.

Signed by all members of the Committee.

**SCRep. 775-92      Finance on H.B. No. 3062**

The purpose of this bill is to:

- (1)      Require the Department of Land and Natural Resources (DLNR) to conduct one or more public hearings before terminating State funding for an approved management plan under the Natural Area Partnership Program;
- (2)      Provide for the revocation of a dedication of private lands in the Natural Area Partnership Program when state funding is terminated without the concurrence of the landowner and the cooperating entity;
- (3)      Changing the status of the Natural Area Reserve Fund from a "special fund" to a "revolving fund." The bill also provides for the deposit of not less than \$2,750,000 nor more than \$3,750,000 in each fiscal year from the proceeds and income of the public land trust. Of that amount no less than \$750,000 nor more than \$1,750,000 in any fiscal year will be utilized for the Program. Aggregate annual transfers are limited to \$4,000,000;
- (4)      Changing the status of the Forest Stewardship Fund from a "special fund" to a "revolving fund." The bill also provides for the deposit of not less than \$250,000 nor more than \$1,250,000 in each fiscal year from the proceeds and income of the public land trust. Aggregate annual transfers are limited to \$4,000,000; and

- (5) Specifying that the grants, subsidies and purchases of service requirements in Chapter 42D, Hawaii Revised Statutes, do not apply to the expenditure of funds for the Forest Stewardship Program.

DLNR submitted supportive testimony noting that a dedicated funding source is especially important to attract private landowners to enter into long-term partnership agreements with the State to ensure the long-term prudent management of Hawaii's Natural Area Reserves System. The Nature Conservancy, the Land Use Research Foundation of Hawaii, the Conservation Council for Hawaii, the Hawaii Visitors Bureau and concerned individuals from the UH Environmental Center also submitted comments in support of this measure.

Your Committee has amended this bill by reducing the amounts to be deposited into each fund to not less than nor more than \$1 each fiscal year, with an aggregate limit of \$2.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3062, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3062, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 776-92 Finance on H.B. No. 3130**

The purpose of this bill is to enable the High Technology Development Corporation (HTDC) to provide grants of up to fifty 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.

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

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3130, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3130, H.D. 1.

Signed by all members of the Committee.

**SCRep. 777-92 Finance on H.B. No. 2911**

The purpose of this bill is to enable fifty-seven Hawaiian Home Lands lessees in Panaewa and Keaukaha on the island of Hawaii to build their own affordable homes through a self-help construction program.

This bill appropriates \$2,109,000 for the Department of Hawaiian Home Lands (DHHL) to provide low-interest loans of up to \$35,000 for each lessee. Moneys would also be used for a contingency fund and to cover administrative costs.

Your Committee received testimony in support of this measure from DHHL, the Office of Hawaiian Affairs, the Hawaii County Economic Opportunity Council, The Gibson Foundation, and the Hilo Hawaiian Home Builders Support Group.

Your Committee considers this program worthy of public support. Were it not for the fact that the State is currently experiencing a major shortfall in State revenues, your Committee would give its wholehearted endorsement to this project. At the same time, however, your Committee must act responsibly in meeting a wide range of other pressing community needs. Therefore, until the revenue picture improves, or until additional funds can somehow be secured, your Committee cannot provide full funding for this program at the present time.

Accordingly, your Committee has reduced the appropriation to \$700,000. Language has been inserted in Section 3 specifying the manner in which the funds shall be dispersed. Technical, nonsubstantive amendments have also been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2911, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2911, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 778-92 Finance on H.B. No. 3250**

The purpose of this bill is to allow the Director of Finance of each county to require payment for delinquent taxes and penalties as a condition to the registration, renewal, or transfer of ownership of a motor vehicle.

Your Committee received testimony in support of this measure from the Department of Finance of the City and County of Honolulu.

Technical, nonsubstantive amendments were made to correct drafting, stylistic, and typographic errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3250, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3250, H.D. 1.



Signed by all members of the Committee.

**SCRep. 779-92                      Finance on H.B. No. 3430**

The purpose of this bill is to require that:

- (1) Any future changes in the rates or fees pertaining to harbors, wharves, and other properties managed and operated by the Department of Transportation be subject to disapproval by concurrent resolution by the Legislature; and
- (2) Any future changes in moorage fees for small boat harbors be subject to disapproval by concurrent resolution by the Legislature.

Testimony supporting this measure was submitted by the Hawaii Cruise Boat Owners Association and Paradise Cruise, Ltd. The Department of Transportation submitted testimony in opposition to this measure.

Upon further consideration, your Committee has amended this measure to address concerns raised by the Department of Transportation regarding existing bond covenants by providing that this bill is not intended to impair the obligation of the State to the holders of bonds issued by the State. Technical, nonsubstantive amendments have also been made for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3430, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3430, H.D. 2.

Signed by all members of the Committee.

**SCRep. 780-92                      Finance on H.B. No. 2719**

The purpose of this bill is to establish a two-year homeless assistance pilot project to provide incentives and assistance to private homeowners in the City and County of Honolulu who are interested in setting aside existing dwelling units, or constructing new or improving existing dwelling units, for rent by homeless families or individuals for a period of five years.

Testimony was received from the Department of Human Services, the Department of Public Works of the City and County of Honolulu, the American Association of Retired Persons, the Public Policy Program of the Roman Catholic Church, and the Kalihi-Palama Community Council.

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

- (1) Removing the provisions of this bill from Chapter 358D, Hawaii Revised Statutes, because this is not a permanent State program;
- (2) Deleting the appropriation and expending agency sections; and
- (3) Making technical, nonsubstantive amendments throughout the bill to correct drafting errors and for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2719, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2719, H.D. 2.

Signed by all members of the Committee.

**SCRep. 781-92                      Finance on H.B. 3400**

The purpose of this bill is to:

- (1) Provide that experimental and demonstration housing projects initiated by the counties pursuant to section 46-15, Hawaii Revised Statutes, will not be exempt from State wage and hour requirements under Chapter 104, Hawaii Revised Statutes;
- (2) Provide that eligible bidders and eligible developers for the construction of any public work is included in the term "party";
- (3) Clarify that the term "public work" include experimental and demonstration housing projects and various types of construction projects supported by State or County funds; and
- (4) Define the term "governmental contracting agency" as any person or entity that causes the building or creating of a public work.

The Department of Labor and Industrial Relations, the Hawaii Operating Engineers Industry Stabilization Fund, the Construction Cooperative Research Trust, the Hawaii Bridge Construction Trade Association, and an interested individual testified in support of the bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3400, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3400, H.D. 2.

Signed by all members of the Committee.

**SCRep. 782-92      Finance on H.B. No. 3244**

The purpose of this bill is to require the Hawaii Housing Authority (HHA) to provide youth activities coordinators for State housing projects under its jurisdiction containing 50 units or more for the development of appropriate activities for young project residents. The requirement would not be applicable to State housing projects for the elderly.

In the development of appropriate youth activities, the HHA will be required to consult with the Office of Children and Youth and the Office of Youth Services.

Representatives from the Women's Studies Program of the University of Hawaii at Manoa and Kokua Kalihi Valley submitted comments in support of this measure.

The effective date of this measure has been changed to July 1, 1992. Other technical revisions were made for purposes of consistency, clarity, and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3244, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 3244, H.D. 2.

Signed by all members of the Committee.

**SCRep. 783-92      Finance on H.B. No. 770**

The purpose of this bill is to allow would-be voters who failed to register prior to a given election the opportunity to register on the day of the election, provided they produce valid verification showing that they reside in new precincts by reason of reapportionment or change of address since the last primary, special primary, or special election.

Testimony in support of this bill was submitted by the Lieutenant Governor, the Kauai County Clerk, the League of Women Voters of Hawaii, and the Hawaii Rainbow Coalition.

Your Committee has made minor technical, nonsubstantive amendments to this bill for the purpose of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 770, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 770, H.D. 2.

Signed by all members of the Committee.

**SCRep. 784-92      Finance on H.B. No. 2456**

The purpose of this bill is to correct an inequity regarding the distribution of fees and charges collected from public and community users of school facilities by allowing a school whose facilities are utilized to receive the assessed fees and charges for subsequent expenditure at the school's discretion.

Currently, funds collected from such fees and charges are equally distributed to all schools in the district without making a distinction between more heavily-used and less heavily-used schools. As a result, heavily-used schools are unable to properly maintain their equipment and facilities that are utilized by the public.

The Department of Education, the Hawaii Business Roundtable, Aiea High School, Pearl Ridge Elementary School, Waimalu Elementary School, Pearl City High School, the Roosevelt High School PTSA, the Honolulu District School Advisory Council, and a Roosevelt High School alumni all supported this bill.

Your Committee has amended this bill by:

- (1) Deleting references to schools that participate in the school/community-based management system, thereby broadening the application of this bill to all schools;
- (2) Specifying that schools may utilize the fees and charges for expenses incurred as a result of public use of the school facilities; and
- (3) Correcting technical drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2456, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2456, H.D. 2.

Signed by all members of the Committee.

**SCRep. 785-92      Finance on H.B. No. 3119**

The purpose of this bill is to transfer the public safety functions and employees from various departments to the Department of Public Safety.

Testimony in support of the bill was submitted by the Department of Public Safety, the State Attorney General, the Department of Education, and the Hawaii State Public Library System.

This bill has been amended by:

- (1) Reducing the appropriation amount to the sum of \$1 for the purpose of further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3119, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3119, H.D. 2.

Signed by all members of the Committee.

**SCRep. 786-92      Finance on H.B. No. 3442**

The purpose of this bill is to:

- (1) Establish the Marine and Coastal Affairs Program within the Office of State Planning to:
  - (A) Develop overall ocean resources plans and policies; and
  - (B) Promote interagency coordination, communication facilitation, and conflict resolution;
- (2) Manage marine and coastal resources by following the principles of ocean stewardship and integrated ocean management; and
- (3) Abolish the Ocean Resources Management Program by repealing chapter 228, Hawaii Revised Statutes.

Testimony in support of the intent of this bill was submitted by the Office of State Planning.

This bill has been amended by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3442, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3442, H.D. 2.

Signed by all members of the Committee.

**SCRep. 787-92      Finance on H.B. No. 521**

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

This bill is intended to meet the requirement of Article VII, Section 13, of the Constitution of the State of Hawaii. This constitutional provision requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds that the debt limit will not be exceeded upon the issuance of bonds authorized by the law and in the past.

Your Committee has inserted \$1 as the total amount of bonds authorized by this bill in order to allow flexibility in the budget-making process. Other amounts in the bill and the proper bill references have been left incomplete since the precise data or best estimates have not yet been established. Your Committee has further amended this bill by updating the dates contained in this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 521, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 788-92      Finance on H.B. No. 3098**

The purpose of this bill is to allow the Director of Finance to allocate:

- (1) Income derived from moneys in any special fund to be credited to that special fund; and

- (2) Income derived from moneys in any bond fund and trust and agency fund to be credited to the respective fund.

The Department of Budget and Finance testified in support of this measure.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 1993; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3098, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3098, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 789-92                      Finance on H.B. No. 2885**

The purpose of this bill is to implement the findings and recommendations of the Legislative Auditor with regard to the special and revolving funds administered by the Housing Finance and Development Corporation (HFDC) and the Department of Business, Economic Development, and Tourism (DBED).

HFDC and DBED submitted testimony on this bill.

Your Committee amended this bill by deleting those sections repealing or amending the following special or revolving funds:

- (1) Hawaii Development Revolving Fund (HFDC);
- (2) Rental Assistance Revolving Fund (HFDC);
- (3) State Mortgage Guarantee Fund (HFDC);
- (4) Aloha Tower Special Fund (DBED);
- (5) Special Fund under the High Technology Development Corporation for each issue of bonds (DBED);
- (6) Foreign Trade Zones Special Fund (DBED);
- (7) Hawaii Community-Based Development Revolving Fund (DBED);
- (8) Hawaii Large Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Revolving Fund (DBED);
- (9) Hawaii Small Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Revolving Fund (DBED);
- (10) High Technology Research and Development Revolving Fund (DBED);
- (11) High Technology Special Fund (DBED);
- (12) Natural Energy Laboratory of Hawaii Authority Special Fund (DBED);
- (13) State Disaster Revolving Fund (DBED); and
- (14) Waikiki Convention Center Development Revolving Fund (DBED).

In addition, your Committee:

- (1) Deleted the section directing HFDC to reimburse all debts outstanding to the Director of Finance before June 30, 1993;
- (2) Included references to other statutory sections affected by this bill; and
- (3) Made other technical, nonsubstantive amendments.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2885, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2885, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 790-92                      Finance on H.B. No. 2886**

The purpose of this bill is to implement the findings and recommendations of the Legislative Auditor with regard to the special and revolving funds administered by the Department of Commerce and Consumer Affairs (DCCA), the Department of Education (DOE), the Department of Health (DOH), and the Department of Human Services.

Your Committee received testimony from the DOE, DCCA, DOH, the Legislative Auditor, and the Hawaii State Public Library System.

Based on the foregoing, your Committee has amended this bill by deleting those sections repealing or amending the following special or revolving funds:

- (1) Insurance Examiners Revolving Fund (DCCA);
- (2) Adult and Community Education Program (DOE);
- (3) Libraries Special Fund (DOE);
- (4) School Special Fees and Charges Special Fund (DOE);
- (5) Special School Lunch Fund (DOE);
- (6) Storeroom Revolving Fund (DOE);
- (7) Environmental Response Revolving Fund (DOH);
- (8) Epidemic Control Special Fund (DOH);
- (9) Hospital and Facility Administration Special Funds (DOH); and
- (10) Kalaupapa Store Revolving Fund (DOH).

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2886, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 791-92                      Finance on H.B. No. 3936**

The purpose of this bill is to appropriate funds to protect, preserve, and manage the historic saltponds at Hanapepe, Kauai.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Council Chair of the Kauai County Council, the Hui Hana Paakai O' Hanapepe, and a concerned citizen.

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

- (1) Inserting the sum of \$140,000 for the design to protect, preserve, and manage the historic saltponds; 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 H.B. No. 3936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3936, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tajiri.

**SCRep. 792-92                      Finance on H.B. No. 3076**

The purpose of this bill is to make an emergency appropriation to ensure the continued operation of Hawaii's community hospitals.

Your Committee has received a message from the Governor stating that a critical funding emergency exists in the community hospital system and requesting the Legislature to make an emergency appropriation.

Testimony in support of this measure was submitted by the Department of Health (DOH), citing the need for additional funds for the community hospitals to meet their financial obligations for this fiscal year. The DOH testified that the Division of Community Hospitals is taking a number of aggressive steps to minimize dependence on general revenue funds. These steps include rate increases, more effective collection methods, and a move toward reorganization.

Your Committee has amended this bill by:

- (1) Changing the percentage by which the appropriation will cause the State general fund expenditure ceiling to be exceeded from 12.4 percent to 0.53 percent; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3076, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3076, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 793-92                      Finance on H.B. No. 3457**

The purpose of this bill is to require:

- (1) The Comptroller to sell surplus State personal property at public auction after giving public notice; and
- (2) The State officers to report their excess property during their annual inventory.

Testimony in support of this measure was submitted by the Department of Accounting and General Services (DAGS).

Based on the recommendations of DAGS, your Committee has amended this bill by:

- (1) Changing the public auction to a public sale;
- (2) Changing the public notice provisions to require that notice of the sale be published once a week for three weeks in a newspaper of general circulation in the State; and
- (3) Adding that the proceeds of the sale can also be disposed of pursuant to the provisions of the State Surplus Property Revolving Fund.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3457, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 794-92                      Finance on H.B. No. 3063**

The purpose of this bill is to extend the repeal date for the Teacher Incentive Program at the University of Hawaii from June 30, 1992, to June 30, 1999.

The Teacher Incentive Program grants tuition waivers to University of Hawaii students who agree to pursue an academic curriculum that would qualify them to teach in Hawaii's public schools. This Program has encouraged students to prepare and seek certification in declared shortage areas, and assisted non-traditional students to complete necessary coursework for a career in education.

The Department of Education and the University of Hawaii submitted positive comments in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3063 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 795-92                      Finance on H.B. No. 3306**

The purpose of this bill is to provide that the salary of the executive director of the Hawaii Public Broadcasting Authority shall be established by the Board of Public Broadcasting and the Director of Commerce and Consumer Affairs. The salary set would be limited to the salary of a second deputy in an executive department.

The Department of Commerce and Consumer Affairs submitted testimony in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3306, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 796-92                      Finance on H.B. No. 2380**

The purpose of this bill is to provide moneys for reimbursements to operators of adult residential care homes for direct daily resident care services.

Your Committee received testimony in support of this bill from the United Group of Home Operators, the Alliance of Residential Care Home Administrators, the American Association of Retired Persons, the Waimanalo Senior Citizens Club, the Founder's Group Kokua Council for Senior Citizens, and numerous care home operators. The Department of Human Services testified that the Department could not support the funding request because of the economic outlook and fiscal constraints.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2380, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 797-92                      Judiciary and Consumer Protection and Commerce on H.B. No. 2355**

The purpose of this bill is to limit the circumstances under which third parties may bring a tort action against public accountants.

The bill is almost identical to H.B. 3940 and your Committees received testimony in opposition to both bills from the Department of Commerce and Consumer Affairs and Hawaii Bankers Association. Supporting testimony regarding both bills was presented by the Hawaii Society of Certified Public Accountants, Hawaii Society of CPAs, KPMG Peat Marwick, and a CPA.

The bill proposes to restrict the circumstances under which third parties may bring a tort action against public accountants. Currently, an accountant may be sued by persons who have no actual privity of contract with the accountant.

However, your Committees found the bill overbroad and made the following amendments:

- (1) Setting out three separate circumstances under which the liability protection would not apply as to claims by third parties;
- (2) Requiring that accountants make a written disclosure to persons with whom there is no direct contract or privity but who would be users of the accountant's services so that before any liability would arise from reliance on an accountant's work the user must contact the accountant.

Your Committees understand that by the very nature of the product, third parties will rely upon an accountant's work. The accountants currently have little control over this. However, before all third party claims are extinguished, notice of this possible consequence should be given. This bill has been amended to provide this notice.

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

Your Committees on Judiciary and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2355, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2355, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 798-92                      Consumer Protection and Commerce and Judiciary on H.B. No. 2814 (Majority)**

The purpose of this bill is to grant prescriptive authority to certain nurse practitioners who have been licensed by the Board of Nursing ("Board") to practice in expanded health care roles.

Your Committees received testimony in support of the bill from the State Board of Nursing, Department of Public Safety, Department of Health, Waianae Coast Comprehensive Health Center, The Queen Emma Clinics, Hawaii Nurses' Association, Healthcare Association, Kokua Kalihi Valley Health Center, Hawaii Long Term Care Association, Kalihi-Palama Health Clinic, Kaiser Permanente, Ke Ola O Hawai'i, Inc., Hawaii State Primary Care Association, the National Association of Community Health Centers, Hawaii Nurses' Association Council of Nurses in Advanced Practice and numerous private citizens (including nurse practitioners, physicians, patients of nurse practitioners and nursing students).

Your Committees received testimony in opposition to the bill from the Hawaii Medical Association, Hawaii Federation of Physicians & Dentists and several physicians.

The bill would grant prescriptive rights to nurse practitioners in advanced practice who meet the following requirements and stringent conditions: (1) the nurse practitioner must have a current valid Hawaii license; (2) nurse practitioner must be certified by a national credentialing organization approved by the Board of Nursing; (3) the nurse practitioner must have at least 30 clock hours of advanced pharmacology education; and (4) the nurse practitioner must have not less than two years of clinical practice.

Nurse practitioners would be allowed limited prescriptive rights under stringent conditions as follows: (1) prescriptive rights are limited to specific proposed formulary, approved by the Board, which must include input from physicians; (2) the nurse practitioner must be practicing in a licensed accredited institutional framework; (3) written verification of a consultative relationship with a physician; and (4) prescriptive rights limited to the nurse practitioner's area of specialty.



Testimony in the hearing covered the following areas:

- (1) The national trend is to grant prescriptive rights to nurse practitioners.

Over the past eighteen years, forty states and the District of Columbia have enacted laws to provide varying degrees of prescriptive authority to nurse practitioners.

- (2) Qualification and continuing education are critically important to maintain and ensure quality care for the people of Hawaii.

Physicians opposed to allowing prescriptive rights to nurse practitioners have argued that despite having additional training and expertise, advanced nurse practitioners lack the knowledge and skills necessary to prescribe medication without a physician's immediate supervision. Many other physicians provided testimony supporting the qualifications of nurse practitioners to prescribe medication as would be allowed under this bill, including numerous physicians who work with nurse practitioners.

The bill's requirement for national certification imposes a continuing education requirement of at least 45 continuing education credits every three years, as this is a requirement to maintain national certification through the NAACOG Certification Corporation.

In addition, the institutional setting requirement imposes a host of quality assurances, review requirements and other regulations and controls on the practice. Nurse practitioners also testified to their commitment and participation in quality assurance programs, even beyond those required by the institution where they are employed.

- (3) Nurse practitioners provide high quality, sensitive, affordable and professional health care.

Your Committees also received testimony on the high quality, personal and professional care received from nurse practitioners, including a greater emphasis on health teaching. As one testifier put it, "more than merely extra hands to do the work, the NP's at our health center have been outstanding professionals who provided services both caring and careful, sensitive and sensible."

- (4) Nurse practitioners serve a vital function in communities with a shortage of health care professionals.

Representatives from rural and underserved urban communities, inpatient health care facilities, and residential care homes have attested to a chronic shortage of health care professionals in Hawaii and the critical role nurse practitioners have served in those communities. As physician at the Wai'anae Coast Comprehensive Health Center states,

"Among the physicians, it is those who serve the poor, the homeless, the institutionalized [who support this bill]. It is especially in these areas of medical need that you find NP's and their colleague physicians."

The provisions of prescriptive authority would enhance the provision of health care services to these areas by expanding the role of Hawaii's nurse practitioners.

- (5) No evidence of increased liability, malpractice premiums as a result of allowing prescriptive rights to nurse practitioners has been presented.

There was no testimony with respect to problems arising in any of the 40 states with prescriptive rights for nurse practitioners, although some states have allowed prescriptive rights to nurse practitioners for almost 20 years.

Further, your Committees heard testimony that malpractice insurance rates are not higher for nurse practitioners with prescriptive rights, another indication that there have not been significant liability issues for nurse practitioners with prescriptive rights.

- (6) Current practice contemplates prescriptive rights for nurse practitioners.

Advanced nurse practitioners currently perform examinations, write prescriptions, then search for a physician to sign the prescription. In these situations, physicians rarely review the patient's chart, question the nurse practitioner's prescription or recommendation, or change the prescription.

- (7) Potential for abuse of prescriptive rights.

Opponents of the bill raised concerns that nurse practitioners in advanced practice will be tempted to use this authority for illicit drug traffic for profit, and that there is concern that they will have greater access to controlled substances.

While your Committees did not receive any substantive evidence to support these contentions, your Committees felt that limitation of the prescriptive rights, to exclude drugs defined or specified as a schedule I, II, III, IV, or V controlled substance under Chapter 329, Hawaii Revised Statutes, was appropriate at this time. Your Committees believe that this amendment would adequately address this concern while providing advanced nurse practitioners the authority to prescribe other medications, such as certain antibiotics, to patients.

- (8) The relationship between doctor and nurse practitioner is collaborative rather than consultative.

With respect to the requirement for a "consultative" relationship with a physician, your Committees received extensive testimony that a "collaborative" rather than "consultative" relationship was more appropriate, and that a collaborative relationship is what is presently provided in the Nurse Practitioner Act. A collaborative relationship denotes a closer

working relationship with the doctor, where the health care professionals work as a team to provide the highest quality care for their patient.

(9) Other amendments to the structure of the bill were requested by the Board.

The Board also recommended certain amendments to the bill, including certain technical, nonsubstantive changes. Substantive changes are: (1) requiring that a current, valid license as a registered nurse in Hawaii be required for nurse in advance practice license for both a nurse who is nationally certified and the clinical nurse specialist; (2) that the dates for renewal of the prescribing number be coterminous with the license renewal; (3) that prescriptions be filled by pharmacies licensed in the State; (4) that the nurse in advanced practice notify the Board in writing of any change in the collaborative relationship with the physician; (5) that the chairperson of the council be chosen by its members, and that one member of a non-profit health clinic on the neighbor islands be appointed to the council; and (6) that any proposed formulary or change in formulary be reviewed by the Board before being adopted by the Council.

Your Committees believe the amendments proposed by the Board are appropriate and proper, and have so amended the bill.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 2814, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2814, H.D. 2.

Signed by all members of the Committees.

(Representatives Bainum, Cachola, Peters, Thompson, Thielen and Ward did not concur.)

**SCRep. 799-92 Consumer Protection and Commerce and Judiciary on H.B. No. 2678**

The purpose of this bill is to increase the annual fee from three-tenths of one per cent to six-tenths of one per cent on the value of the trust principle.

Your Committees heard testimony from the Corporate Trustees Association of Hawaii in support of this measure.

The proposed bill would only apply to trustees of private trusts, and not trustees of charitable trusts such as the Bishop Estate or the Liliuokalani Trust. Also, Hawaii is one of only five states that has a statutory fee schedule for trustees of certain trusts. For non-statutory fee trusts, which are the most prevalent form of trusts, corporate trustees receive fees which are negotiated and are usually set at one per cent. This bill would apply only to the dwindling number of trusts tied to statutory fees. Testimony indicated that this increase was necessary for statutory trustees to remain competitive, and for the fees to more closely compensate them for the services rendered.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 2678 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 800-92 Consumer Protection and Commerce and Judiciary on H.B. No. 2498 (Majority)**

The purpose of this bill is to prohibit surrender clauses in land leases of residential property entered into on or after July 1, 1992 unless:

- (A) The lessee has the exclusive right to extend the lease for thirty years; or
- (B) The lessor pays the the lessee the fair market value of the improvements.

This bill also imposes on all land leases of residential property executed on or after July 1, 1992, a maximum annual renegotiated lease rent which applies a rent factor based on the consumer price index.

Recently, two residential leasehold ordinances were enacted by the City and County of Honolulu. The first places lease rent limitations on condominium lessors, while the second authorizes mandatory leasehold conversion for condominiums, cooperatives, and planned unit developments. Both ordinances are being challenged in federal court on constitutional and other grounds. See Richardson v. City and County of Honolulu, Civil No. 91-00725 (D. Hawaii filed Dec. 18, 1991).

Your Committees are aware that the enactment of these ordinances as well as the uncertainties caused by the pending litigation may have caused some voluntary leasehold conversion plans to be put on hold.

In an effort to encourage voluntary leasehold conversions, your Committees sought to provide language in the bill which would not affect pending litigation in any way, but would encourage voluntary leasehold conversions to continue. However, the affected parties could not provide appropriate language acceptable to the Committees in the allotted time. Therefore, this bill is unamended as to that aspect while further discussions continue.

Your Committees have amended the bill by replacing the lease rent formula with another formula which provides the same sort of predictability desired.

This bill has only prospective application and shall have no impact on any pending litigation and your Committees have included that point in the measure. In addition your Committees are aware that one of the points raised in the litigation

is State preemption. This bill is not intended to either contract nor expand the City's powers in this area. That is an issue which we leave for the courts to determine.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 2498, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2498, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.  
(Representative Peters did not concur.)

**SCRep. 801-92                      Consumer Protection and Commerce on H.B. No. 3961**

The purpose of this bill is to reduce the number of uninsured motor vehicles being driven in violation of Hawaii's mandatory automobile insurance laws.

Your Committee finds that stricter regulation of uninsured motor vehicles is required to reduce the number of uninsured motor vehicles on the road. About 20% or approximately 140,000 cars are being driven without insurance. This large number of uninsured cars results in higher insurance premiums for the majority of responsible drivers that purchase automobile insurance. Many of those driving uninsured motor vehicles have already been cited for failure to have no-fault insurance, but nonetheless continue to flagrantly violate the law.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs, the Hawaii Association of Plaintiffs' Attorneys, the Hawaii Independent Insurance Agents Association, and representatives of the insurance industry.

This bill specifically provides for seizure and sale of uninsured vehicles as a penalty for the intentional or fraudulent misuse of no-fault insurance identification cards (e.g. fake or altered no-fault insurance identification cards). Operation of a vehicle without insurance is already subject to penalties, which include the sale of the vehicle in case of multiple violations. Your Committee feels that the fraudulent use of a no-fault identification card is a more culpable act than the violations currently enumerated, and these penalties are appropriate.

Your Committee has amended this bill by inserting provisions protecting due process rights by requiring adequate public notice and sale at a public auction to the highest bidder.

Your Committee has also amended this bill by incorporating the provisions of H.B. No. 2304, H.D. 1. That bill requires no-fault insurance card information to be included on all motor vehicle safety inspection certificates to document that the safety inspection station has actually checked for valid no-fault insurance. Your Committee finds that this documentation will enhance enforcement of this procedure.

Your Committee has amended the effective date of this bill to January 1, 1993, in order to provide adequate time to prepare new motor vehicle inspection certificates that accommodate no-fault insurance identification card information.

Your Committee feels that this bill is a step towards developing an integrated system of monitoring, encouraging and enforcing compliance with Hawaii's mandatory no-fault insurance laws.

However, this bill is by no means the final solution to the uninsured vehicle problems. Your Committee also received testimony on four other bills (H.B. No. 3976, H.B. No. 3971, H.B. No. 2759 and H.B. No. 3962.) relating to methods for enforcing Hawaii's mandatory insurance law, including requiring proof of insurance to register a vehicle.

The City and County of Honolulu proposed an automated insurance verification program, utilizing an on-line computer network containing a data base of all vehicles that have valid no-fault insurance policies in effect. This data base could form the foundation for a number of monitoring and enforcement provisions, which could be tied together in a comprehensive system that incorporates not only the enforcement provisions of this bill, but also requirements that tie in vehicle registration, penalties and the like.

The City's concept is simple: Insurance companies would utilize the 17-character vehicle identification number ("VIN") and a 40-character name of the insurer to add or inactivate records on an insurance data base. This data base would be on-line.

If an insurance policy is cancelled or not renewed, the insurance company would be required to immediately inactivate the record from the data base. Until the record is inactivated, the vehicle would be considered to have a valid insurance policy and the insurance company would be held responsible for the vehicle.

A program to interface the insurance data base with the motor vehicle computer records would be developed. If the VIN does not exist or if it has been inactivated on the insurance data base, the processing of an initial registration, renewal, or ownership transfer for such a vehicle would be prevented.

If a record check is requested by law enforcement, the computer would automatically search both the insurance data base and the motor vehicle computer files. Thus, if a VIN is not on the data base, the computer inquiry would indicate that the vehicle is not insured, and the officer would be authorized to cite the individual, and take whatever other actions would be authorized (e.g. impounding the vehicle, destroying the vehicle's license plates, etc.)

Follow up enforcement would be simplified, as proof of insurance could easily be verified through the on-line insurance data base.

Of course, adequate safeguards and alternatives in the event of an error in the data base need to be developed as well.

Representatives of the insurance industry indicated that such a data base seemed to be a workable system, that they would be willing to participate in such a system, and that they would also be willing to work with the City on developing this idea further.

Your Committee has described the City's concept in detail because it believes that such a comprehensive system, utilizing an integrated computer system, is a viable, efficient and effective way of cracking down on those vehicles on the road with no insurance. It is anxious for these ideas to be pursued, and is hopeful that a comprehensive package that incorporates many of these ideas can be completed this session or completed and introduced in the next legislative session.

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

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3961, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 802-92      Consumer Protection and Commerce on H.B. No. 2984**

The purpose of this bill is to permit interstate banking only in the limited situation where there is a failing bank, federally insured financial institution, financial services loan company or savings and loan institution.

Your Committee received testimony in support of the bill from the Commissioner of Financial Institutions, Bank of Hawaii and the Hawaii Financial Services Association, Inc.

The bill will provide regulators with more flexibility in the situation where there is a failing financial institution. Regulators would only consider an out-of-state institution if no qualified in-state institution purchases the failing institution or the assets and liabilities of the failing institution. This measure can help to stabilize the local market place and protect the confidence of depositors in a failing financial institution situation.

The Commissioner has requested a technical amendment, to provide that qualified federally insured financial services loan companies may be part of any eligible bidding list in the event there is a failing bank situation. Your Committee finds the amendment to be appropriate, and accordingly has so amended the bill.

Your Committee made technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2984, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2984, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 803-92      Consumer Protection and Commerce on H.B. No. 3722**

The purposes of this bill are to:

- (1) Require travel agencies to file a notarized statement in lieu of a special report prepared by a public accountant;
- (2) Stipulate that travel agencies must submit the name of a trust account in place of the actual account number; and
- (3) Clarify that travel agencies may post a sign disclosing the consumer's rights in lieu of providing a written disclosure to consumers who pick up a travel ticket from the agency's place of business.

Testimony was submitted by the Department of Commerce and Consumer Affairs (DCCA); A Travel Company, Inc.; Air Fare Bargains; American Express Travel Related Services Company, Inc.; International Travel Service; Casey & Lee Travel, Inc.; the Hawaii Business League; and the Activity Owners Association.

Your Committee finds that:

- (1) According to DCCA, the costs attributed to the preparation of a special report are usually between \$500 to \$1,000 per annual report. Although the intent behind this disclosure requirement stemmed from concerns over the possible mismanagement of client trust fund monies, the language of Section 468L-2, HRS, currently requires all travel agencies--even those that do not use client trust accounts--to submit an annual special financial report;
- (2) Due to ambiguities in the language of Section 468L-5, HRS, it is unclear as to how credit card transactions are to be handled;
- (3) Some flexibility was desirable on the requirement that consumer's rights disclosure be made each and every time; and

- (4) Hawaii's travel agents have had difficulty in complying with statutory requirements regarding the time in which travel agents must deposit collected monies, and disclose to DCCA any changes in the location of client trust accounts. Both DCCA and Hawaii's travel agencies have noted that extensions to these periods would significantly enhance conformance by the industry to Chapter 468L, HRS.

Accordingly, your Committee has amended this bill by:

- (1) Providing travel agencies not utilizing client trust accounts with the option of substituting a notarized disclosure statement in lieu of a special report;
- (2) Stipulating that transactions involving credit cards or other centrally billed travel accounts are suitable forms of compliance under Chapter 468L, HRS;
- (3) Revising the period in which travel agency must deposit sums received from three days to five days;
- (4) Amending the period in which a travel agency must notify DCCA of any change in the number or location of a client trust account from one day to three days;
- (5) Allowing travel agencies to provide written disclosure to repeat customers or business accounts only once, rather than each time, according to procedures to be determined by DCCA; and
- (6) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3722, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3722, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 804-92                      Consumer Protection and Commerce on H.B. No. 3013**

The purposes of the bill are to provide statutory authority to the Board of Pharmacy to adopt rules to establish requirements for licensing of wholesale prescription drug distributors in order to comply with the federal Prescription Drug Marketing Act of 1987 ("PDMA"), and to establish federally mandated provisions relating to storage, handling and recordkeeping by wholesale prescription drug distributors and to authorize rules on these subjects.

Your Committee received testimony in support of the bill from the Department of Health and the Board of Pharmacy.

The PDMA requires states to license and inspect all prescription human drug wholesale distributors by September 12, 1992. Failure to have in effect by that date a licensing system that meets the federal requirements would mean no prescription drug wholesaler in the State could receive drugs through interstate commerce. If this were to happen, prescription drugs could be in short supply or more costly or both.

This bill establishes the statutory authority necessary for the Board of Pharmacy to adopt rules which implement the federal guidelines relating to the licensure of wholesale prescription drug distributors.

In addition, the Department of Health must establish minimum storage, handling and record keeping requirements which wholesale human drug distributors are to meet. The provisions in the bill are taken from federal guidelines and will become a new part in chapter 328, Hawaii Revised Statutes. In addition, the bill provides the Department of Health with statutory authority to adopt rules pertaining to other provisions of the federal guidelines.

The Department of Health and Board of Pharmacy have proposed a technical, nonsubstantive change to the bill. Accordingly, your Committee has amended the bill to make that technical correction.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3013, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 805-92                      Consumer Protection and Commerce on H.B. No. 2493**

The purpose of this bill is to require restaurants and retailers offering gift certificates to honor the certificates for at least one year from the date of purchase, and to provide a mechanism by which the holder of the certificate could extend the life of the certificate for additional one-year periods.

Testimony was submitted by the Department of Commerce and Consumer Affairs, the Retail Merchants of Hawaii, the Hawaii Food Industry Association, the Hawaii Restaurant and Licensed Beverage Associates, Ltd., and a concerned citizen.

Your Committee finds that inconsistencies in the use of gift certificates issued by restaurants or businesses engaged in the retail sale of goods or services have placed undue hardships on the consuming public. It has come to your Committee's attention that because a number of restaurants and retail establishments have placed time restrictions on the

validity of gift certificates for various administrative and accounting purposes, these establishments have refused to honor these certificates after the passage of the expiration date.

Some have questioned whether an establishment may legally or ethically enforce an expiration date on a certificate. Opponents of this practice have questioned whether it is acceptable for an establishment to refuse to provide a good or service for which it has previously received payment. This bill attempts to remedy this practice by requiring establishments that issue certificates to honor the certificates for at least one year from the date of purchase, and provide certificate recipients the option of extending the validity of the certificates for additional one year periods.

However, your Committee further finds that the enactment of this bill may conceivably impact the provision of services from the retail community to non-profit organizations. In previous years, the Hawaii Food Industry Association (HFIA) had issued annually certificates valued at over \$150,000 that were purchased by the State-run Volunteer Information Referral Service (VIRS) with monies donated by Hawaii's citizens through the Honolulu Advertiser and Star Bulletin's Holiday Donation Programs. The certificates allowed low-income families a means of receiving a non-cash gift that would not count against any subsidies they may have otherwise received. These certificates were given an expiration date of January 31, after which the certificates were considered nonredeemable and void. Any revenues not spent were returned to VIRS. If the provisions of this bill were enacted, members of the business community may not be inclined to participate in such programs if goods or services would be redeemable after the period in which the service was intended to be provided.

After much discussion and deliberation, your Committee is in accord with the intent of this bill. However, your Committee notes that:

- (1) Without a definition of the term "gift certificate", the provisions of this bill, as written, may possibly impact the use of retail coupons, award certificates, certificates for charity, or other forms of vouchers used for commercial purposes which this bill was not intended to address; and
- (2) There is a need to establish a limit on the number of extensions provided to the consuming public so that:
  - (A) Certificate issuers are able to adjust their record keeping and accounting practices in a reasonable manner;
  - (B) Certificate recipients are furnished a fair amount of time to use their certificates; and
  - (C) The length of the certificate extension will not conflict with the disclosure requirements of Sections 523A-14 and 523A-17, Hawaii Revised Statutes, which stipulate that any gift certificate or credit memo issued which remains unclaimed after a five-year period is presumed abandoned and must be turned over the Department of Budget and Finance.

Accordingly, your Committee has amended this bill by:

- (1) Establishing a definition for the term, "gift certificate";
- (2) Stipulating that the certificate issuer shall provide the recipient or bearer of a certificate two one-year extensions on the life of the certificate upon the request of the recipient or bearer; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee notes this bill does not require a certificate issuer to return cash to the certificate recipient, leaving this as a business decision.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2493, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

#### **SCRep. 806-92**

#### **Consumer Protection and Commerce on H.B. No. 3282**

The purpose of this bill is to permit financial services loan companies to sell accidental death and dismemberment policies and auto club memberships and other participatory programs.

Testimony was received from the Commissioner of Financial Institutions and Hawaii Financial Services Association, Inc.

Your Committee finds that the authority to sell accidental death and dismemberment insurance would enable financial loan companies to provide a class of insurance to their customers which is not readily available through traditional vendors of insurance and is generally only available through direct mail. Including the ability to sell auto club memberships increases the availability of such services in Hawaii.

However, your Committee amends the bill in the following ways:

- (1) Deletes "participatory programs" and adds "home and automobile security plans" as a product that financial loan companies may sell;



- (2) Subjects the sale of accidental death and dismemberment policies, auto club memberships, and home and automobile security plans to the approval of the commissioner; and
- (3) Clarifies that the sale of accidental death and dismemberment policies, auto club memberships, and home and automobile security plans must be paid in cash, and deleted the language allowing financing through a loan.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3282, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 807-92 Consumer Protection and Commerce on H.B. No. 3960**

The purposes of this bill includes:

- (1) Excluding leasehold condominium projects from Act 132, Session Laws of Hawaii (SLH) 1991, and cover association apartment owners of fee simple condominium projects only;
- (2) Requiring a minimum of 50%, rather than 100%, of the estimated cash reserves;
- (3) Allowing an annual majority vote of all apartment owners to waive all or part of the funding of the estimated cash reserves;
- (4) Permitting borrowing to fund one half of the estimated cash reserves, subject to some qualifications;
- (5) Providing for contingency reserves subject to qualifications;
- (6) Providing for enforcement by any apartment owner;
- (7) Expanding the definition of "emergency situation to include extraordinary expenses due to legal or administrative proceedings brought against the association; and
- (8) Housekeeping amendments.

Your Committee received testimony from the Real Estate Commission, the Condominium Property Regime Committee of the Real Property and Financial Services Section of the Hawaii State Bar Association, Hawaii Association of Realtors, and the Blue Ribbon Panel. All expressed strong support for the mandatory reservations requirements established by the Legislature last year (although the Act does not go into affect until January 1, 1993), and expressed concerns about the bill which changes these requirements.

After extended discussion, your Committee amended the bill as follows:

- (1) Deleted the exclusion of leasehold projects. Many leasehold projects have significant time remaining on their leases and will need reserves;
- (2) Eliminated the waiver provision. The bill allows the board of directors (board) to only fund 50% of estimated reserves and complete waiver defeats the intent of Act 132, SLH 1991;
- (3) Removed the borrowing provisions. Borrowing is already permitted, and the board has the discretion to fund less than the full reserves thereby eliminating the need for borrowing;
- (4) Extended the time that associations may have to fund cash reserves (replacement reserves) from five years to seven years;
- (5) Replaced the term "cash reserves" with "replacement reserves" for clarifying purposes;
- (6) Added a findings clause;
- (7) Provided that the requirements of the law overrides any requirements of the association unless the association's requirements are more stringent; and
- (8) Changed the standard required of directors in the event that an apartment owner enforces the reserve requirement.

Your Committee strongly believes that condominium projects should have adequate reserves in fairness to all owners who receive the benefits of use of the common elements. However, a 100% reserves requirement may be higher than necessary for the purpose of ensuring that all condominiums have some adequate level of reserves. Accordingly, your Committee believes reducing the mandatory reservation requirement from 100% to 50% will afford a level of protection to all owners. Nothing will preclude condominiums from having a higher or 100% reserve. Your Committee is informed that many condominiums already meet a 50% requirement and thus, will not be affected. However, this bill will require condominiums with inadequate reserves to come up to this minimum standard.



Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3960, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3960, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 808-92                      Consumer Protection and Commerce on H.B. No. 3441**

The purpose of this bill is to permit the formation of a new non-profit entity entitled a pure non-profit captive insurance company.

Both the Department of Commerce and Consumer Affairs, and the Hawaii Captive Insurance Council testified in support of the bill.

The intent of the bill is to allow an existing non-profit parent company to self-fund its risks through a pure captive insurance company incorporated under Hawaii's non-profit corporation law without jeopardizing the parent's tax exempt status. A captive insurance company may only insure the risks of its parents or subsidiaries within the same corporate system, and does not insure any third-party risks. Under current law, a non-profit parent company may not incorporate its pure captive insurance subsidiary as a non-profit corporation under Chapter 415B, but rather must incorporate the subsidiary as a business corporation under Chapter 415, Hawaii Revised Statutes.

The bill does not allow the formation of a pure non-profit captive if the parent company is not a tax-exempt entity, nor does it allow the formation of a group non-profit captive.

The bill will benefit non-profit corporations such as hospitals and health systems, and educational institutions who will be able to self-insure.

Your Committee finds that the bill is not explicit enough and that the regulatory framework of a non-profit corporation needs to be integrated within the captive article of the insurance code. Therefore Your Committee amended the bill to clarify this in the following ways:

- (1) Drafting a new definition for a pure non-profit captive insurance company; and
- (2) Excepting the new entity, non-profit captive insurance company, from incorporating as a stock insurer under the general incorporation law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3441, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 809-92                      Consumer Protection and Commerce on H.B. No. 2808**

This bill implements the recommendations of the State Auditor and those recommendations set forth in Report No. 91-19 entitled "Sunset Evaluation Report: Auctions, Pawnbrokers, Secondhand Dealers and Scrap Dealers". Historically, counties had the authority to decide whether or not to license these businesses. In 1990, this power was removed from the counties. This bill would restore that power to each county.

Your Committee received testimony from the State Auditor and from the Department of Commerce and Consumer Affairs ("DCCA").

The State Auditor testified that the matter of licensing should be left to the counties. The State Auditor also testified that businesses under the sunset schedule appear to be required to pay the DCCA a compliance resolution fee. This fee is required of state licensees under DCCA, but was probably not intended to cover a small group of county licensees. Accordingly, the auditor recommends removing these business from the sunset schedule.

A technical, nonsubstantive amendment was made for the purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2808, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2808, H.D. 2.

Signed by all members of the Committee.

**SCRep. 810-92                      Consumer Protection and Commerce on H.B. No. 3974**

Your Committee heard testimony on seventeen bills regarding no-fault insurance for motor vehicles. Testimony was received from the Insurance Commissioner, representatives of the insurance industry, insurance agents, attorneys, the City and County of Honolulu, automobile rental and leasing companies, doctors, dentists and chiropractors, retired persons, Coalition for Automobile Insurance Reform, labor unions, and individual consumers.

Your Committee is concerned with the need to maintain affordable no-fault insurance while balancing the need to protect consumer rights. Your Committee has taken proposals from the various bills that were considered, as well as suggestions offered during the course of extensive discussions. Your Committee is amending this bill to utilize it as a vehicle to incorporate many changes which impact on the affordability of no-fault insurance.

Your Committee is concerned about mandating reductions in rights for all consumers without any clear indication of amounts that consumers may save and the duration of such savings. Accordingly, your Committee is emphasizing those proposals which allow consumers to voluntarily reduce their coverages for appropriate reductions in premiums, without sacrificing substantive rights, and without requiring that all consumers lose their rights without any alternatives. Your Committee finds that this approach best serves consumers by giving them a choice of lower premiums with appropriately lower coverages, or higher coverages with appropriately higher premiums to best fit their individual needs and circumstances.

Your Committee has amended this bill to include the utilization or adoption of schedules of charges for services allowable under the no-fault law. The vast majority of services are already covered by schedules utilized by the Department of Labor for work related injuries. Rather than having the Insurance Commissioner recreate what already exists and has been effectively utilized with success by the Department of Labor, this amended bill will provide for utilization of the workers' compensation payment schedule. For those few items not covered by the workers' compensation schedule, the Insurance Commissioner should adopt appropriate schedules in accordance with Chapter 91.

Your Committee received testimony from health care professionals describing many differences in the treatment of those injured in automobile accidents and those receiving work related injuries during the acute care phase. Your Committee finds that there is a significant difference in the treatment of those who are seriously injured in automobile collisions, and who may be intoxicated, under the influence of illegal substances, combative or heavily bleeding so as to pose an HIV infection risk, and ordinary work related injuries which generally involve less serious injuries during regular work hours. The bill therefore provides that treatment rendered during the first seven days following the date of the accident are exempt from the schedule of charges and should instead be based upon the providers usual and customary charge for such acute care services.

Your Committee received testimony from the Insurance Commissioner raising concerns that the insurance division was not presently equipped to handle the full implementation of a workers' compensation system, including regulation of utilization and frequency of services. Your Committee received testimony that the Department of Commerce and Consumer Affairs Regulated Industries Complaint Office already has authority to investigate and handle claims of over-utilization and excessive fees by health care providers. In addition, the Regulated Industries Complaint Office has already established advisory boards consisting of health care specialists to assist in regulating those fields. Accordingly, your Committee believes that it would be redundant and a waste of time and resources to recreate those procedures, staffing and administrative support within the insurance division at this time. The bill as amended therefore provides that instances of excessive charges, inappropriate treatment, over-utilization and other violations be handled by the Regulated Industries Complaint Office.

Insurance companies will be required to report violations to the Regulated Industries Complaint Office. Insurance companies will be protected by a provision specifically allowing them to withhold and suspend payment of disputed amounts while complaints are pending at the Regulated Industries Complaints Office and need only pay reasonable amounts due under the fee schedules or not in dispute.

Your Committee received testimony that a reduction in the minimum required bodily injury policy limits would result in significant savings in bodily injury insurance premiums. Your Committee also received testimony that the minimum required bodily injury policy limits in Hawaii are higher than most other states. Insurance companies are currently required to offer additional higher bodily injury policy limits, at appropriately increased premium rates, at the option of the consumer. Your Committee believes that a reduction of the minimum bodily injury policy limits by \$10,000, from \$35,000 per person to \$25,000 per person, should result in a significant reduction in the bodily injury insurance premium as insurance companies' bodily injury payouts will be reduced by \$10,000 per claimant. This reduction of the minimum bodily injury policy limits will not unfairly prevent those who want or need additional coverage from obtaining that extra coverage, as optional additional bodily injury coverage is presently required and should continue to be required. Accordingly, your Committee has amended this bill by changing the minimum bodily injury liability requirement from \$35,000 to \$25,000 per person.

Your Committee received testimony concerning the use of deductibles as a means of lowering insurance premiums. Deductibles can result in significant reduction of insurance premiums. For example, a \$500 no-fault deductible can result in a 20% savings from the no-fault (PIP) premium. The vast majority of consumers, including many members of this Committee, however, were unaware that such a deductible was even available, let alone that use of a deductible could result in substantial savings. Deductibles for other coverages, such as collision and comprehensive coverages, may result in similar or even greater reductions in insurance premiums. For example, increasing the comprehensive deductible from the customary \$50 to \$250 could result in about a 35% savings on the comprehensive premium. A change in the collision deductible from the customary \$250 to \$500 could result in a 12% to 15% reduction in the collision premium.

The use of larger deductibles will result in even greater savings. Since the use of deductibles is at the option of the consumer, increasing required optional deductibles will give consumers greater flexibility to reduce their insurance premiums while avoiding mandatory reductions in their rights. Expanded utilization of deductibles will therefore preserve consumer rights while simultaneously provide them the option to tailor their insurance to their particular needs and circumstances in order to reduce their premiums. Accordingly, your Committee has amended this bill to provide for an increase in the required optional no-fault deductibles.

The law presently requires optional no-fault deductibles of \$100, \$300 and \$500. The bill would require the addition of an optional no-fault deductible of \$1,000. There currently are optional collision deductibles of \$50, \$100, \$250 and \$500. The bill increases the range of options to add \$1,000, \$1,500, and \$2,000 collision deductibles. Insurance companies

currently offer comprehensive deductibles of \$50, \$100, and \$250. The bill requires additional comprehensive deductibles of \$500, \$1,000, \$1,500, and \$2,000. All deductibles must be offered at appropriately reduced premium rates.

The bill has been amended to require that insurance companies disclose deductible options to consumers when the policy is initially sold and at every renewal. Disclosure should inform consumers that deductibles are available and the premium savings for each deductible.

Your Committee received testimony regarding the awarding of attorney's fees to claimants in first-party disputes with insurance companies concerning payment of no-fault (PIP) benefits. Your Committee received testimony from attorneys in opposition to any reduction of attorney's fees; however, on balance your Committee believes that attorney's fees should not be awarded where an unreasonable claim has been submitted. Accordingly, your Committee has amended this bill to provide that no attorney's fees shall be paid to claimants submitting unreasonable claims. This provision will be in addition to current provisions prohibiting the award of attorney's fees where a claim is found to be fraudulent, frivolous or excessive.

Your Committee has amended this bill to require prior approval of automobile insurance rates. Under current law, insurance companies may simply file and use insurance premium rates. Those rates need not be approved by the Insurance Commissioner before they are used by insurance companies. Your Committee received testimony that requiring prior approval of insurance rates may assist in insuring that only rates that are reasonable and fair for both the consumer and insurance company are utilized in the State of Hawaii.

Your Committee is aware that there is a wide disparity in insurance rates being used by different insurance companies for comparable insureds. For example, in the sample of annual insurance premiums most recently published by the Insurance Commissioner, a driver owning a 1990 Toyota Camry and driving to and from work would pay \$1,081.00 annually at AIG Hawaii. That same driver owning the same car and driving to and from work would pay only \$497.00 annually for the same coverage from State Farm -- a difference of \$584.00. That same driver would pay \$315.00 for insurance from Hartford Insurance Company -- a difference of \$766.00 from AIG Hawaii and \$182.00 from State Farm for identical circumstances.

Your Committee is aware that many consumers simply do not know that there is a wide variation in insurance premiums among the different insurance companies and that they may save many hundreds of dollars by carefully shopping among insurance companies. Your Committee has therefore amended the bill by requiring that the Insurance Commissioner publish sample annual insurance rates at least quarterly instead of annually. Your Committee recognizes that the lack of consumer awareness coupled with difficulties in obtaining prices from insurance companies makes it difficult for a consumer to shop around for the best buys in auto insurance. Therefore, your Committee believes even more can be done to make it easier for consumers to benefit from a true competitive marketplace for auto insurance coverage and calls upon the Insurance Commissioner and the insurance companies to provide further assistance to consumers.

Your Committee has amended this bill by deleting the requirement of physical impact or independent evidence of unidentified vehicles in uninsured motorist claims. Your Committee is aware that these requirements were placed into the 1987 recodification of the insurance code inadvertently, as no substantive changes were intended or considered in that 1,000 plus page bill. The addition of these requirements were inappropriate and should, therefore, be deleted. Your Committee received testimony that the addition of these requirements results in the forfeiture of rights by innocent victims of unidentified vehicles, while those persons presenting fraudulent claims nonetheless manage to satisfy the requirements.

Your Committee received testimony that many of those injured in automobile accidents are not aware of the cost of the medical treatment they receive. Accordingly, the individual consumer may not know of overcharges until it is too late. In addition, consumers are not always aware of the amount of no-fault benefits they have and what those benefits cover. Accordingly, your Committee has amended this bill to require that no-fault claimants be advised at the outset of the claim of the nature and amount of no-fault benefits available to them. Insureds must also be advised of payments at every \$5,000 interval in order to alert consumers of potential excessive charges and allow them to take action before their benefits are exhausted.

Your Committee has amended this bill by expanding the instances where claimants must return money to no-fault insurance companies. Under the present law, a claimant need only reimburse his or her no-fault insurance company when he or she receives a third-party bodily injury liability settlement or judgment which duplicates no-fault benefits paid. A claimant receiving uninsured motorist or underinsured motorist benefits need not currently reimburse his or her insurance company for duplicate no-fault payments. Your Committee believes that claimants should not be entitled to retain duplicate no-fault payments in uninsured motorist and underinsured motorist recoveries. Accordingly, the ban against recovery of duplicate payments is being extended to uninsured motorist and underinsured motorist coverages. Your Committee finds that no-fault companies are entitled to reimbursement of no-fault benefits they have paid, but not to benefits paid by others such as workers' compensation benefits, temporary disability insurance benefits, etc.

It is your Committee's intent that reductions in benefits or rights to consumers should result in reduction in rates. This bill has been amended to provide for mandatory rate reductions in amounts to be determined after receipt of additional data. It is your Committee's expectation that this reduction in rates will be reflected appropriately in the premiums paid by each policyholder.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3974, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 811-92 Consumer Protection and Commerce and Judiciary 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). The measure would expressly prohibit an employer from refusing or failing to provide medical or other insurance coverage to a person who tests HIV positive.

Your Committees received testimony supporting the intent of the bill from the Department of Health, Governor's Committee on AIDS, Hawaii Civil Rights Commission, American Civil Liberties Union Hawaii, Big Island AIDS Project, ILWU Local 142, and Hawaii State AFL-CIO. The Chamber of Commerce opposed the bill.

Under existing laws it is an unlawful practice for employers to refuse to hire or otherwise discriminate against an employee because of "handicapped status." HIV infection is currently included within the term "handicapped status" and the failure to provide insurance because of HIV infection constitutes unlawful discrimination in the terms, conditions, and privileges of employment.

Therefore, rather than amending the section of the law listing the circumstances in which discrimination is not allowed, your Committees have amended the bill by amending the definition of "handicapped status" which is already one of the circumstances, to clearly include HIV seropositivity. In doing this, your Committees are clarifying what is already the law. In addition, your Committees stress that failure of an employer to offer insurance based on HIV infection is currently an unlawful discriminatory practice.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 3466, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 3466, H.D. 2.

Signed by all members of the Committees.

**SCRep. 812-92 Consumer Protection and Commerce and Judiciary 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, with the exception of social workers working for the State or Counties.

Your Committees received testimony from the Department of Health, Department of Human Services, Department of Commerce and Consumer Affairs (DCCA), Dean of the University of Hawaii School of Social Work, National Association of Social Workers, Inc., Catholic Charities of the Diocese of Honolulu, and several social work students and graduates.

Your Committees were concerned by the scope of the definition of "social work" contained in the bill. It would include counselors, marriage and family therapists, and others who are not social workers, and who should not be forced to conform to the licensing requirements set forth. Although the legislative auditor's sunset/sunrise reports on social workers twice concluded that there was no demonstrated need to regulate social workers, your Committees are apprised that there are considerations other than those reviewed under a sunrise/sunset analysis which may warrant some level of regulation for social workers. DCCA, which was charged under the bill to implement the provisions, testified that they would be unable to do so without funding and additional resources.

Accordingly, your Committees amended the bill by removing the licensure requirements and charging DCCA to submit a licensure proposal for the 1994 legislature through a report to include the following:

- (1) A definition for a licensed social worker and the scope of practice;
- (2) A licensing scheme for social workers;
- (3) Suggestions on implementation of a licensure program; and
- (4) Findings on the impact a licensure program would have on government employed social workers.

Your Committees have further amended the bill to extend the current chapter on social workers during the period of this review and five years beyond. The intent is that the next review by the auditor's office will be based on any new regulatory provisions adopted by the legislature in 1994.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 3620, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 3620, H.D. 2.

Signed by all members of the Committees.

**SCRep. 813-92 Consumer Protection and Commerce and Judiciary on H.B. No. 3568**

The purposes of this bill are to:

- (1) Require the manufacturer or distributor of new passenger vehicles for sale or lease to affix to the window or the windshield a notice specifying that the vehicle has been equipped with a bumper system that either conforms to or exceeds current federal standards;

- (2) Stipulate that the Motor Vehicle Industry Licensing Board shall fine, and/or suspend, revoke, or deny the renewal of any license to a licensee who:
  - (A) Being a manufacturer or distributor, wilfully fails to affix the vehicle bumper impact notice to vehicles sold or leased; and
  - (B) Wilfully defaces, alters, or removes the vehicle bumper impact notice; and
- (3) Clarify the definition of "distributor" in Chapter 437, Hawaii Revised Statutes (HRS), to include persons who import new motor vehicles to dealers in Hawaii.

Testimony was submitted by the Department of Commerce and Consumer Affairs, the University of Hawaii Professional Assembly, the Hawaii Automobile Dealers' Association, Advocates for Highway and Auto Safety, and a concerned civil engineer.

Your Committees find that the provisions of this bill would enhance the ability of the consuming public to make informed choices regarding the purchase of motor vehicles. According to testimony submitted by the Advocates for Highway and Auto Safety, because the motor vehicle industry is currently not required to inform the public of the strength of motor vehicle bumpers, the consuming public is unable to fully predict the future repair and insurance costs of motor vehicles prior to purchase. The representative from the Advocates for Highway and Auto Safety added that a 1990 poll conducted by the Roper Organization found that 72 percent of those polled indicated that auto manufacturers should be required to include information on bumper strength on every new car's sticker.

Also, a concerned civil engineer testified that the provisions of this bill would provide the public the opportunity to choose whether or not they want to spend more for extra safety features in a new motor vehicle. He pointed out that while a 2.5 mile per hour bumper may save money to the consumer, the force needed to damage it is exponentially less than the force needed to destroy a bumper tested at a higher rate of speed. For example, while a 5 mile per hour bumper was tested at double the testing speed of a 2.5 mile per hour bumper, the force required to damage a 5 mile per hour bumper is four times the amount needed to damage a 2.5 mile per hour bumper.

Your Committees further find that while this bill stipulates "that every manufacturer or distributor of new passenger vehicles for sale or lease" is required to affix the impact notice to the vehicle, the Department of Commerce and Consumer Affairs (DCCA) does not have regulatory authority over establishments that lease motor vehicles. The DCCA representative pointed out that this inconsistency would be alleviated if the reference to "lease" in Section 1 was deleted.

In addition, your Committees find that should this bill be enacted in its present form, statutory language in Section 1 referring specifically to the federal bumper standard would have to be amended each time the federal bumper standard is revised. However, your Committees agree that the specific mile per hour standard should be displayed on the bumper notice to provide the public with pertinent information regarding the margin of safety provided by motor vehicle bumpers.

Lastly, your Committees are satisfied that the civil, penal, and administrative remedies provided in Chapter 437, HRS, are sufficient to insure the compliance of the motor vehicle industry with the provisions of this bill.

Accordingly, your Committees have amended this bill by:

- (1) Deleting references to 2.5 miles per hour, the current federal bumper impact standard, and inserting a blank on the notice in which the manufacturer or distributor shall provide the current mile per hour designation for the federal bumper impact standard;
- (2) Clarifying that the provision regarding the defacing, altering, or removal of the vehicle bumper impact notice shall apply to manufacturers, factory representatives, distributors, distributor branches, or distributor representatives;
- (3) Deleting reference to the lease of new motor vehicles in Section 1; and
- (4) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 3568, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3568, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

#### **SCRep. 814-92**

#### **Consumer Protection and Commerce and Judiciary on H.B. No. 2520**

The purpose of this bill is to eliminate the apprentice program for massage therapy.

Your Committees received testimony from the Board of Massage Therapy, the Hawaii State Chiropractic Association, and several massage therapists.

Your Committees find that a total in-school program will provide students with closer supervision and better preparation to enter the profession than an apprentice program.

Your Committees amended the bill to restore the licensure language because the amendments were unclear and stylistically incorrect.

In addition, your Committees amended the bill as follows:

- (1) Amended the effective date until January 1, 1994 to allow people currently in apprentice programs to complete their training and take the examination; and
- (2) Amended Section 8 regarding advertising to disallow the showing of hands and arms.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 2520, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2520, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 815-92 Consumer Protection and Commerce and Judiciary on H.B. No. 3315**

The purpose of this bill is to amend Chapter 468L-4, Hawaii Revised Statutes, regarding travel agencies by clarifying certain provisions and deleting others, in particular, a provision allowing for treble damages.

Your Committees received testimony from members of the travel industry and the Department of Commerce and Consumer Affairs. (DCCA).

DCCA requested your Committees not to make changes to the current statute because it has only been in effect since October 1991. Taking this into consideration, your Committees reinstated certain items removed by this bill, including the trebling of damages. Since these provisions are to be consumer enforced, treble damages should provide incentive to the consumer to seek redress. Your Committees deleted the word "conspicuously" in connection with the written statement given to the consumer, as being unnecessary.

A number of clarifying non-substantive, and technical amendments were also made.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 3315, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3315, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 816-92 Judiciary on H.B. No. 3725 (Majority)**

The purpose of this bill is to provide that if the reason for which a property has been condemned no longer exists, the property may be offered for sale to the public provided that the original landowner or its beneficiaries has the right of first refusal.

Testimony in support of this measure was submitted by the Kamehameha Schools/Bernice Pauahi Bishop Estate, the Hawaiian Business Professional Association, and a private citizen.

If enacted, this measure is expressly not intended to in any way affect the Residential Leasehold Conversion Law or any legal issues arising from the lease-to-fee conversion of condominiums.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3725 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 817-92 Judiciary on H.B. No. 3007**

The purposes of this bill are to clarify:

- (1) What constitutes a "formal charge" against a government agency employee that must be disclosed upon request to the public under the Uniform Information Practices Act (Modified), Chapter 92F, Hawaii Revised Statutes ("HRS") ("UIPA"), when such charges should be disclosed, and what information about these charges should be disclosed;
- (2) That advisory, consultative or deliberative information, not otherwise protected from disclosure by law, that is identified and substantively discussed at a public agency meeting does not fall within the scope of the UIPA exception to required agency disclosure set forth in Section 92F-13(3), HRS;
- (3) The conditions set forth in Section 92F-13(3), HRS, under which an agency may disclose government records to another agency that are otherwise confidential under part II of the UIPA;
- (4) That "criminal history record information" is not exempt from inspection and copying by the individual to whom the information pertains under part III of the UIPA;



- (5) That the exceptions to public access set forth under part II of the UIPA apply only to part II of the UIPA; and
- (6) That the exemptions to an individual's right to inspect the individual's personal records under part III of the UIPA apply only to part III of the UIPA.

This bill also makes technical, nonsubstantive amendments to the UIPA for purposes of style, clarity and consistency.

Testimony in support of this measure was received from the State Office of Information Practices and the Society of Professional Journalists-University of Hawaii at Manoa Student Chapter.

Testimony against this bill was received from the State of Hawaii Organization of Police Officers and the Honolulu Police Department. Because of the importance of the issues raised in the testimony on this bill, your Committee finds that a detailed discussion of this bill and the UIPA is appropriate at this time, and further reports as follows:

#### Formal Charges

Under this bill, a "formal charge" is defined as a written complaint filed in accordance with a written agency disciplinary procedure that affords minimum due process. By setting forth the criteria of what constitutes a "formal charge," your Committee intends that this definition encompasses only complaints of serious misconduct by employees handled under the agency's disciplinary procedure for such cases, rather than frivolous or other reports of infractions by employees, the disposition of which occurs outside of the agency's disciplinary procedure for serious misconduct. Your Committee urges all government agencies as a matter of sound administrative practice to adopt written disciplinary policies and procedures for processing formal charges of serious misconduct by employees.

Under this bill's proposed amendments, an employee against whom a formal charge is filed would have a significant privacy interest in information about the formal charge that reveals the employee's identity, but not after the person in the agency who is authorized to impose, as opposed to recommend, discipline, makes an actual finding of reasonable, probable, or similar cause to believe the allegations set forth in the formal charge. After such a finding is actually made, the agency employee is deemed not to have a significant privacy interest, and the agency would then be required to disclose the employee's name, the agency's written disposition of the formal charge, and any disciplinary action taken. Under this bill, the possibility of an appeal, arbitration hearing, or the filing of a grievance will not prevent the disclosure of this information at the time of the agency's finding sustaining the formal charge.

When the agency has not yet made a finding on a formal charge, or makes a finding that there was no reasonable, probable, or similar cause to sustain the formal charge, the agency must, upon request of any person, disclose at least the following non-individually identifiable information concerning the formal charge: the fact that a formal charge has been filed, the substance of the charge, and the current status of the charge (for example "under investigation" or "complaint not sustained"). However, under these circumstances, information about the formal charge that reveals the employee's identity may be withheld by the agency, unless disclosure is required by the public interest balancing test set forth in Section 92F-14(a), HRS.

Where an alleged employee infraction does not fall within the scope of the definition of a formal charge, whether or not the allegations will be subject to disclosure also depends on the outcome of the public balancing test set forth in Section 92F-14(a), HRS. The employee may have a significant privacy interest under Section 92F-14, HRS, but under the UIPA's balancing test, information about misconduct by the employee is not per se confidential.

Your Committee finds that the bill's amendments concerning formal charges further the purpose behind the UIPA that government should conduct its business as openly as possible, while at the same time fully safeguarding the individual's constitutional right to privacy under Article I, Sections 6 and 7 of the Constitution of the State of Hawaii. Your Committee intends that this bill's provisions regarding formal charges apply to all State and County employees regardless of their civil service status and notwithstanding the provisions of a collective bargaining agreement under Chapter 89, HRS, to the contrary.

#### Advisory Information Identified and Substantively Discussed at a Public Meeting

In several advisory opinions, the Office of Information Practices ("OIP") concluded that inter-agency or intra-agency memoranda that are predecisional and deliberative would fall within a "deliberative process privilege" and, consequently, would be required to be disclosed under the exception to mandatory disclosure set forth in Section 92F-13(3), HRS. This exception protects records that, if disclosed, would frustrate a legitimate government function. Specifically, the OIP opined that the disclosure of inter-agency or intra-agency memoranda falling within the "deliberative process privilege" would chill the free and candid exchange of ideas and opinions within or between agencies and, thereby, frustrate the legitimate government function of agency decisionmaking.

However, certain agencies are required to conduct their meetings and decisionmaking in public in accordance with Part I of Chapter 92, HRS. The bill's proposed amendment to the exception set forth in Section 92F-13(3), HRS, would clarify that this exception does not apply to predecisional, deliberative information that is identified and substantively discussed at a meeting or proceeding open to the public. Therefore, intra-agency and inter-agency memoranda and other government records protected by the "deliberative process privilege" would be disclosed, upon request, when identified and substantively discussed at a meeting open to the public under Part I of Chapter 92, HRS.

However, this bill's amendment applies solely when the only UIPA exception applicable to such memoranda or information is the "deliberative process privilege" of Section 92F-13(3), HRS. Consequently, information that is otherwise protected by the exceptions in Section 92F-13, HRS, would not be affected by this amendment. The amendment also explicitly states that information discussed at an executive meeting closed to the public pursuant to Chapter 92, HRS, would not be affected by this amendment.



Disclosure to Other Agencies

Section 92F-19, HRS, sets forth the conditions under which an agency may disclose records, including confidential information, to another government agency. The proposed amendment to Section 92F-19, HRS, would require that, as one of the provisions permitting inter-agency disclosure, the disclosure must be (1) reasonably proper for the requesting agency's duties and functions, and also (2) either (a) compatible with the purpose for which the information was collected, or (b) consistent with the conditions or reasonable expectations of use under which the information was provided. Currently, the three parts to this proposed amendment are separate and alternative conditions under which an overly broad scope of inter-agency disclosures may be permitted.

In addition, under the bill, Section 92F-19(a), HRS, would also be amended to permit an agency to disclose information to other agencies and other states, as well as to the federal government, for the purpose of conducting a civil or criminal law enforcement, or to audit or monitor an agency program that receives government funding.

The bill also adds a new provision stating that an agency may disclose records to a foreign government pursuant to an executive agreement, compact, treaty, or statute. This provision is similar to the one presently contained in Section 92F-19(a)(5), HRS. However, for reasons of clarity, the language of this provision has been amended to be identical to the Uniform Information Practices Code drafted by the National Conference of Commissioners on Uniform State Laws (1980). The bill makes it clear that informal exchanges of information between agencies and foreign governments are forbidden.

Criminal History Record Information

Currently, Section 92F-22, HRS, provides that an agency is not required to disclose criminal history record information to the individual to whom it pertains. This provision apparently conflicts with Section 846-14, HRS, that permits an individual to review the individual's criminal history record information for the purpose of determining its accuracy and completeness.

The provisions of Section 92F-22, HRS, were originally set forth in Chapter 92E, HRS, now repealed. According to the legislative history behind Chapter 92E, the Legislature added the exemption for criminal history record information in order to acknowledge that Chapter 846, HRS, governs an individual's review and correction of this information. H. Stand. Com. Rep. No. 614-80, 10th Leg., 1980 Sess., H.J. 1560, 1565. The proposed deletion of this exemption currently set forth in Section 92F-22, HRS, would eliminate the conflict between this provision and Section 846-14, HRS. This amendment effectuates this Committee's intention of permitting an individual to have access to the individual's criminal history record information in accordance with Chapter 846, HRS.

The bill also proposes to correct an apparent grammatical error in Section 92F-22(1)(B), HRS, by changing the term "or" to "of" in the phrase "reports or informers, witnesses, and investigators." It appears that a drafting error occurred when Section 92E-3, HRS was repealed and recodified as Section 92F-22, HRS. See H. Conf. Comm. Rep. No. 112-88, 14th Leg., 1988 Reg. Sess., Haw. H.J. 817, 818 (1988).

Exceptions and Exemptions to Disclosure

As presently worded, parts II and III of the UIPA state that "this chapter" does not require the disclosure of information set forth in the enumerated exceptions or exemptions. The proposed amendment changing "this chapter" to "this part" in both parts II and III of the UIPA would clarify that the exceptions in part II of the UIPA apply only to public access under part II, and the exemptions in part III apply only to individual access under that part.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3007 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 818-92****Judiciary on H.B. No. 3060**

The purpose of this bill is to provide procedures to preserve and protect the beaches and coastal areas and the public's right to use them by the removal of unauthorized structures on State-owned lands at no cost to the State.

Landowners have constructed seawalls and other structures on State beach lands to protect their abutting private property. These structures deprive the public of scarce beach lands not only by their placement on public property but also by the resulting erosion of the remaining beach in the area. Your Committee finds that the existence of these illegal seawalls and structures on State beach lands constitutes a public nuisance.

This bill is not intended to affect structures built entirely on a private owner's land, including the more recent "revetment" form of seawall that is effective in maintaining beach sand.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

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. 3060, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3060, H.D. 2.

Signed by all members of the Committee.

**SCRep. 819-92                    Judiciary 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 reaches 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 received supportive testimony from the City & County of Honolulu Department of Parks and Recreation, the Waikiki Improvement Association, Hilton Hotels Corporation, the Kaimana Beach Hotel, The Ocean Recreation Council of Hawaii (TORCH), Aikane Catamarans, Hilton Hawaiian Village, the Friends of Hanauma Bay, Snuba Tours of Oahu, the Waikiki Underwater Park Task Force, the Hawaii Sea Grant College Program, the Waikiki Aquarium, the Environmental Center, the Hawaii Fishermen's Foundation, the Waikiki Resident's Association, Atlantis Submarines, and several concerned citizens.

Testimony in opposition to the bill was received from All Hawaiian Tropicals, Saltwater Fish Hawaii, Hawaiian Specimens, the Hawaii Council of Diving Clubs, and several concerned citizens.

Testimony was received with reservations from the Department of Land and Natural Resources.

Your Committee finds that a compromise can be reached from the proponents desire to have an expanded MLCD off of Waikiki where individuals may have access to the marine environment and where the marine life may be protected from extraction, and the opponents desire to reduce the size of the MLCD as proposed in HD1 with additional access for recreational fishing off of the shore.

Protecting Hawaii's reef structures from degradation is in the interest and need of all who testified on the bill. To achieve this compromise, your Committee has amended the bill as follows:

- (1) Moved the boundary between Zones B and Zone C to accomodate additional recreational shore fishing;
- (2) Created a subzone in each zone, with the subzones having a southern boundary a distance of 500 yards from the highwater mark or the edge of the fringing reef, whichever is greater; and
- (3) Allowed for the access of commercial fishing activities in each zone, except for those areas within subzones.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3756, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3756, H.D. 2.

Signed by all members of the Committee.

**SCRep. 820-92                    Judiciary on H.B. No. 3075**

The purpose of this bill is to add a new section to Chapter 150A, Hawaii Revised Statutes (HRS), to allow search warrants to be obtained to capture or confiscate prohibited or restricted plants and animals on private property.

Testimony in support of this measure was received from the Board of Agriculture.

Currently, the Department of Agriculture (Department) lacks clear statutory authority to obtain search warrants for confiscating or capturing an animal that is prohibited or restricted and without a permit. Statutory authority to enter a building or premise after obtaining a search warrant would strengthen the Department's enforcement capabilities as well as prevent individuals from intentionally releasing prohibited or restricted plants or animals into the wild once they have been discovered.

Your Committee has amended this bill by deleting the proposed new section, by amending Section 150A-14(c), HRS, to include the offense of a petty misdemeanor, and by making a technical, nonsubstantive change for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3075, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3075, H.D. 2.

Signed by all members of the Committee.

**SCRep. 821-92                    Judiciary on H.B. No. 3095**

The purpose of this bill is to require the counties to accept the dedication of streets, vehicular right of ways, and other public facilities or easements developed pursuant to Act 15, SLH 1988, subject to certain indemnification provisions; and to clarify that the State and County standards which are in force when the project is developed shall be the applicable standard.

Testimony as received in support of this measure from the State of Hawaii Department of Budget and Finance, the City and County of Honolulu Department of Public Works, the City and County of Honolulu Department of Land Utilization, and the Kauai County Housing Agency.

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

- (1) Subsection (e) of Section 5 of Act 15 is amended to read "when the County has approved the construction documents for the public facilities prior to commencement of construction."
- (2) Subsection (f) of Section 5 of Act 15 is amended to read "The corporation shall cause to be corrected all construction defects in infrastructure and public facilities developed under this Act for 30 years from the date of dedication of the public facility of project."

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3095, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3095, H.D. 2.

Signed by all members of the Committee.

**SCRep. 822-92                      Judiciary on H.B. No. 3843**

The purpose of this bill is to:

- (1) Prohibit the purchase, distribution, manufacture, importation or sale of any portable fire extinguisher that contains a halon or other ozone depleting compound; and
- (2) Require the use of an approved reclamation system in the repair or maintenance of any portable fire extinguishing system.

The passage of this measure would strengthen efforts to prevent the depletion of Earth's stratospheric ozone layer and shield the Earth's surface from dangerous ultraviolet radiation.

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

Technical, nonsubstantive amendments were made to the bill for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3843, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3843, H.D. 2.

Signed by all members of the Committee.

**SCRep. 823-92                      Judiciary 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.

Testimony in support of this measure was received from the Governor's Committee on AIDS, the Department of Health, the Office of Children and Youth, Hawaii Nurses' Association, the Sterile Needle Exchange Oversight Committee, the Committee on Persons with Disabilities, the Hawaii Medical Association, the Sterile Needle Exchange Coalition, the Hawaii Public Health Association, the American Academy of Pediatrics, Kalihi-Palama Health Clinic, HIV Coalition for Hawaii's Women, Children and Families, the Substance Abuse Coalition, Drug Addiction Services of Hawaii, Inc., AIDS Community Care Team, Big Island AIDS Project, Maui AIDS Foundation, and private persons.

Your Committee is convinced that injection drug users do care about their health and are both willing and able to make changes to lower the risk of HIV transmission. The needle exchange program plays a vital role in helping them. It is important to note that there have not been found any negative impact of the program either on the injection drug users themselves nor on the community at large. The success of the program to date has been the large numbers of successful referrals this program has generated to substance abuse programs.

This bill is amended by adding language making it a condition that one of the objectives of the program is to seek additional State-subsidized drug treatment slots for injection drug users desiring treatment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2902, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2902, H.D. 1.

Signed by all members of the Committee.

**SCRep. 824-92                      Judiciary on H.B. No. 2486**

The purpose of this bill is to clarify the ownership of recyclable materials and to provide support for County efforts to reduce illegal scavenging of curbside and drop-off collection programs.

Businesses and private groups that operate their own recycling systems have had their recyclable materials removed from curbside and drop-off collection sites by unauthorized persons.

If enacted, this bill would prohibit unauthorized removal of recyclable materials from collection sites.

Testimony in support of this bill was submitted by the Department of Health and the Department of Public Works of the City and County of Honolulu.

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. 2486, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2486, H.D. 2.

Signed by all members of the Committee.

**SCRep. 825-92                      Judiciary on H.B. No. 3950**

The purpose of this bill is to provide a plan for certification of attorneys in certain fields of law. This bill is intended to improve the quality of legal services and to assist the public in choosing competent legal counsel.

Attorneys are currently permitted to advertise that they either concentrate or have experience in a wide range of legal fields. However, there is no mechanism for ensuring that attorneys have any special expertise or experience in such fields. As a result, those seeking legal services do not have any objective basis for determining which attorneys are best qualified to serve their legal needs.

Furthermore, especially in the area of tort law and/or personal injury cases, there are many attorneys who advertise that they handle various types of cases or injuries in this specialty area. There has been much discussion over the past few years about tort reform and criticism lodged against attorneys. This bill addresses some of those concerns and places the burden upon the attorneys to abide by certain criteria before they can advertise as specialists in a particular area. Moreover, the increasing complexities involved in the practice of law has made it more difficult for individual attorneys to practice law with reasonable competence without some type of specialization program.

Also, there is a recent United States Supreme Court opinion which states that a blanket prohibition against a lawyer holding himself or herself out as a certified specialist was a violation of the lawyer's first amendment rights. And the Hawaii State Bar Association has proposed an amendment to the Disciplinary Rules eliminating this blanket prohibition. This is another compelling reason to adopt this legal specialization plan.

This bill would establish a plan for certifying an attorney as a "board certified specialist" in certain fields after the attorney meets certain licensing, testing, continuing legal education, and other proof of experience requirements as established by a board. Thus, the public would be able to seek out attorneys who have met certain standards evidencing a level of competence in a particular area of law.

Your Committee received testimony from the Hawaii Academy of Plaintiff's Attorneys (HAPA) in favor of the bill, from the Hawaii State Judiciary which deferred to the Hawaii State Bar Association (HSBA), and from the HSBA who was not in favor of the program.

Your Committee noted that the HSBA has actively studied the issue of legal specialization for the past seven years or longer with no positive movement toward certification of attorneys in special fields. However, your Committee believes that certification of legal specialists in Hawaii is long overdue. There exists a genuine need for a certification plan that would improve the quality and competence of attorneys and assist the public in selecting attorneys who have met certain objective standards in special fields.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3950, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 826-92                      Judiciary on H.B. No. 3953**

The purpose of this bill is to amend Section 134-6, Hawaii Revised Statutes, such that those who fall within the mandatory sentencing provision are those who "intentionally use a firearm or threaten its use while in knowing possession of such firearm." This bill would therefore punish more severely those whose conscious objective was to use a firearm or threaten to use it while committing a felony. Mandatory sentencing would not be applied to those who commit a felony while in possession of a firearm but do not intend to use the same.

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

The revisions proposed by this measure would be consistent with the legislative intent to punish those who use firearms in the commission of a felony more severely than those who commit the same felonies without firearms.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3953 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 827-92****Judiciary on H.B. No. 2913**

The purpose of this bill is to improve the system by which traffic offenses are presently being processed in order to expeditiously dispose of these cases and thereby achieve efficient and effective use of limited judicial and law enforcement resources.

Testimony in favor of this measure was received from the Department of the Attorney General; the Judiciary; the Office of the Public Defender; the Department of Transportation; the Department of the Prosecuting Attorney, City and County of Honolulu; the Office of the Prosecuting Attorney, County of Hawaii; and the American Civil Liberties Union.

Currently, many traffic offenses, even minor ones, are technically classified as crimes. These offenses, and many other civil traffic offenses which are punishable only by fine and traffic "points", require the driver to appear in court one or more times. However, the vast majority of offenders are required only to pay a fine, something which could be done much more expeditiously by mail.

In 1977, a task force of judges, legislators, administrators, and lawyers issued a report entitled Hawaii Criminal Justice Standards and Goals, COURTS which recommended, among other things, that:

All traffic cases, except certain serious offenses, . . . should be decriminalized and treated as violations under the Hawaii Penal Code. Penalties for such offenses should be limited to fines; outright suspension or revocation of driver's license; and compulsory attendance at educational and training programs, under penalty of suspension or revocation of driver's license. Procedures for the administrative disposition of offenses thus decriminalized, and for appeals from such dispositions, should be explored and implemented where feasible.

Act 222, Session Laws of Hawaii 1978, began the process of decriminalizing certain traffic offenses, not those of a serious nature, to the status of violations. In 1985, House Resolution No. 12 called upon the Judiciary to "study and propose alternative[s] to expedite the processing of traffic cases." In 1987, Professor Addison Bowman of the William S. Richardson School of Law prepared a report for the Judiciary which recommended further decriminalization of traffic offenses, elimination of most traffic arraignments, disposition of uncontested violations by mail, and informal hearings where the violation or the proposed penalty is questioned.

In order to fully realize the benefits of decriminalization, the report (Bowman, COURT PROCESSING OF TRAFFIC TICKETS, A Report to the Judiciary (1987)) recommended not just that criminal penalties be repealed but that the system of disposing of traffic infractions be modified as well. These changes include the elimination of arraignments in favor of a mail-in procedure or an appearance before a traffic clerk. Also recommended was imposition of a default judgment if the driver fails to respond to the citation. For those cases that are contested, the report recommended dispensing with traffic court prosecutors, formal rules of evidence, and the criminal burden of proof beyond a reasonable doubt in favor of an informal, small claims-type hearing in which the driver need not appear with counsel. These could be held before judges, before hearings officers employed by the Judiciary, or by hearings officers employed by the executive branch of government.

Your Committee has amended this bill by:

- (1) Making this a five year pilot program;
- (2) Allowing only those traffic infractions which have a maximum possibility of two points being assessed per infraction to be affected by this pilot program;
- (3) Deleting the possibility of a penal summons being issued except where it would be necessary to issue one to a person who is about to total eight points on that person's abstract and fails to respond to the citation;
- (4) Repealing Sections 291c-166 and 291c-168, Hawaii Revised Statutes (HRS);
- (5) Deleting language regulating "double jeopardy";
- (6) Adding language allowing for a police officer to record on the citation the refusal of a driver who does not want to sign the issued citation;
- (7) Establishing eight points as being the threshold for judicial determination as to whether or not the court will accept payment by a driver for committing an infraction without the benefit of a trial;
- (8) Changing the effective date of all sections of this Act to July 1, 1994;
- (9) Adding language that in instances where a prosecutor will present evidence the infraction must be proved beyond a reasonable doubt;
- (10) Adding language that judgment by default will be entered for the State if a driver fails to respond to a citation in fifteen days;
- (11) Adding language expanding the amount of printed information on the citation and the notice that will be available to the driver;

- (12) Adding language requiring the court to inform the person of the right to apply within thirty days for a trial de novo;
- (13) Deleting language allowing the court to impose additional assessments for a failure to respond to a notice of traffic infraction;
- (14) Deleting language allowing the court to impose additional assessments for a failure to appear at a scheduled hearing;
- (15) Adding language allowing persons to submit written statements in lieu of a hearing;
- (16) Adding language requiring the court to treat submitted written statements as statements given orally in court;
- (17) Amending Section 286-128(g), HRS;
- (18) Deleting subsection (2) on page 10, lines 4 through 7;
- (19) Allowing payments to be made in U.S. currency;
- (20) Adding language specifying that in a hearing where the driver admits the commission of the infraction there shall be no appeals process for any points or fines assessed;
- (21) Adding language specifying that for any act which may be done by mail, the act shall be deemed to be done on the date of the postmark which appears on the mailed article;
- (22) Expanding the focus and concept of the administrative director of the court's feasibility and implementation plan; and
- (23) Making technical, nonsubstantive changes for the purposes of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2913, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 828-92                      Judiciary on H.B. No. 2613**

The purpose of this bill, as received, is to amend Section 703-309, Hawaii Revised Statutes, to prohibit persons with special responsibility for care, discipline, or safety of others to use force in excess of what is reasonable and moderate under the circumstances.

Testimony in support of this measure was received from the Attorney General, the Prosecuting Attorney for the City and County of Honolulu, the Hawaii State Commission on the Status of Women, Kapiolani Medical Center for Women & Children, YWCA Hawaii Island, Child and Family Service, Domestic Violence Clearinghouse and Legal Hotline, the Family Crisis Shelter, Inc., Hawaii State Coalition Against Sexual Assault, Hawaii State Committee on Family Violence, Hawaii Women Lawyers, Healthy Mothers, Healthy Babies Coalition of Hawaii, the American Academy of Pediatrics, Hope for Battered Women, the Honolulu Police Department and private citizens.

Testimony against this bill as written, but not in favor of the use of force against children, was received from the Public Defender.

The testimony received raised many legitimate concerns about the bill as written. These concerns include:

- (1) The ambiguities of certain terms used;
- (2) The difficulty in defining the full range of actions which may result in demeaning, humiliating, terrifying or belittling minors;
- (3) The imposition of criminal sanctions where counseling or parental training may be more appropriate; and
- (4) The constitutionality of the bill as written.

Your Committee has given this matter serious consideration and has amended this bill by:

- (1) Amending the purpose section to clarify that the use of force against a minor is not an effective or humane way to assist in the development of a minor;
- (2) Deleting subsections (a) and (b) of section 703-309;
- (3) Adding language to section 703-309 stating that the use of force is justifiable by a parent, guardian, or other responsible person upon a minor only if it is necessary to avert danger to life or health, or to save valuable property; and

- (4) Adding clarifying language to leave teachers and persons in similar positions in as nearly the same position as possible that they would be prior to the amendments proposed under this bill.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2613, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2613, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 829-92                      Judiciary on H.B. No. 2852**

The purpose of this bill is to specify that the State and its agencies are subject to the limitation period with respect to improvements to real property.

Physical improvements to real property are by its nature subject to deterioration and wear and tear, and once a project has been completed and accepted by the owner, the architect, engineer or contractor has no further control over the improvement. Maintenance is a critical component in the continued structural soundness of a building and is totally in the hands of the owner.

The State should not exclude itself from the limitation period as the reasons for the existence of statutes of limitation are equally applicable to private as well as State or County construction projects.

If enacted, this bill would provide that the State and its agencies are specifically subject to the limitation period.

Testimony in support of this measure was submitted by the Construction Industry Legislative Organization, Inc., the Hawaii Council of the American Institute of Architects, the Building Industry Association of Hawaii, the CJS Group Architects Ltd., and CDS International.

Your Committee has amended this bill by:

- (1) Removing the provisions that would have included bodily injury or wrongful death;
- (2) Replacing four years with ten years as the limitation period;
- (3) Replacing "owners or other persons" with "owner or any other person" as the persons to which this section shall not apply; and
- (4) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2852, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 830-92                      Judiciary on H.B. No. 2692**

The purpose of this bill is to provide that race, religion, sex, or national origin may not be used as the sole basis for excluding an individual from programs and activities which receive State financial assistance.

Testimony in support of this measure was received from the Department of Health, the Hawaii Civil Rights Commission, the American Civil Liberties Union of Hawaii, Kalihi-Palama Health Clinic, Na Loio No Na Kanaka, Catholic Charities, Child and Family Service, and Committee on Welfare Concerns.

The intent behind the legislation which created section 368-1.5, Hawaii Revised Statutes, was to extend the protection afforded to persons with disabilities by federal law to State-financed programs. Similar federal protection is currently available to the additional protected classes in this bill under Title VI of the Civil Rights Act of 1964, as amended. In addition, State laws prohibiting discrimination in employment practices and real estate transactions include these groups as protected classes. Your Committee supports expanding State protection to individuals who suffer discrimination on their basis of their race, religion, sex, national origin, or marital status in State-financed programs.

This bill is amended by:

- (1) Adding language at the end of section 368-1.5(a) stating that the Legislature may establish qualifications by providing funds or assistance to programs which limit participation or benefits;
- (2) Adding "marital status" to section 489-3 which prohibits certain discriminatory practices against certain classes of people; and
- (3) Adding language making the effective date of this Act to be July 1, 1992.



Your Committee desires to make clear that nothing in this bill shall be construed to adversely affect the rights of Hawaiians and Native Hawaiians under any State, State-funded, federal, or federally funded program established for their benefit as an exchange of trust responsibilities or the implementation of other remedial programs under State and federal law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2692, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2692, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 831-92                      Judiciary on H.B. No. 3770**

The purpose of this bill, as received by your Committee, is to simplify the hospitalization of mentally ill individuals who need such treatment.

Testimony in support of the intent of this bill was received from Hawaii State Department of Health, Hawaii Psychiatric Medical Association, Maui County Alliance for the Mentally Ill, Hawaii Medical Association, Oahu Alliance for the Mentally Ill, Hawaii State Alliance for the Mentally Ill, Mental Health Association in Hawaii, and a private citizen.

There were concerns as to the constitutionality and implementation of the bill as written. Consequently, this bill was amended by deleting all substantive provisions and inserting a definition of "imminent" with respect to "dangerous to self or others".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3770, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 832-92                      Judiciary on H.B. No. 3113**

The purpose of this bill is to require the Department of Public Safety to obtain criminal history record information through the Hawaii Criminal Justice Data Center on all staff and prospective staff members to develop standards to assure the reputable and responsible character of staff members of its correctional facilities.

Testimony in support of this bill was received from the Department of Public Safety and the State Attorney General.

A technical, nonsubstantive amendment was made for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3113, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 833-92                      Judiciary on H.B. No. 3904**

The purpose of this bill is to make it unlawful to discriminate against a person in real property transactions because of source of income.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission, the Legal Aid Society of Hawaii, and the Committee on Welfare Concerns.

Your Committee has amended this bill by:

- (1) Redefining that source of income means assistance from governmental or local public sources, including but not limited to, financial or medical assistance, and limiting its application to residential landlord-tenant transactions;
- (2) Deleting the section that prohibited discrimination based on source of income for persons applying for financial assistance in connection with certain real estate transactions; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3904, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Peters.

**SCRep. 834-92                      Judiciary on H.B. No. 1562 (Majority)**

The purpose of this bill, as received, is to allow County zoning to be accomplished by action of the County's legislative body or by the voters of the County through the initiative and referendum process.

Testimony in support of the bill was received from the Kailua Neighborhood Board, Hawaii's Thousand Friends, the Sandy Beach Initiative Coalition, the Sierra Club, State legislators and County Council persons, and numerous other private organizations and individuals.

Testimony opposing this bill was received from The Chamber of Commerce of Hawaii, the Hawaii State AFL-CIO, Kamehameha Schools/Bernice Pauahi Bishop Estate, The Estate of James Campbell, the Land Use Research Foundation, the People Oppose Initiative coalition, and many other private organizations and individuals.

Your Committee finds that in our State there is no more precious commodity than land. Utmost care must therefore be taken to assure that elected representatives accurately represent the desires of the people of the community when making land use decisions. Your Committee also finds that in regards to initiative, strong and passionate opinions permeate the citizenry. Presentations for and against the merits of the initiative process unarguably strengthen the political process in Hawaii and contribute greatly to the education of her people.

Your Committee has striven to bridge the differences between these two opposing groups. The task of balancing the duties and responsibilities of the members of County Councils against the goals of developers as well as allowing for a method for active participation by Hawaii's citizenry on the issues of land use requires a deliberate procedure which protects the rights of all.

This bill is, therefore, amended by deleting all substantive language in the bill and adding language which:

- (1) Creates a new "Part VII" entitled "Land Use Policy" in Chapter 46;
- (2) Defines "action" to mean the decision of a County Council on a general plan amendment ordinance, a general plan amendment resolution, a community development plan ordinance, a community development plan resolution, a regional development plan ordinance, or a zoning map amendment ordinance, the effect of which allows the land uses which enable the development of a project on the land affected;
- (3) Defines "project" to mean a development on the land which is the subject of a general plan amendment ordinance, a general plan amendment resolution, a community development plan ordinance, a community development plan resolution, a regional development plan ordinance, or a zoning map amendment ordinance;
- (4) Allows any County charter to authorize a petition by voters, who voted in the County's last general mayoral election, for a bill for an ordinance to repeal, amend, or reaffirm a particular project;
- (5) Allows for a project to only be challenged once through the petition process;
- (6) Provides that for counties with less than 500,000 residents, petitioners shall
  - (a) File, within thirty days of the action a written notice of their intent to file a petition for an ordinance to repeal or amend the action;
  - (b) File a signed affidavit attesting to the reasons for filing the petition;
  - (c) File with the clerk within 90 days of the date of the action a petition signed by not less than 5% of the voters registered in the last general mayoral election;
  - (d) File with the clerk within one year from the date of the action petition signed by not less than 10% of the voters registered in the last general mayoral election;
- (7) Provides that for counties with more than 500,000 residents, petitioners shall
  - (a) File within thirty days of the action a written notice of their intent to file a petition for an ordinance to repeal or amend the action;
  - (b) File a signed affidavit attesting to the reasons for filing the petition;
  - (c) File with the clerk within 90 days of the date of the action a petition signed by not less than 3% of the voters registered in the last general mayoral election;
  - (d) File with the clerk within one year from the date of the action the petition signed by not less than 7% of the voters registered in the last general mayoral election;
- (8) Allows for no further approvals in connection with the project shall be granted by the County once the requirement of either 3% or 5%, as applicable, of signatures of voters registered in the last general mayoral election is filed with the clerk;
- (9) Requires that once the clerk has certified that the total number of signatures required by this part have been submitted, the Council shall be notified that the petition has been filed; and
- (10) Requires that the Council shall vote on the bill within sixty days after the receipt of the bill.

Your Committee desires to make specifically clear that for counties with less than 500,000 residents, a combined total of no less than 15% of the registered voters of the last general mayoral election must sign the petition. During the first 90 days after the Council's action, no less than 5% of the registered voters must sign the petition. This does not preclude, however, the petitioners obtaining more than 5% of the necessary signatures. Consequently, should the petitioners obtain 8% of the necessary signatures within the first 90 days then they need only obtain another 7% equal a sum total of 15% to certify their petition. The same format applies to counties with more than 500,000 residents. Nothing exists to preclude petitioners from obtaining more than 3% of the necessary signatures. Should the petitioners obtain 6% of the necessary signatures within the first 90 days, they would only need to secure another 4% to make the necessary minimum of 10% to certify their petition.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1562, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
(Representatives Thielen and Ward did not concur.)

**SCRep. 835-92                      Judiciary on H.B. No. 2682 (Majority)**

The purpose of this bill is to provide guidance to the State in formulating and developing strategies to facilitate the best health care system for the people of Hawaii.

Testimony in support of this measure was submitted by the Department of Health, the Hawaii Medical Association, and the Hawaii Public Health Association.

Your Committee made technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2681, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2681, H.D. 2.

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

**SCRep. 836-92                      Judiciary on H.B. No. 2505**

The purpose of this bill is to streamline the State and County land use development approval process for constructing housing.

Your Committee finds 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 Committee also notes 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.

Testimony in support of this bill was received from the Office of State Planning, the State of Hawaii Department of Budget and Finance, the City and County of Honolulu Department of Public Works, the Hawaii Developers Council, and the Hawaii Association of Realtors.

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

- (1) The time required for County processing of planning and zoning approvals is decreased from 18 months to 12 months. This would allow the 6 months needed for construction type processing to fit within the total of 18 months; and
- (2) The deadline for Counties to enact ordinances is changed from December 31, 1994 to December 31, 1993.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2505, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2505, H.D. 2.

Signed by all members of the Committee.

**SCRep. 837-92                      Judiciary on H.B. No. 3673**

The purpose of this bill is to require that the dining area of cruise ships, operating within the jurisdictional waters of the State of Hawaii and licensed by the Department of Health, include a nonsmoking area.

Testimony in support of this bill was received from the Hawaii State Department of Health, American Lung Association of Hawaii, American Cancer Society, Hawaii Pacific Division, Hawaii Medical Association, and a private citizen.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3673 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 838-92            Judiciary on H.B. No. 3794**

The purpose of this bill is to clarify that the State will only consider commencement of condemnation proceedings of a private property listed in the Hawaii Register of Historic Places in the event the Department of Land and Natural Resources and the property owner do not agree upon an appropriate course of action.

Testimony in support of this bill was received from the Department of Land and Natural Resources and the Historic Hawaii Foundation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3794, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 839-92            Judiciary on H.B. No. 2321**

The purpose of this bill is to make the State's air pollution control program consistent with federal law.

The federal Clean Air Act Amendments of 1990 now authorizes the federal government to impose administrative penalties of \$25,000 per violation. This increase in penalties will serve as an added deterrent to environmental pollution violations.

If enacted, this bill would amend Chapters 342B, 342D, 342H, and 342J by changing the fines from \$10,000 for each separate offense to \$25,000 for each separate offense.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2321 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 840-92            Judiciary on H.B. No. 3533**

The purpose of this bill is to disqualify contractors who do substandard work from receiving State contracts.

Testimony in support of this measure was submitted by the Department of Accounting and General Services.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3533, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 841-92            Judiciary on H.B. No. 3055**

The purpose of this bill is to modernize the Department of Land and Natural Resources' response capability, reaffirm its relationship with other fire services and agencies, and strengthen the government's ability to hold accountable those individuals who set fires willfully, maliciously, or negligently.

Wildfires have the distinction of being a leading factor in the deterioration of native habitat. Besides its detrimental effect to our environment, wildland fires can pose a significant threat to public safety as demonstrated by last summer's Molokai fire.

If enacted, this bill would provide for the reorganization of the Department of Land and Natural Resources with respect to the Land Fire Protection Law.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, and the Department of Labor and Industrial Relations.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3055 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 842-92            Judiciary on H.B. No. 2507**

The purpose of this bill is to provide a mechanism whereby psychotic patients in a state of remission may make treatment decisions which will be respected if they have a relapse and become unable to participate rationally in such decisions.

Patients who are not in an acute psychotic state may recognize that certain treatments including medication were helpful in their recovery. If they become acutely ill again, however, they may be unable to participate in a reasoned way in deciding on their treatment, and may, in fact, oppose treatment as a manifestation of their disorder. This bill will help both treatment providers and those to whom they provide treatment.

If enacted, this bill would provide a way in which such patients can make treatment decisions when they are able to do so which will be binding when they become disabled. This appears to be an effective way to make meaningful the concept of informed consent and as such will help both treatment providers and those to whom they provide treatment.

Testimony in support of this measure was submitted by the Department of Health, the Protection and Advocacy Agency of Hawaii, and United Self-Help.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2507 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Bainum.

**SCRep. 843-92                      Judiciary on H.B. No. 2409**

The purpose of this bill is to formally authorize and encourage the use of macrons and glottal stops whenever the Hawaiian language is used in State or County documents.

The Hawaiian language plays an important role in the preservation of the Hawaiian culture. This measure would bring status and honor to the State's native language and people.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and a private citizen.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2409 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 844-92                      Judiciary on H.B. No. 3051**

The purpose of this bill is to amend the Hawaii Occupational Safety and Health Law by increasing State civil and criminal penalty levels.

The Omnibus Budget and Reconciliation Act of 1990 increased the maximum civil penalty amounts seven-times for non-compliance with the federal workplace safety and health standards. Section 18 (b) of the Occupational Safety and Health Act of 1970 and 29 C.F.R. §1902 (1991) requires that State-Plan States (Hawaii) provide for standards enforcement that is "at least as effective" as the federal Occupational Safety and Health Administration program. To remain in compliance with the federal program requirements, the Department of Labor and Industrial Relations (DLIR) must adopt the new civil penalty increases.

The criminal penalties are increased to reflect the statutory increase for authorized fines as enacted for Class A, B, and C felonies as well as misdemeanors under Hawaii State law.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3051 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 845-92                      Judiciary on H.B. No. 3074**

The purpose of this bill is to allow the Department of Agriculture (Department) to:

- (1) Adopt rules to determine the maximum amount of weed seed that may be found in agricultural and vegetable seed offered for sale; and
- (2) Prohibit the sale of agricultural and vegetable seed with false or misleading labels.

By limiting the amount of weed seed to be found in agricultural and vegetable seed sold in the State, this measure will protect the State from the sale of adulterated seed products which are not regulated by the Federal Seed Act. Moreover, by prohibiting the use of false or misleading labels in the sale of weed seed will further protect the consumer.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3074 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 846-92            Judiciary and Health on H.B. No. 2584**

The purpose of this bill is to require that all birth certificates include the social security number of both parents.

Testimony in support of the intent of the bill was received from Hawaii State Department of Health, Single Parent Advocacy Network, and the State Attorney General.

Concerns were raised because of the costs and difficulties involved in complying with the bill as written. This bill was revised so that it amends section 338-5, Hawaii Revised Statutes. As amended, the bill requires that unwed mothers, after giving birth, be provided an opportunity to complete an affidavit acknowledging paternity. This affidavit shall also include the social security numbers of both parents.

Your Committees on Judiciary and Health are in accord with the intent and purpose of H.B. No. 2584, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2584, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Duldulao, M. Ige, Tom and Tatibouet.

**SCRep. 847-92            Finance on H.B. No. 2861**

The purpose of this bill is to:

- (1) Authorize the Governor to request United Student Aid Funds, Inc. to organize Secondary Market Services Corp.--Hawaii as an affiliated, private not-for-profit corporation; and
- (2) Provide for the establishment and operation of the Secondary Market Services Corp.--Hawaii exclusively for the purpose of acquiring student loan notes held by local financial institutions under the federal Higher Education Act of 1965, as amended.

Your Committee finds that in spite of the increasingly, high costs of post-secondary education, this measure would ensure that parents and students will continue to have access to adequate sources of low-interest loans.

The Vice President for Student Affairs of the University of Hawaii and the Executive Director of the Hawaii Education Loan Program submitted testimony in support of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2861 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 848-92            Judiciary on H.B. No. 1525**

The purpose of this bill is to exempt the benefits received by a debtor from a pension or retirement plan from attachment and execution on a judgment for failure to pay another state's income tax on those benefits.

This bill is needed to protect Hawaii citizens from paying taxes on their retirement income to another state. Such taxes are based on the fact that the retiree earned the future income while working in another state. Hawaii does not tax retirement income.

Testimony in support of the bill was received from two private citizens.

Technical, non-substantive amendments have been made to the bill for purposes of style, clarity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1525, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 849-92            Judiciary on H.B. No. 154**

The purpose of this bill, as received, is to require the holder of a temporary instruction permit to be accompanied by a licensed driver age eighteen or older. Under Hawaii Revised Statutes ("HRS") §286-136, criminal penalties would be imposed for violations of this requirement.

Testimony in support of this measure was received from a private individual, the State Department of Transportation, the Department of Finance of the City and County of Honolulu, and the Honolulu Police Department.

Testimony against this bill was received from the Office of the Public Defender. The testimony on this bill raised questions concerning the enforcement of this proposed law and the necessity of making violations of this proposed law a criminal offense.

This bill was amended by:

- (1) Clarifying the fact that only permittees under the age of majority need be accompanied by a licensee at or above the age of majority;
- (2) Deleting any criminal sanctions and imposing a suspension of the permit of the permittee for a period of 6 months or until the age of majority, whichever is longer for any violation of the new law; and
- (3) Imposing a license or permit suspension of 6 months or until the age of majority of any permittee or licensee under the age of majority who accompanies the permittee.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 154, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 154, H.D. 1.

Signed by all members of the Committee.

**SCRep. 850-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 2330**

The purpose of this bill is to amend the provisions of Section 183-41, Hawaii Revised Statutes, relating to forest and water reserve zones, by:

- (1) Eliminating the goal of seeking the highest economic use in the establishment of permitted uses in the subzones within the forest and water reserve zones;
- (2) Removing residential use as a permitted land use in the establishment of subzones within any forest and water reserve zone; and
- (3) Defining the term "open space".

The Sierra Club, Hawaii Chapter, Hawaii's Thousand Friends, and an individual supported the bill on the grounds that the amendments would further help to protect Hawaii's conservation lands. The Department of Land and Natural Resources (DLNR) opposed the bill, arguing that the current statute's perception of the term, conservation -- encompassing not only the protection of natural resources, but also the development and utilization of these resources -- is consistent with its definition in the Constitution of the State of Hawaii. DLNR also maintained that the removal of references to "residential use" would introduce uncertainty regarding the removal of all existing residences in the Conservation district. Finally, DLNR maintained that the definition of "open space" was too subjective.

Your Committee notes that H.B. No. 3058 also proposes amendments to Section 183-41, Hawaii Revised Statutes. The major purpose of this measure is to:

- (1) Eliminate the confusion between the old "forest and water reserve zones" with "conservation lands";
- (2) Eliminate grandfathering "nonconforming use" status on conservation lands for future residential and agricultural uses that are not now in actual existence; and
- (3) Provide that kuleana lands may be put to those uses which were historically, customarily, and actually found on that particular lot, including the construction of a single family residence.

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

- (1) Restoring references to residential use on page 4, line 12 of the original bill;
- (2) Deleting the definition of "open space" on page 5 of the original bill;
- (3) Incorporating the provisions of H.B. No. 3058 into the amended bill; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2330, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 851-92      Water, Land Use, and Hawaiian Affairs on H.B. No. 2329**

The purpose of this measure is to allow the Land Use Commission (LUC) to require a petitioner to demonstrate at an appropriate time that the representations and commitments contained in a petition for a land use boundary change have been fulfilled.

Your Committee received favorable testimony on this bill from the LUC, the Office of State Planning, Hawaii's Thousand Friends, and the Hawaii Chapter of the Sierra Club.



Your Committee agrees with the testifiers that this measure will clarify that the LUC does have the authority to require that commitments made by the petitioner be complied with, and will allow the LUC to set a timeframe for such compliance.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2329 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 852-92                      Finance on H.B. No. 2387**

The purpose of this bill is to appropriate \$150,000 to prevent the establishment of brown tree snakes in Hawaii.

According to information provided to your Committee, the brown tree snake has caused serious ecological and socioeconomic problems on Guam, ranging from hundreds of electrical power outages due to damaged lines to the treatment of children for injuries caused by mildly venomous snake bites to the extinction of nine species of native forest birds.

Moreover, your Committee has been informed that federal programs may be inadequate to prevent the brown tree snakes from arriving in Hawaii.

The Department of Agriculture, the Hawaiian Electric Company, Inc., and the Brown Snake Control Group submitted testimony supporting the intent of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2387, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 853-92                      Finance on H.B. No. 2922**

The purpose of this bill is to facilitate the provision of housing for native Hawaiians by appropriating funds for the construction of infrastructure improvements on Hawaiian Home Lands.

Testimony was submitted by the Office of State Planning, the Department of Hawaiian Home Lands, the Roman Catholic Church, and a concerned citizen.

Your Committee has amended this bill by:

- (1) Deleting the \$20,000,000 appropriation for fiscal year 1992-1993 for additional design and construction costs;
- (2) Adding Maku'u, Hawaii, to the list of sites for which capital improvement project moneys appropriated by this bill may be expended; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

The bill, as amended, appropriates \$25 million in capital improvement project moneys. This appropriation is part of the compensation package proposed by the Task Force on Department of Hawaiian Home Lands Land Title and Related Claims in its Interim Report to the Governor and the 1992 Hawaii State Legislature.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2922, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2922, H.D. 2.

Signed by all members of the Committee.

**SCRep. 854-92                      Finance on H.B. No. 3435 (Majority)**

The purpose of this bill is to allow any county to establish a county lottery by charter or ordinance. Specifically, this measure:

- (1) Requires a county that wishes to establish a county lottery to establish a five-member county lottery commission (commission);
- (2) Sets forth the powers and responsibilities of the commission, and a formal monthly and annual report preparation and distribution process;
- (3) Allows the county to establish a special county lottery fund to facilitate the deposit of revenues received from the sale of lottery tickets and other sources of revenue, and the disbursement of monies for prize payments and expenses of the commission;
- (4) Requires the commission, with the approval of the mayor, to appoint a director of the county lottery (director), and allows the director, with the approval of the commission, to appoint professional, technical, and clerical assistants and employees;

- (5) Requires the director to act as the secretary and executive officer of the commission, and allows the director to license bonded agents to sell lottery tickets;
- (6) Allows the director to make arrangements with any person or organization, including a financial institution, to handle the deposit and disbursement of lottery funds, tickets, and materials. Compensation for these types of services rendered may be deducted from the proceeds of sales of lottery tickets;
- (7) Specifies that only fraternal, veterans', or charitable organizations can engage in a business devoted exclusively to lottery ticket sales;
- (8) Prohibits federal, state, or county employees or members of their immediate family from selling lottery tickets;
- (9) Prohibits the sale of lottery tickets to persons committed to a State correctional facility or State hospital;
- (10) Prohibits lottery tickets sales to, and prizes being paid to, any commission member or employee, or any spouse, child, brother, sister, or parent residing in the same household as commission member or employee;
- (11) Limits the time period within which a lottery winner may claim the prize to one year;
- (12) Sets forth procedures for the payment of a prize to a minor. If a minor owns a winning lottery ticket and the prize is less than \$5,000, the director will make a direct payment to a member of the minor's family or a guardian. If the winning minor is entitled to a prize that is \$5,000 or more, the director will make a direct deposit to any bank to the credit of a member of the minor's family or a guardian;
- (13) Prohibits the sale of lottery tickets at a price greater than fixed by the commission, and prohibits lottery ticket sales to minors. However, a person eighteen years of age or older may purchase a lottery ticket and give it to a minor as a gift;
- (14) Makes the alteration, forging, or counterfeiting of lottery tickets a class C felony; and
- (15) Sets forth a county lottery exemption in the Penal Code provision defining lotteries as illegal gambling schemes.

Technical, nonsubstantive revisions have been made to the bill for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3435, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
(Representatives Baker, M. Ige and Marumoto did not concur.)

**SCRep. 855-92      Finance on H.B. No. 1715**

The purpose of this bill is to authorize a study by the Legislative Reference Bureau that evaluates and examines:

- (1) The viability of retaining University of Hawaii-Hilo as part of the University of Hawaii (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 UH system.

Your Committee received testimony on this measure from the University of Hawaii, the Legislative Reference Bureau, the Mayor of the County of Hawaii, a member of the Hawaii County Council, the Hawaii County Economic Opportunity Council, the Japanese Chamber of Commerce & Industry of Hawaii, the Hawaii Island Board of Realtors, Inc., the Hawaii Island Contractors' Association, the Kanoehua Industrial Area Assn., Inc., and concerned citizens.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1715, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 856-92      Finance on H.B. No. 2454**

The purpose of this bill is to provide the necessary supplemental appropriations and authorizations for State programs for the 1991-93 fiscal biennium by amending the General Appropriations Act of 1991.

**FINANCIAL AND BUDGETARY OVERVIEW**

The uncertainties of the impact of the Persian Gulf War and the national recession on Hawaii's economy guided the 1991 Legislature to focus on meeting only the most urgent needs of our State, while maintaining essential economic and social safeguards.

This year, your Committee again began its deliberations facing a number of major fiscal uncertainties.

While the conflict in the Persian Gulf came to a quick and decisive end, its impact on worldwide tourism is still being assessed. The national recession continues, and it is apparent that Hawaii is only now beginning to feel its effects. Hawaii also has had to deal with complying with increased federal mandates with no federal funding to help implement the mandates. In addition, the slowdown of the Japanese economy and changes in its monetary and investment policies pose great potential danger to the State's economy.

Presentations by Hawaii's noted economists at the start of the 1992 legislative session indicated that the State economy had shifted to a much lower rate of growth than had been experienced in prior years. This was reflected in the January 10, 1992, report of the Council on Revenues, which revised downward its September 1991 forecast of State revenue growth from 10.0 percent in fiscal year 1991-92 and 4.9 percent in fiscal year 1992-93 to 6.0 percent and 2.7 percent, respectively. The Governor accepted the estimate for fiscal year 1991-92, but took exception to the revised forecast for fiscal year 1992-93, citing primarily that the Council did not have the benefit of knowing the State's efforts in accelerating its construction program.

The House of Representatives concurred with the rationale and position of the Governor. As a result, your Committee has developed a statewide financial plan based on the January revenue estimates of the Council, as revised. In developing the financial plan, your Committee was especially concerned with the impact of the downward revision of revenue growth on future years, and specifically, the next biennium. Serious consideration was given to ensure that adequate future fiscal resources would be available to maintain existing programs and those new programs that are initiated during the 1992 Session.

Within this fiscal framework, your Committee has carefully reviewed the budgetary proposals submitted by the Governor and incorporated the recommendations of the standing committees of the House of Representatives. Priority was given to maintain current funding levels for vital state programs and services. Emphasis was also placed on the funding of capital improvements which, in addition to being stimuli for the State's economy, involve one-time funding, as compared to operating programs which require continued future funding.

In summary, the supplemental budget developed by your Committee provides a responsible allocation of valuable resources to State programs to improve the quality of life for the citizens of Hawaii, not only for the remainder of this biennium, but for the remainder of the six year planning period. Your Committee notes that as it was developing the financial plan and this budget, it received information that recent general fund tax collections indicate that the revenue growth for fiscal year 1991-92 may be lower than estimated in January by the Council. However, there being no consensus on the magnitude of this reduction relative to the January estimate, your Committee has not adjusted its financial plan and will await the Council's update of its revenue estimates, expected on March 15, 1992.

## **ECONOMIC DEVELOPMENT**

### **High Technology**

Your Committee supports the continued diversification of Hawaii's economy through technology-based business opportunities. To this end, funds have been provided to support biotechnology at the Manoa Innovation Center and enhance telecommunication capabilities at the Maui Research and Technology Center.

### **Tourism Marketing**

To mitigate the impact of the national recession on Hawaii's tourism industry, additional funds have been appropriated to support increased national and international marketing programs, including enhanced efforts in European markets.

### **Film Industry**

In recognition of the contribution of the film industry to Hawaii's economy, your Committee has funded the establishment of film liaison offices in each of the four counties. Additionally, funds have been increased to support the operations of the Diamond Head Film Studio.

### **Sporting Events**

Continued efforts in promoting Hawaii as a center for sports activities have been funded by your Committee. In addition to drawing spectators and participants to the State, national and international media coverage of these events reach millions of people and promote Hawaii as a desirable destination for travelers.

## **EMPLOYMENT**

### **Employment and Training Programs**

Your Committee has authorized moneys for the Employment and Training Fund and for the continuation of the JobHelp Store. These programs will serve to develop and implement programs aimed at teaching workers the job skills required for employment and career advancement. The development of a skilled workforce is essential for economic diversification and stability.

### **Occupational Safety**

The State's support for safe work environments is reaffirmed by your Committee through funds to the State's Occupational Safety and Health program. The moneys will be used to conduct workshops and outreach activities to enhance employers' awareness of acceptable work environments.

**TRANSPORTATION****Airports**

Recognizing the critical role our airport system plays in our island economy and its importance in a vital visitor industry, your Committee has provided significant funding toward airport expansion. Funding is provided for operation of the new inter-island terminal at Honolulu International Airport and continued terminal expansion at Kahului Airport. Additionally, to ensure safe and improved airport facilities, capital improvement funds to all airports statewide have been provided.

**Harbors**

As an island state, Hawaii must rely on its harbors for goods that are imported and exported via cargo vessels. In recognition of the importance of providing adequate harbor facilities, your Committee has provided funds for capital improvements to the Honolulu, Kahului, and Nawiliwili harbors.

**Highways**

Your Committee's provision of funds for the development and operation of an efficient highway system and the implementation of a specialized tunnel maintenance unit for the Koolau tunnels demonstrates its commitment to providing safe roadways for Hawaii's residents and visitors.

Traffic congestion and highway safety continues to be a major concern of your Committee. In order to alleviate these conditions, capital improvement funds have been provided for Oahu, Hawaii, Maui, Molokai, and Kauai highways.

**ENVIRONMENTAL PROTECTION****Endangered Species**

Concerned over the vulnerability and potential extinction of Hawaii's native plants, your Committee has added funds to expand the endangered plant program and give additional support to the Natural Area Reserves and Natural Area Partnership programs to assist in the preservation of Hawaii's unique environment. In addition, your Committee has provided positions and funds to the University of Hawaii for research in endangered species and restoration ecology.

**Geothermal Monitoring**

The health and safety of residents near geothermal development sites are of utmost importance to your Committee. Therefore, positions and funds have been provided to carefully monitor geothermal development, as well as to provide a quick and proper response in the event of an emergency. Funds have also been provided to the Department of Business, Economic Development, and Tourism for a geothermal coordinator to ensure the proper coordination between state, county, and private agencies involved in geothermal development in Hawaii.

**HEALTH****Mental Health Services**

The deficiencies in the State's mental health services and highly critical evaluation of current programs prompted increased funding in prior years to address these concerns. In reviewing the programs' supplemental requests, your Committee remained cautious, funding only those programs which could reasonably be implemented during the supplemental year.

The recent completion of the Hawaii State Hospital marks a significant step in addressing deficiencies as mandated by settlement agreements with the U.S. Department of Justice. In order to comply with these mandates, as well as to address projected budgetary shortfalls, your Committee has restored funding for personal services and operating expenses.

In addressing the needs of those patients who are precluded from hospitalization at Hawaii State Hospital due to census requirements, your Committee has provided funds for community based psychiatric care.

Community based mental health programs play an integral part in the provision of comprehensive mental health services. Funds have been provided to address the needs of Hawaii's community mental health centers through additional positions and stipend funds for existing psychiatrist employees. These increases will reduce current caseload ratios and support efforts to retain quality psychiatrists.

In recognition of critical staffing needs for the newly renovated psychiatric unit at Maui Memorial Hospital, your Committee has funded acute inpatient services for the child and adolescent and adult programs.

**Program for All-Inclusive Care for the Elderly (PACE)**

Funds have been provided to support the PACE demonstration program at Maluhia Hospital in recognition of this program's ability to provide affordable elderly care. Your Committee, to ensure compliance with federal waivers for Medicare and Medicaid funding, has provided funds to PACE for consultation purposes with On Lok Senior Health Services of San Francisco.

**Home and Community Based Services Program**

Recognizing the cost effectiveness of community based residential programs and the goal to deinstitutionalize persons with developmental disabilities, your Committee has increased funds to continue community placements of such individuals through the Title XIX Home and Community Based Services.

**State Laboratory Services**

To support new regulations by the Environmental Protection Agency related to organic and inorganic contaminants, lead and copper levels in water, as well as workload associated with the non-potable water analysis, your Committee has provided essential positions and funds.

### **SOCIAL SERVICES**

#### **Recruitment and Retention of Staff**

Your Committee is cognizant of the difficulties that agencies experience in recruitment and retention of qualified staff. To address this problem, your Committee has provided the authority to convert several key temporary positions to permanent status.

#### **Veterans**

In an effort to serve the growing population of veterans in the State and adequately record their needs, funds have been added for computers for the neighbor island offices of the Office of Veterans Services and the Hawaii State Veterans Cemetery.

#### **Health Care**

With the growing concern over health care and its associated costs, your Committee has provided necessary funds to meet the projected Medicaid shortfall in fiscal year 1992-93. In addition, your Committee continues to take a proactive role in the search for viable and cost effective health care alternatives by adding funds to support the Executive Office on Aging's establishment of a State Long-Term Care program.

#### **Job Opportunities and Basic Skills (JOBS)**

Your Committee has provided the necessary positions and funds for statewide implementation of the JOBS program, thereby meeting federally mandated guidelines. More importantly, your Committee has provided the means and opportunity for Hawaii's qualified recipients to break the welfare cycle.

#### **Governor's Council on Literacy**

To adequately address the needs of functionally illiterate adults in Hawaii, your Committee has provided positions and funds for the Governor's Council on Literacy to effectively meet its program goals.

#### **Family Center Demonstration Project**

In this Year of the Family, your Committee is providing funds to continue and expand the Family Center Demonstration Project to aid families that are at high risk for becoming dysfunctional.

#### **Youth Gangs**

While your Committee has been informed that Hawaii's youth gang situation is not of the magnitude experienced by mainland urban areas, it will not be lulled into complacency. To address this area, your Committee has provided funds to continue monitoring and establishing new gang prevention programs, as well as to support statewide programs for youths-at-risk.

#### **Elderly Housing**

Your Committee is aware of the difficulty in obtaining affordable housing rentals, especially for the elderly on fixed incomes. Therefore, your Committee has provided capital improvement funds for senior housing projects.

### **LOWER EDUCATION**

#### **Equipment and Textbooks for New Classrooms**

Anticipated completion of additional school facilities has led your Committee to fund the purchase of essential equipment and textbooks for new classrooms, including the new Mililani Mauka Elementary School. Your Committee has also increased funds to ensure that existing schools have adequate textbooks, materials, and equipment.

#### **Computers and Related Software**

Computer literacy will be essential for future employment in the increasingly competitive job market. Your Committee maintains its commitment to provide school-aged children access to these opportunities by adding funds for computers and software packages.

#### **Core Learning**

Providing schools with sufficient resources to assist students in their pursuit of academic achievements in areas such as math, science, language arts, and social studies is of high priority to your Committee. Therefore, additional funds and positions have been provided for the Core Learning Program.

#### **Special Education Teachers and Assistants**

Your Committee is aware of the growing needs and governing laws for Hawaii's special education students. To ensure quality support for these students and to accommodate the increase in enrollment, your Committee has added funds and positions for teachers and assistants.

#### **Diagnostic and Speech Pathology Services**

To meet the growing demand for diagnostic and speech pathology services, as well as to comply with the Federal Individuals with Disabilities Act, your Committee has provided necessary funds for the Central, Leeward, Windward, and Hawaii school districts.

#### **Repair and Maintenance**

Your Committee's approval of increased funding for repair and maintenance reaffirms its commitment to provide safe public school environments for Hawaii's children.

**Community Based Management and Innovative Incentive Grants**

In support of innovation and individual school management, your Committee has provided funds for programs that stimulate schools to improve academic achievement and encourage parental and community involvement.

**Capital Improvements**

Recognizing the important role a proper environment plays in the learning process, your Committee has provided additional moneys above the State Educational Facilities Improvement Special Fund ceiling for projects statewide. This increase in funding support will help ensure that Hawaii's students obtain an education in an environment conducive to learning.

**HIGHER EDUCATION****Instructional Support Services**

To ensure a quality education and prepare students for career opportunities, your Committee has provided funding for modernized computer resources, much needed administrative support services, and faculty positions throughout the University and Community College systems.

**Equal Education Opportunities**

Your Committee is dedicated to providing all citizens of Hawaii equal access to institutions of higher education by adding funds for the Hawaii Interactive Television System (HITS) on Oahu and participating neighbor islands. Through HITS, the University and Community Colleges can provide instructional programs to residents who do not have access to campus instruction.

**Support to Community Colleges**

The utilization of Community Colleges to provide resident accessibility to post-secondary education continues to increase with the growth in population. As a result, funds have been appropriated to strengthen Hawaii's Community Colleges to meet the demands for greater academic support, student services, and administrative resources.

**Health and Safety**

The increase of maintenance and security services at the University of Hawaii at Hilo, Community Colleges, and Manoa's Child Care Center reaffirms your Committee's position to provide a healthy and safe environment for all students, faculty, and administration personnel.

**Federal Compliance**

Your Committee is concerned with recent problems regarding the University's oversight in meeting federal contract and grant regulations. In an effort to address this concern, your Committee has added positions for compliance and internal control specialists and internal University auditors.

**CULTURE AND RECREATION****Waikiki Aquarium**

To offset the Aquarium's revenue shortfall during its eight-month renovation, your Committee has provided funds for the upkeep of the animals, as well as to enable the aquarium to bring educational programs to the schools.

**Hawaii Public Broadcasting**

Your Committee continues its support for alternative weekend programming by providing funds for the SATURDAY A.M. television program which provides entertaining and educational programs for pre- and early teenagers.

**Preservation of Recreational Areas**

Your Committee recognizes the need to protect Hawaii's historical and recreational areas. Funds are provided to preserve the Ke'e hula sites and maintain forest trails and parks.

**PUBLIC SAFETY****Staff Support and Uniforms**

In order to maintain proper staffing at correctional facilities, your Committee has provided additional positions based upon revised staffing standards. Proper staffing levels will allow the department to reduce overtime and improve security coverage.

In addition, your Committee has added funds for the purchase of correctional officer uniforms to maintain morale and the professional image of correctional officers.

**Repair and Maintenance**

The physical condition of Hawaii's correctional facilities is a major concern of your Committee, and therefore funds have been provided for repairs at Halawa Correctional Facility, Hawaii Community Correctional Center, and the Women's Community Correctional Center.

**New Detention Facility at Halawa Correctional Facility**

Capital improvement funds have been provided for the construction of a detention center at Halawa Correctional Facility. Overcrowded conditions caused by the increased number of federal detainees having to be housed at state detention centers have raised safety concerns by the U.S. Marshall's Office and the public.

### **INDIVIDUAL RIGHTS**

#### **Public Defender's Office**

The objective of the Public Defender's Office, as required by law, is to safeguard the rights of individuals in need of legal assistance who cannot otherwise afford counsel. Your Committee supports this objective by providing additional positions and funds for deputy public defenders and investigators.

#### **Insurance Service Support**

To ensure that Hawaii's citizens are provided with quality and dependable insurance services, your Committee has added positions and funds for the Department of Commerce and Consumer Affairs.

#### **Bureau of Conveyances**

In order to provide an accurate, timely and permanent system of registering and recording land titles, related documents and maps, your Committee has provided positions and funds to the Bureau of Conveyances.

### **GOVERNMENT-WIDE SUPPORT**

#### **State Satellite Office Program**

Your Committee has provided continued funding of the Satellite Office Program to allow for dispersal of State government information and services outside the Honolulu Civic Center and into the communities where people live and work.

#### **State Land Planning**

In recognition of the need to manage and provide long-range planning for Hawaii's finite land resources, your Committee has provided additional support for activities relating to the Five-Year Boundary Review.

#### **Public Access and Telecommunications**

In support of the public's right to open government, your Committee has provided funds to continue support of the Records Retrieval System, which provides access to public records. Additional support has been provided by your Committee for the Hawaii FYI system to provide the public with information from government agencies, educational sources, and private information suppliers.

#### **Line Agency Support**

Recognizing the need to support line agencies through the expedient processing of personnel actions, your Committee has added funds to meet the increased demands placed on the Department of Personnel Services.

#### **Grants to the Counties**

Your Committee has responded to requests for assistance from the counties by providing funds for infrastructure and other facilities that are vital to the public.

Your Committee on Finance is in accord with the intent and purpose of H.B. 2454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2454, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 857-92**

**Finance on H.B. No. 3184**

The purpose of this bill is to provide supplemental appropriations to the Office of Hawaiian Affairs (OHA) for fiscal biennium 1991-1993 by amending Act 301, Session Laws of Hawaii 1991.

Hawaii is facing an uncertain fiscal future. With continued federal funding cutbacks and the recession on the Mainland, Hawaii faces the very real possibility of an economic slowdown. Preliminary reports indicate that the State's revenues are below earlier projections, which were considered fiscally conservative by the experts at the time the projections were issued.

To ensure the fiscal integrity of the State, your Committee carefully deliberated on this OHA budget bill and other bills that affect state finances. Were it not for the projected revenue shortfall, your Committee would have been able to give serious consideration to funding many worthwhile programs. But in these uncertain fiscal times, your Committee must act responsibly in meeting a wide range of pressing community needs and concerns. As a result, until a more up-to-date report from the Council of Revenues is received, your Committee acted cautiously in expanding existing programs and funding new ones.

Your Committee carefully examined the budget requests of OHA in light of the fiscal and economic uncertainty facing Hawaii. Recognizing the important public mission of OHA, along with the Department of Hawaiian Home Lands, to be responsible for the betterment of native Hawaiians and Hawaiians, your Committee decided to concentrate on the three major areas deemed to be of foremost concern to the Hawaiians: health, education, and housing. In addition, funding has also been provided to help Hawaiians and native Hawaiians resolve the very important issue of sovereignty.



According to health statistics, the Hawaiian community has long been plagued by numerous, chronic health problems. As a group, Hawaiians and native Hawaiians suffer from a disproportionate amount of health ills. Based on the preliminary success of the Waianae Diet Program in lowering the incidence of diabetes, hypertension, heart disease, stroke, and cancer through a traditional Hawaiian diet, your Committee has provided funds for program expansion in the Waimanalo area to help more Hawaiians live a healthful lifestyle.

The second area that merits continued support is education. Many experts link early childhood education to the overall success of future educational opportunities. As a result, funds have been provided to establish an Early Education Center to provide the nurturing support and learning experiences that will prepare Hawaiian students to enter the public school system.

Tutorial services have also been funded to provide opportunities for students to reach their full academic potential. Additionally, funding is provided to allow OHA to award twenty-five scholarships to students who wish to pursue higher education.

The third major area of concern is the housing needs of the Hawaiians. Your Committee is encouraged by OHA's expressed commitment to address this issue. To support this determination, your Committee has appropriated moneys to facilitate the collaborative efforts between OHA and the Department of Hawaiian Home Lands to develop housing projects for the native Hawaiians.

Finally, the importance of sovereignty to the Hawaiian community is recognized by your Committee. It is your Committee's understanding that sovereignty models are being developed and will be presented to the Legislature in the near future. In light of the complex nature of this subject, your Committee is in support of a conference to promote better understanding of the issues surrounding sovereignty. In keeping with this theme, funds have also been provided to examine and observe the overthrow of the Hawaiian monarchy a century ago.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3184, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3184, H.D. 2.

Signed by all members of the Committee.

**SCRep. 858-92****Finance on H.B. No. 2705**

The purpose of this bill is to provide supplemental appropriations to the Judiciary for the fiscal biennium 1991-93 by amending Act 299, Session Laws of Hawaii 1991.

Your Committee began its 1992 budget deliberations amidst fiscal uncertainty. With continued federal funding cutbacks and the recession on the Mainland, Hawaii faces the very real possibility of an economic slowdown. Preliminary reports indicate that the State's revenues are below earlier projections that many experts had considered to be conservative at the time they were issued.

With this in mind, your Committee has developed a supplemental Judiciary budget that balances the priorities and needs of the Judiciary with the finite resources of the State.

To ensure the fiscal integrity of the State, your Committee has carefully deliberated on this supplemental Judiciary budget bill and on other bills which affect the finances of our State. Were it not for the projected revenue shortfall, your Committee would have been able to give serious consideration to funding many other worthwhile programs. But in these uncertain fiscal times, your Committee must act responsibly in meeting a wide range of pressing State needs and concerns. As a result, until the updated report due March 15 from the Council on Revenues is received, your Committee has acted cautiously in expanding existing programs and funding new ones.

Your Committee carefully examined the budget requests of the Judiciary in light of the fiscal and economic uncertainty facing Hawaii. At the same time, your Committee has been mindful of the increased demand for court services and the growth in the number of adjudications that has resulted in the Judiciary struggling to meet the public's needs in a consistent and timely manner. Therefore, funding has been provided to allow the courts to address the most urgent of these needs. Your Committee has appropriated moneys to meet the critical need for more judges. In addition, funds have been provided to meet increased workload requirements, improve information technology, and provide adequate office and storage space to accommodate the significant growth court programs have experienced over the past few years.

Funding for a third associate judge for the Intermediate Appellate Court and a nineteenth judge for the First Circuit Court have been provided to address the burgeoning number of case filings. The increase in filings, coupled with the growing complexity of violent crimes, have aggravated backlogs in case processing. This additional support will allow the Judiciary to continue its commitment to protect and safeguard victims, as well as to ensure the timely delivery of justice.

As the number of court case filings grow, the need for support services to maintain the efficient flow of information and documents also increases. Additional clerical, court, and administrative personnel have therefore been provided to enable the Judiciary to ensure orderly operations and to process necessary documents in a timely manner.

The effective management of court information and documents plays an integral role in the delivery of court services. Therefore, increased resources have been provided to allow continued efforts in the development of a unified technological plan for the Judiciary. While this plan is still in its early stages, your Committee recognizes that eventual improvements will be made to court data management, fiscal accountability, and statistical data collection and analysis over the long-term.

The growing need for office and storage space also reflects the rapid growth court programs have experienced over the years. As a short-term solution, your Committee has provided funding for the rental of additional office and storage space to mitigate the crowded conditions in the court system. However, the Judiciary must still implement its long-range facility plans. Funds to complete the Hilo Judicial Complex will accommodate the growing needs of the Circuit, Family, and District Courts in the Second Circuit. Additionally, funds for the Kauai Judicial Complex have been reauthorized. Design funds for the urgently needed new Juvenile Detention Center on Oahu and additional design funds for the Molokai court facility have also been provided.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2705, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2705, H.D. 2.

Signed by all members of the Committee.

**SCRep. 859-92                      Transportation on H.R. No. 14**

The purpose of this resolution is to request that the Department of Transportation study the efficacy of providing high occupancy vehicle (HOV) throughways along congested corridors.

Your Committee finds that high occupancy vehicle lanes were established on portions of the State highway system to encourage ridesharing and to minimize peak hour traffic congestion. Your Committee also finds that a disincentive of high occupancy vehicle lanes is the bottleneck created when high occupancy vehicle lanes end and traffic is forced to merge into adjacent lanes. Your Committee further finds that complete high occupancy vehicle throughways along congested corridors would minimize the bottlenecks created by merging lanes.

Your Committee received testimony from the Department of Transportation, Oahu Metropolitan Planning Organization, Chamber of Commerce, Leeward Oahu Transportation Management Association, SIDA of Hawaii, BusPlus, and the Committee on Sensible Transit.

Your Committee has amended the purpose of this resolution to request that the Department of Transportation establish high occupancy vehicle throughways along congested corridors.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 14, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 14, H.D. 1.

Signed by all members of the Committee.

**SCRep. 860-92                      Transportation on H.R. No. 21**

The purpose of this resolution is to request that the Legislative Reference Bureau study the feasibility of issuing citations by mail for the enforcement of minimum vehicle occupancy requirements for high occupancy vehicle lanes.

Your Committee finds that vehicle occupancy requirements for high occupancy vehicles lanes is difficult to enforce. Your Committee also finds that the issuance of citations by mail to those who unlawfully utilize high occupancy vehicle lanes is a viable method of enforcing minimum occupancy requirements for high occupancy vehicle lanes. Your Committee further finds that the use of video cameras in addition to officer observation may provide a more accurate means of supporting citations by mail for lane occupancy violations.

Your Committee received favorable testimony from the Department of Transportation, the Oahu Metropolitan Planning Organization, the Hawaii Transportation Association, the Leeward Oahu Transportation Management Association, and the Chamber of Commerce.

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

Signed by all members of the Committee.

**SCRep. 861-92                      Transportation on H.C.R. No. 19**

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau study the feasibility of issuing citations by mail for the enforcement of minimum vehicle occupancy requirements for high occupancy vehicle lanes.

Your Committee finds that vehicle occupancy requirements for high occupancy vehicle lanes is difficult to enforce. Your Committee also finds that the issuance of citations by mail to those who unlawfully utilize high occupancy vehicle lanes is a viable method of enforcing minimum occupancy requirements for high occupancy vehicle lanes. Your Committee further finds that the use of video cameras in addition to officer observation may provide a more accurate means of supporting citations by mail for lane occupancy violations.

Your Committee received favorable testimony from the Department of Transportation, the Oahu Metropolitan Planning Organization, the Hawaii Transportation Association, the Leeward Oahu Transportation Management Association, and the Chamber of Commerce.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 19 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 862-92      Agriculture and Intergovernmental Relations and International Affairs on H.R. No. 17**

The purpose of this resolution is to request the United States Congress to fund the brown tree snake eradication program on Guam, and to expand the program to include Hawaii.

Your Committees received supportive testimony from the Department of Agriculture, the National Audubon Society, the Hawaiian Electric Company, Inc., the Garden Club of Honolulu, and the Brown Tree Snake Control Group.

Your Committees find that the island of Guam is heavily infested with brown tree snakes and has caused problems by eating small animals, biting children, eradicating native bird species, and causing numerous electrical power outages.

The high population of brown tree snakes on Guam also constitute a serious threat to Hawaii and other Pacific regions that are free of snakes. In the past ten years, six brown tree snakes have been found in Hawaii. Three of the six snakes found in Hawaii were discovered within the past two years. The brown tree snakes have been transported to Hawaii either as stowaways in aircraft or cargo, or in the wheelwells of aircraft. These snakes could also be inadvertently transported to Hawaii on commercial or military ships. The probability of brown tree snake movements from Guam to Hawaii and other Pacific regions will continue to be high unless steps are taken to reduce its population on Guam.

Moreover, your Committees find that Guam has begun technical studies on the brown tree snake, but lack the necessary resources to begin an eradication program. Source reduction of this pest is an integral component to the State's efforts to control and eradicate its brown tree snake population.

Upon further consideration, your Committees have amended this resolution by:

- (1) Including one clause which expands on how the brown tree snake could be transported to Hawaii and two additional clauses which recognize the Department of Agriculture's development of the Action Plan on the brown tree snake;
- (2) Adding the Commissioner of the U.S. Custom Service and the Secretaries of the U.S. Departments of Agriculture, Defense, and Interior to the list of officials who are to receive a certified copy of this resolution; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Agriculture and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.R. No. 17, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 17, H.D. 1.

Signed by all members of the Committees.

**SCRep. 863-92      Agriculture and Intergovernmental Relations and International Affairs on H.C.R. No. 15**

The purpose of this concurrent resolution is to request the United States Congress to fund the brown tree snake eradication program on Guam, and to expand the program to include Hawaii.

Your Committees received supportive testimony from the Department of Agriculture, the National Audubon Society, the Hawaiian Electric Company, Inc., the Garden Club of Honolulu, and the Brown Tree Snake Control Group.

Your Committees find that the island of Guam is heavily infested with brown tree snakes and has caused problems by eating small animals, biting children, eradicating native bird species, and causing numerous electrical power outages.

The high population of brown tree snakes on Guam also constitute a serious threat to Hawaii and other Pacific regions that are free of snakes. In the past ten years, six brown tree snakes have been found in Hawaii. Three of the six snakes found in Hawaii were discovered within the past two years. The brown tree snakes have been transported to Hawaii either as stowaways in aircraft or cargo, or in the wheelwells of aircraft. These snakes could also be inadvertently transported to Hawaii on commercial or military ships. The probability of brown tree snake movements from Guam to Hawaii and other Pacific regions will continue to be high unless steps are taken to reduce its population on Guam.

Moreover, your Committees find that Guam has begun technical studies on the brown tree snake, but lack the necessary resources to begin an eradication program. Source reduction of this pest is an integral component to the State's efforts to control and eradicate its brown tree snake population.

Upon further consideration, your Committees have amended this concurrent resolution by:

- (1) Including one clause which expands on how the brown tree snake could be transported to Hawaii and two additional clauses which recognize the Department of Agriculture's development of the Action Plan on the brown tree snake;

- (2) Adding the Commissioner of the U.S. Custom Service and the Secretaries of the U.S. Departments of Agriculture, Defense, and Interior to the list of officials who are to receive a certified copy of this concurrent resolution; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Agriculture and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.C.R. No. 15, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 15, H.D. 1.

Signed by all members of the Committees.

**SCRep. 864-92      Housing and Intergovernmental Relations and International Affairs on H.C.R. No. 40**

The purpose of this concurrent resolution is to request support from the United States Congress for the permanent extension of the low income housing tax credit program.

Testimony was submitted by the Housing Finance and Development Corporation.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 40 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 865-92      Housing and Intergovernmental Relations and International Affairs on H.R. No. 89**

The purpose of this resolution is to request the Congress of the United States to provide federal housing impact aid funds for infrastructure development, construction, and maintenance for military dependents.

Testimony was submitted by a concerned citizen.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 89 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 866-92      Housing and Intergovernmental Relations and International Affairs on H.C.R. No. 86**

The purpose of this concurrent resolution is to request the Congress of the United States to provide federal housing impact aid funds for infrastructure development, construction, and maintenance for military dependents.

Testimony was submitted by a concerned citizen.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 86 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 867-92      Housing and Intergovernmental Relations and International Affairs on H.R. No. 84**

The purpose of this resolution is to request the United States Congress to make the federal tax credit for investors in low-income housing a permanent program.

Testimony was submitted by the Housing Finance and Development Corporation.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 84 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 868-92      Housing and Intergovernmental Relations and International Affairs on H.C.R. No. 81**

The purpose of this concurrent resolution is to request the United States Congress to make the federal tax credit for investors in low-income housing a permanent program.

Testimony was submitted by the Housing Finance and Development Corporation.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 81 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 869-92      Housing and Intergovernmental Relations and International Affairs on H.R. No. 90**

The purpose of this resolution is to request the Congress of the United States to provide a federal tax credit for renters.

Testimony was submitted by concerned citizens.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 90 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 870-92      Housing and Intergovernmental Relations and International Affairs on H.C.R. No. 87**

The purpose of this concurrent resolution is to request the Congress of the United States to provide a federal tax credit for renters

Testimony was submitted by concerned citizens.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 87 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 871-92      Housing and Intergovernmental Relations and International Affairs on H.R. No. 81**

The purpose of this resolution is to request the counties to consider permitting and encouraging residents of county housing projects to establish and operate child care facilities within their private residences.

Testimony was submitted from the Office of Children and Youth.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 81 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 872-92      Housing and Intergovernmental Relations and International Affairs on H.C.R. No. 78**

The purpose of this concurrent resolution is to request the counties to consider permitting and encouraging residents of county housing projects to establish and operate child care facilities within their private residences.

Testimony was submitted from the Office of Children and Youth.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 78 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 873-92      Water, Land Use, and Hawaiian Affairs on S.B. No. 2730**

The purpose of this measure is to reorganize the Department of Land and Natural Resources (DLNR) with 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 testified in support of the bill, arguing that its provisions would facilitate more effective enforcement of the law and prevention of fires. The State Fire Council also presented favorable testimony, while urging that consideration be given to increasing the amount of the firefighter's contingency fund from \$250,000 to \$750,000. This proposal received the enthusiastic endorsement of DLNR, which noted that the current funding level is inadequate to meet needs which are increasing due to greater frequency of fires, increasing settlement of isolated areas, and inflation.

Upon further consideration, your Committee has decided to accept the recommendation of that State Fire Council and DLNR, and has amended the bill to provide for a firefighter's contingency fund level of \$750,000.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 2730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2730, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 874-92      Water, Land Use, and Hawaiian Affairs on S.B. No. 3062**

The purposes of this measure 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 related statutory language to minimize errors on the part of license agents and applicants.

Favorable testimony on this bill was submitted by DLNR, which also recommended that the bill be amended to provide for revocation of the hunter education certificate upon conviction of a wildlife and/or firearms violation. The Hawaii Chapter of Safari Club International and the Koko Head Skeet Club also testified in support of the bill, while arguing for higher hunting license fees for non-residents and for some kind of mandatory fee for senior citizens as well.

Your Committee finds that a \$95 annual hunting fee for non-residents would be comparable to the rate charged non-residents in other states. Your Committee also concurs with the intent of a related measure, Senate Bill No. 2403, S.D. 1, which extends the fee exemption to persons with Hansen's disease residing in Kalaupapa, Molokai.

This bill has therefore been amended to:

- (1) Increase the annual hunting licensing fee for non-residents from \$20 to \$95;
- (2) Make the fee voluntary for Kalaupapa residents with Hansen's disease as well as for senior citizens; and
- (3) Provide for revocation of the hunter education certificate upon conviction of a wildlife and/or firearms violation.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 3062, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3062, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative O'Kieffe.

**SCRep. 875-92      Health and Human Services on H.R. No. 8**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on the feasibility and ramifications of amending the current definition of an Adult Residential Care Home to allow operators to take in a family member or a relative as a patient in the care home.

The Department of Human Services, the Executive Office on Aging, and the United Group of Home Operators submitted testimony in support of the resolution.

The Department of Health submitted testimony stating that current adult residential care home regulations do not prohibit an operator from providing care to a dependent family member. However, care for relatives of the operator is currently not reimbursed.

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 8 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees.

**SCRep. 876-92      Health and Human Services on H.C.R. No. 6**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on the feasibility and ramifications of amending the current definition of an Adult Residential Care Home to allow operators to take in a family member or a relative as a patient in the care home.

The Department of Human Services, the Executive Office on Aging, and the United Group of Home Operators submitted testimony in support of the concurrent resolution.

The Department of Health submitted testimony stating that current adult residential care home regulations do not prohibit an operator from providing care to a dependent family member. However, care for relatives of the operator is currently not reimbursed.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 6 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees.

**SCRep. 877-92      Health and Human Services on H.R. No. 13 (Majority)**

The purpose of this resolution is to request the counties to issue handicap parking passes to qualified adult residential care home operators.

Testimony was submitted by the Commission on Persons with Disabilities and a concerned citizen.

Your Committees note that care home residents are often persons with impaired mobility. Moreover, during the course of a resident's stay in a care home, the care home operator, in most instances, must transport residents for medical and/or rehabilitative appointments, and for personal errands or business. While waiting unattended for care home operators to find parking spaces, adult care home residents may wander away, become lost, or worse, incur injury. Handicap parking passes issued to adult residential care home operators with persons with impaired mobility in their care will alleviate transportation anxieties, frustration, and dangers.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.R. No. 13 and recommend that it be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committees.  
(Representative M. Ige did not concur.)

**SCRep. 878-92                      Health and Human Services on H.C.R. No. 11 (Majority)**

The purpose of this concurrent resolution is to request the counties to issue handicap parking passes to qualified adult residential care home operators.

Testimony was submitted by the Commission on Persons with Disabilities and a concerned citizen.

Your Committees note that care home residents are often persons with impaired mobility. Moreover, during the course of a resident's stay in a care home, the care home operator, in most instances, must transport residents for medical and/or rehabilitative appointments, and for personal errands or business. While waiting unattended for care home operators to find parking spaces, adult care home residents may wander away, become lost, or worse, incur injury. Handicap parking passes issued to adult residential care home operators with persons with impaired mobility in their care will alleviate transportation anxieties, frustration, and dangers.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.C.R. No. 11 and recommend that it be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committees.  
(Representative M. Ige did not concur.)

**SCRep. 879-92                      Health and Human Services on H.R. No. 9**

The purpose of the resolution is to request the Legislative Reference Bureau to study the feasibility of the State providing liability insurance relief to adult residential care home operators.

The Department of Human Services and the United Group of Home Operators submitted testimony in support of the resolution.

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 9 and recommend that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees.

**SCRep. 880-92                      Health and Human Services on H.C.R. No. 7**

The purpose of the concurrent resolution is to request the Legislative Reference Bureau to study the feasibility of the State providing liability insurance relief to adult residential care home operators.

The Department of Human Services and the United Group of Home Operators submitted testimony in support of the concurrent resolution.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 7 and recommend that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees.

**SCRep. 881-92                      Health and Human Services on H.R. No. 7**

The purpose of the resolution is to ask the Legislative Reference Bureau to study a number of issues relating to the special care needs of Adult Residential Care Home operators.

The Hawaii Long Term Care Association, the United Group of Home Operators, and the Department of Human Services submitted testimony in support of the resolution.



Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 7 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees.

**SCRep. 882-92                    Health and Human Services on H.C.R. No. 5**

The purpose of the concurrent resolution is to ask the Legislative Reference Bureau to study a number of issues relating to the special care needs of Adult Residential Care Home operators.

The Hawaii Long Term Care Association, the United Group of Home Operators, and the Department of Human Services submitted testimony in support of the concurrent resolution.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 5 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees.

**SCRep. 883-92                    Health and Human Services on H.R. No. 11**

The purpose of this resolution is to request the Legislative Reference Bureau to study and propose recommendations to address concerns of ARCH operators on Molokai.

The Department of Health submitted testimony in support of this resolution.

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 11 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees.

**SCRep. 884-92                    Health and Human Services on H.C.R. No. 9**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study and propose recommendations to address concerns of ARCH operators on Molokai.

The Department of Health submitted testimony in support of this concurrent resolution.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 9 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees.

**SCRep. 885-92                    Health on H.R. No. 33**

The purpose of this resolution, as received, requests the Department of Health to develop a plan to permit the utilization of nurses and their nursing services in adult residential care homes or alternatives to permitting such use.

The United Group of Home Operators, various registered nurses and a practicing physician submitted testimony in support of the resolution.

The Department of Health and the Hawaii Long Term Care Association testified in opposition of the resolution.

Various testimony expressed concern over the lack of intermediate care facilities in Hawaii and increased costs accumulating as patients are held in acute care settings waiting for openings in intermediate care facilities.

In response to the various testimony, your Committee has amended the resolution to include in the plan: 1) an expansion of the existing waiver system, and 2) the transfer of long term care State Medicaid costs from acute care settings to care homes operating with skilled nursing support.

Your Committee on Health concurs with the intent and purpose of H.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 33, H.D. 1.

Signed by all members of the Committee.

**SCRep. 886-92                    Health on H.C.R. No. 30**

The purpose of this concurrent resolution, as received by your Committee, requests the Department of Health to develop a plan to permit the utilization of nurses and their nursing services in adult residential care homes or alternatives to permitting such use.

The United Group of Home Operators, various registered nurses and a practicing physician submitted testimony in support of the concurrent resolution.

The Department of Health and the Hawaii Long Term Care Association testified in opposition of the concurrent resolution.

Various testimony expressed concern over the lack of intermediate care facilities in Hawaii and increased costs accumulating as patients are held in acute care settings waiting for openings in intermediate care facilities.

In response to the various testimony, your Committee has amended the concurrent resolution to include in the plan: 1) an expansion of the existing waiver system, and 2) the transfer of long term care State Medicaid costs from acute care settings to care homes operating with skilled nursing support.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 30, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 30, H.D. 1.

Signed by all members of the Committee.

**SCRep. 887-92                      Health and Human Services on H.R. No. 10**

The purpose of this resolution, as received, is to request the Office of the Attorney General, in conjunction with the Law Enforcement Coalition, to conduct a study on the feasibility of requiring Adult Residential Care Home patients to wear identification bracelets or badges at all times.

The United Group of Home Care Operators submitted testimony in support of the resolution, but with an amendment that only those with wandering behaviors be required to wear such identification. The Department of Health submitted testimony suggesting that solutions for such situations be reached on a case by case basis rather than through legislation. The Executive Office on Aging submitted testimony against requiring all ARCH patients to wear identification.

In response to the various testimony, your Committees have amended the resolution as follows:

- (1) The title of the resolution has been amended to request the House Subcommittee on Health on Adult Residential Care Homes to study various voluntary strategies to identify home care patients.
- (2) All language relevant to the request for study has been amended to address the House Subcommittee on Health on Adult Residential Care Homes.
- (3) Deleted all references to the involvement of the Law Enforcement Coalition and the Attorney General.
- (4) Deleted language requesting that the study include a legal opinion as to whether such requirements are in conflict with a citizen's right to privacy.
- (4) All language "requiring" adult home care patients to wear identification was deleted and replaced with "voluntary".

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 10, as amended herein, and recommend that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 10, H.D. 1.

Signed by all members of the Committees.

**SCRep. 888-92                      Health and Human Services on H.C.R. No. 8**

The purpose of this concurrent resolution, as received, is to request the Office of the Attorney General, in conjunction with the Law Enforcement Coalition, to conduct a study on the feasibility of requiring Adult Residential Care Home patients to wear identification bracelets or badges at all times.

The United Group of Home Care Operators submitted testimony in support of the concurrent resolution, but with an amendment that only those with wandering behaviors be required to wear such identification. The Department of Health submitted testimony suggesting that solutions for such situations be reached on a case by case basis rather than through legislation. The Executive Office on Aging submitted testimony against requiring all ARCH patients to wear identification.

In response to the various testimony, your Committees have amended the concurrent resolution as follows:

- (1) The title of the concurrent resolution has been amended to request the House Subcommittee on Health on Adult Residential Care Homes to study various voluntary strategies to identify home care patients.
- (2) All language relevant to the request for study has been amended to address the House Subcommittee on Health on Adult Residential Care Homes.
- (3) Deleted all references to the involvement of the Law Enforcement Coalition and the Attorney General.

- (4) Deleted language requesting that the study include a legal opinion as to whether such requirements are in conflict with a citizen's right to privacy.
- (4) All language "requiring" adult home care patients to wear identification was deleted and replaced with "voluntary".

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 8, as amended herein, and recommend that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 8, H.D. 1.

Signed by all members of the Committees.

**SCRep. 889-92                      Health and Human Services on H.R. No. 12**

The purpose of this resolution is to request the Departments of Health and Human Services to incorporate an adult residential care home operators' "Providers' Bill of Rights" in their departmental rules.

The Hawaii Long Term Care Association, United Group of Home Operators, and various care home operators testified in support of the resolution. The Departments of Health and Human Services submitted testimony in opposition of the resolution. The Executive Office on Aging supports its intent.

Your Committees have amended the resolution as follows:

- (1) The introductory clause to the Providers' Bill of Rights has been amended to read; "It shall be the policy of the state to promote a system in which licensed ARCH operators shall:"
- (2) Incorporated and additional policy that promotes the distribution of the "Providers' Bill of Rights" to ARCH residents.

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 12, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 12, H.D. 1.

Signed by all members of the Committees.

**SCRep. 890-92                      Health and Human Services on H.C.R. No. 10**

The purpose of this concurrent resolution is to request the Departments of Health and Human Services to incorporate an adult residential care home operators' "Providers' Bill of Rights" in their departmental rules.

The Hawaii Long Term Care Association, United Group of Home Operators, and various care home operators testified in support of the concurrent resolution. The Departments of Health and Human Services submitted testimony in opposition of the concurrent resolution. The Executive Office on Aging supports its intent.

Your Committees have amended the concurrent resolution as follows:

- (1) The introductory clause to the Providers' Bill of Rights has been amended to read; "It shall be the policy of the state to promote a system in which licensed ARCH operators shall:"
- (2) Incorporated and additional policy that promotes the distribution of the "Providers' Bill of Rights" to ARCH residents.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 10, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 10, H.D. 1.

Signed by all members of the Committees.

**SCRep. 891-92                      Health and Human Services on H.R. No. 5**

The purpose of this resolution is to request the Departments of Health and Human Services to review their inspection policies and procedures of adult residential care home operators including: 1) the feasibility of scheduling annual inspections for a specific day and at reasonable hours, 2) renaming deficiency reports to a more appropriate title, and 3) changing the contents of the reports to note the home care operators' strengths to help bolster their confidence.

Representatives from the United Group of Home Operators submitted testimony in support of the resolution.

The Departments of Health and Human Services submitted testimony opposing the resolution claiming that such changes in inspection policies and procedures would diminish the effectiveness of their enforcement responsibilities.

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 5 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 892-92      Health and Human Services on H.C.R. No. 3**

The purpose of this concurrent resolution is to request the Departments of Health and Human Services to review their inspection policies and procedures of adult residential care home operators including: 1) the feasibility of scheduling annual inspections for a specific day and at reasonable hours, 2) renaming deficiency reports to a more appropriate title, and 3) changing the contents of the reports to note the home care operators' strengths to help bolster their confidence.

Representatives from the United Group of Home Operators submitted testimony in support of the concurrent resolution.

The Departments of Health and Human Services submitted testimony opposing the concurrent resolution claiming that such changes in inspection policies and procedures would diminish the effectiveness of their enforcement responsibilities.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 3 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 893-92      Health and Human Services on H.R. No. 6**

The purpose of this resolution is to request the Department of Health to amend its administrative rules regarding admission policies of adult residential care home (ARCH) patients.

The United Group of Home Operators and the Hawaii Long Term Care Association submitted testimony in support of the resolution.

The Departments of Health and Human Services submitted testimony recognizing the concerns of adult residential care home operators, addressing the issues of standardizing and consolidating admission requirements and establishing an appropriate level of care for ARCH patients.

Your Committees on Health and Human Services concur with the intent and purpose of H.R. No. 6 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 894-92      Health and Human Services on H.C.R. No. 4**

The purpose of this concurrent resolution is to request the Department of Health to amend its administrative rules regarding admission policies of adult residential care home (ARCH) patients.

The United Group of Home Operators and the Hawaii Long Term Care Association submitted testimony in support of the concurrent resolution.

The Departments of Health and Human Services submitted testimony recognizing the concerns of adult residential care home operators, addressing the issues of standardizing and consolidating admission requirements and establishing an appropriate level of care for ARCH patients.

Your Committees on Health and Human Services concur with the intent and purpose of H.C.R. No. 4 and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 895-92      Planning and Economic Development on H.R. No. 126**

The purpose of the resolution is to request the Department of Accounting and General Services to consider whether there are alternatives to the use of bid and performance bonds which would enable smaller companies to compete for government contracts while still protecting the State from undue risk.

There exists a need for the State to review this issue because small companies which are otherwise qualified and competent to perform government contracts may be prevented from bidding because they cannot obtain bonding. This reduces competition for government contracts and may result in higher prices.

The Department of Accounting and General Services testified they have no objection to the resolution.

Your Committee on Planning and Economic Development concurs with the intent and purpose of H.R. No. 126 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 896-92      Planning and Economic Development on H.C.R. No. 118**

The purpose of the concurrent resolution is to request the Department of Accounting and General Services to consider whether there are alternatives to the use of bid and performance bonds which would enable smaller companies to compete for government contracts while still protecting the State from undue risk.

There exists a need for the State to review this issue because small companies which are otherwise qualified and competent to perform government contracts may be prevented from bidding because they cannot obtain bonding. This reduces competition for government contracts and may result in higher prices.

The Department of Accounting and General Services testified they have no objection to the resolution.

Your Committee on Planning and Economic Development concurs with the intent and purpose of H.C.R. No. 118 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 897-92      Planning and Economic Development on H.R. No. 16**

The purpose of this resolution is to request the Legislative Reference Bureau to study the feasibility of establishing a warehouse district for businesses in Hawaii and to consider other ways of addressing the need for industrial sites near sea and air cargo terminals.

There exists a need for the State to review this issue because as warehouses and other distribution businesses move further from the terminals where goods arrive, transportation costs increase and consumers pay higher prices for goods.

Representatives from Hawaii Transportation Association and Construction Industry Legislative Organization testified in support of the resolution.

Your Committee finds there is federal land near sea and air cargo terminals which the State may be able to acquire for industrial use. Accordingly, the resolution has been amended to expand the scope of the study to include looking for available federal land and exploring various means of acquiring the land, including land swaps and leases.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of H.R. No. 16, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 16, H.D. 1.

Signed by all members of the Committee.

**SCRep. 898-92      Planning and Economic Development on H.C.R. No. 14**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the feasibility of establishing a warehouse district for businesses in Hawaii and to consider other ways of addressing the need for industrial sites near sea and air cargo terminals.

There exists a need for the State to review this issue because as warehouses and other distribution businesses move further from the terminals where goods arrive, transportation costs increase and consumers pay higher prices for goods.

Representatives from Hawaii Transportation Association and Construction Industry Legislative Organization testified in support of the concurrent resolution.

Your Committee finds there is federal land near sea and air cargo terminals which the State may be able to acquire for industrial use. Accordingly, the concurrent resolution has been amended to expand the scope of the study to include looking for available federal land and exploring various means of acquiring the land, including land swaps and leases.

Your Committee on Planning and Economic Development concurs with the intent and purpose of H.C.R. No. 14, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 14, H.D. 1.

Signed by all members of the Committee.

**SCRep. 899-92      Health on S.B. No. 2382**

The purpose of this bill is to establish a permanent sterile needle syringe exchange program to assist in preventing the spread of human immunodeficiency virus, the hepatitis B virus and other blood borne diseases.

Your Committee received testimony in support of this bill from the following agencies: Department of Health; Governor's Committee on AIDS; AIDS Community Care Team; Hawaii Public Health Association; Commission on Persons with Disabilities; Sterile Needle Exchange Coalition; American Academy of Pediatrics, Hawaii Chapter, Inc.; Big Island AIDS Project; Hawaii Medical Association; Hemophilia Foundation of Hawaii; Hawaii Nurses Association; and Life Foundation.

Your Committee has amended this bill by:

- (1) Removed language on Page 4, line 4-9, requiring the Department of Health to include funds in its budget submissions for the provision of substance abuse treatment, referral, and counseling.
- (2) Inserted language stating that the Department of Health's report to the oversight committee shall include information on funds appropriated for the provision of substance abuse treatment, referral, and counseling services.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2382, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2382, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tatibouet.

**SCRep. 900-92                      Judiciary on S.B. No. 3308**

The purpose of this bill is to make an appropriation for the development and implementation of a statewide comprehensive automated child support enforcement program.

Testimony in support of this measure was received from the Department of the Attorney General and numerous individuals.

The Child Support Enforcement Agency (CSEA) is responsible for administering the child support enforcement program in the State of Hawaii. Following a performance audit by the Federal Office of Child Support Enforcement, CSEA was found to be severely deficient in its operations and failed to meet certain compliance standards. As a result, the State faces an audit penalty of \$621,065 which is to be deducted from federal funds awarded to the Department of Human Service's Aid to Families with Dependent Children. Further, the Hawaii State Legislative Auditor noted that the Agency needed to complete the process of integrating and automating its operations.

It is important to note that with the passage of the Family Support Act of 1988, states were mandated to improve automated support for their IV-D programs by having statewide, comprehensive, automated child support systems in place by September 30, 1995. To assist the states with this mandate, enhanced funding at the Federal Financial Participation rate of up to 90% federal and 10% state is available to all states. The availability of this enhanced funding ends on September 30, 1995.

In response to the recommendations contained in the two audit reports, CSEA embarked on an ambitious program to improve its service delivery system. CSEA has just contracted for on-site technical assistance and counsel in designing and developing specifications, and selecting bidder(s) for the State's comprehensive automated child support system. An Advance Planning Document that sets out the specifications of the proposed system has been submitted to the Federal Office of Child Support Enforcement for approval. Upon federal approval, which authorizes the State grant authority for a draw down of federal funds, the State will be eligible for federal funding for a major portion of the project.

The project's first phase beginning on July 1, 1992, costs \$5,748,894 and reconciles the existing manual and automated records for input into new systems, and initiates system planning and development. The State share for this phase is \$1,256,407.

Your Committee has amended this bill by appropriating \$1,256,407 to cover the State's share in the development and implementation of a statewide comprehensive automated child support enforcement program. This appropriation will generate an additional \$4,492,487 in matching federal funds which will be well spent.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3308, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3308, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 901-92                      Judiciary on S.B. No. 2213**

The purpose of this bill, as received, is to appropriate from the general revenues of the State of Hawaii the sum of \$72,000.00 to purchase services for a divorce seminar program for the family courts in all circuits.

Testimony in support of this bill was received from the Family Court of the First Circuit. The testimony indicated that:

1. Divorce is a stressful time for children and parents;
2. Recent research, such as the study by Wallerstein and Blakeslee described in their book, Second Chances, (1989), shows that a large proportion of the children of divorce enter adulthood as worried, underachieving, self-deprecating, and sometimes angry men and women; and
3. Children from single parent households are much more likely to appear as law violators in juvenile court.

The testimony further indicated that parents can prevent some of the difficult circumstances and effects of divorce if they receive basic information about the divorce process. Existing programs in the First and Second Circuits are operating successfully and are well received by parent and child participants.

Your Committee finds that this program should be established in the Third Circuit as well and further finds that the sum of \$18,000.00 is sufficient to fund this program.

This bill was amended by deleting the provisions for the funding of programs in the First, Second and Fifth Circuits. Technical changes for purposes of style, clarity and consistency were also made.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2213, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2213, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 902-92      Consumer Protection and Commerce on S.B. No. 2689**

The purpose of this bill is to provide the Board of Chiropractic Examiners with the flexibility to schedule its examination dates and to update certain provisions relating to chiropractic practices.

Your Committee received supporting testimony from the Board of Chiropractic Examiners.

Your Committee finds that the bill would amend the current requirement that the Board of Chiropractic Examiners schedule examinations in April and October of each year. By providing the Board with the authority to schedule its examinations, the Board will be able to coordinate its examination dates with the National Board of Chiropractic Examiners, thereby facilitating the process for prospective chiropractic licensees.

A technical, nonsubstantive change was made by your Committee for purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2689, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2689, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 903-92      Consumer Protection and Commerce on S.B. No. 2701**

The purpose of this bill is to amend the laws relating to business and nonprofit corporations, partnerships, and trade names and trademarks.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs (DCCA).

The bill amends Chapter 415B, Hawaii Revised Statutes (HRS), to clarify the powers and duties of the DCCA with regard to nonprofit corporations. These amendments bring Chapter 415B, HRS, parallel with Chapter 415, the Hawaii Business Corporation Act. The bill also requires that nonprofit corporations file revocations of voluntary dissolution proceedings with the DCCA, and sets forth information requirements for the filings.

In addition, the measure allows foreign corporations to file a certificate of registration of a trade name, along with its application for certificate of authority, so that the corporation may conduct business under its registered trade name.

Furthermore, Sections 415-111 and 415B-125, HRS, are amended to require both business corporations and nonprofit corporations, to file a certificate of good standing dated no later than thirty days prior to the filing of the application when applying for a certificate of authority to transact business in the State.

Finally, the bill makes amendments which delete or substitute references to either repealed or replaced provisions of the Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2701, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 904-92      Consumer Protection and Commerce on S.B. No. 2922**

The purpose of this bill is to clarify and conform the various statutes relating to professional and vocational licensing.

Your Committee received testimony in support of the bill from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (DCCA).

The 1991 Legislature passed Act 111, the Uniform Professional and Vocational Licensing Act, as the first step to implement a uniform licensing law. This bill is the second step in that effort.

The bill clarifies and strengthens the licensing provisions by conforming the various licensing chapters under the administration of DCCA to chapter 436B, Hawaii Revised Statutes. In addition, it deletes duplicative administrative provisions.



Your Committee amended the bill by revising Section 3 of the bill to conform with legislative formatting.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2922, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2922, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 905-92                      Energy and Environmental Protection on H.R. No. 100**

The purpose of this House Resolution is to request the Department of Taxation to develop tax incentives to encourage the participation of the general public and recycling businesses in recycling solid waste materials now being dumped in landfills or incinerated.

Your Committee on Energy and Environmental Protection finds that the disposal of solid waste is rapidly filling up our landfills, that new landfills are expensive to develop, and that landfills may pose a threat to our drinking water. Your Committee recognizes that recycling of much of our solid waste would prevent the destruction of materials which are being incinerated or dumped in our landfills, as well as conserve our limited land reserves and protect the safety of our drinking water. Your Committee further finds that recycling has never reached its potential since there are no financial incentives for participation in this worthy practice.

House Resolution No. 100 requests the Department of Taxation to report to the Legislature on the types of incentives which might be offered; the impact on State revenues of each type of incentive; and an assessment of similar programs in other jurisdictions.

The Departments of Health, Land and Natural Resources, and Business, Economic Development and Tourism are requested to provide information and support to the Department of Taxation in the development of the report for the Legislature.

The Department of Health testified in support of this Resolution and expressed willingness to provide the Department of Taxation with an assessment and evaluation of tax incentive programs for encouraging recycling used in other states. In addition, the Department of Health is willing to provide a review of current recycling business efforts and land use requirements in conjunction with the Departments of Business, Economic Development and Tourism and Land and Natural Resources. The Department of Taxation testified that providing tax incentives to encourage recycling is not sound tax policy.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 100 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 906-92                      Energy and Environmental Protection on H.C.R. No. 96**

The purpose of this House Concurrent Resolution is to request the Department of Taxation to develop tax incentives to encourage the participation of the general public and recycling businesses in recycling solid waste materials now being placed in landfills or incinerated.

Your Committee on Energy and Environmental Protection finds that the disposal of solid waste is rapidly filling up our landfills, that new landfills are expensive, and that landfills pose a threat to our drinking water. Your Committee recognizes that recycling of much of our solid waste would prevent the destruction of materials which are now being incinerated or discarded in our landfills, as well as conserve our limited land reserves and protect the health of Hawaii's people. Your Committee further finds that recycling has never reached its potential because there are no financial incentives for participation in this worthy practice.

House Concurrent Resolution No. 96 requests the Department of Taxation to report to the Legislature on the types of incentives which might be offered; the impact on state revenues of each type of incentive; and an assessment of similar programs in other jurisdictions. The Departments of Health, Land and Natural Resources and Business, Economic Development and Tourism are requested to provide information and support to the Department of Taxation in the development of the report for the Legislature.

The Department of Health testified in support of this Concurrent Resolution and expressed a willingness to provide the Department of Taxation with an assessment and evaluation of existing tax incentive programs for encouraging recycling from other states. In addition, the Department of Health is willing to provide a review of current recycling business efforts and land use requirements in conjunction with the Departments of Business, Economic Development and Tourism and Land and Natural Resources. The Department of Taxation testified that providing tax incentives to encourage recycling is not sound tax policy.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 96 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 907-92      Energy and Environmental Protection on H.R. No. 69**

The purpose of this House Resolution is to reduce the destruction of unwanted trees on private property.

Your Committee on Energy and Environmental Protection finds that homeowners often destroy unwanted trees on their properties because they are not aware of alternatives for removing trees without destroying them. House Resolution No. 69 requests homeowners to consult with an arboretum agency such as the Outdoor Circle before removing any large trees on their property. The Department of Land and Natural Resources is asked to publicize the request to as many homeowners as possible to help preserve Hawaii's mature trees.

The Board of Land and Natural Resources strongly supports this Resolution, especially since it receives many inquiries from homeowners about the disposal of unwanted trees.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 69 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 908-92      Energy and Environmental Protection on H.C.R. No. 27**

The purpose of this Concurrent Resolution is to create a blue ribbon panel made up of appropriate representatives to review all the possible alternatives for meeting the goals of the Clean Air Amendments of 1990 as they relate to hazardous emissions from motor vehicles.

Your Committee on Energy and Environmental Protection finds that the ultimate goal of the Clean Air Amendments of 1990, as they relate to hazardous emissions from motor vehicles, is to provide a clean and healthful environment through the use of alternate fuels for our dependence on gasoline and diesel fuel.

The blue ribbon panel is to be charged with reviewing all the possible alternatives for meeting the goals of the Clean Air Amendments of 1990, as they relate to hazardous emissions from motor vehicles, and to report its findings and recommendations to the Legislature prior to the convening of the Regular Session of 1994.

The Department of Health testified in favor of this Concurrent Resolution, and reported that it would gladly serve on the blue ribbon panel.

Your Committee on Energy and Environmental Protection has amended House Concurrent Resolution No. 27 by inserting the words "as they relate to hazardous emissions from motor vehicles" in three places in order to clarify that the blue ribbon panel is charged only with reviewing these specific sections of the Amendments of 1990, rather than the entire Law.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 27, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 27, H.D. 1.

Signed by all members of the Committee.

**SCRep. 909-92      Energy and Environmental Protection on H.R. No. 19**

The purpose of this House Resolution is to reduce the Legislature's consumption of paper by requiring all legislative documents to be printed on both sides of the paper.

Your Committee on Energy and Environmental Protection finds that a much larger volume of paper is used by the Legislature than is necessary through the practice of printing many documents on only one side of the paper. Your Committee further finds that if all materials for committee hearings were fastened at the sides, rather than having some materials fastened at the top, printing on both sides of the paper would not inconvenience the readers.

The intention of House Resolution No. 19 is to reduce the quantity of paper used by the Legislature, thereby saving money, reducing storage space needed, decreasing disposal into landfills, lessening pollution from incineration, and reducing the destruction of our forests.

Members of the Committee on Energy and Environmental Protection were enthusiastic in their support for House Resolution No. 19, and pointed out that bills printed on both sides of the paper will pose no inconvenience in reading if they are secured on the left side of the committee folders. Testimonies may continue to be secured at the top of the opposite side of the folders, if staff members so desire, since they have a single-page format.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 19 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 910-92      Energy and Environmental Protection on H.C.R. No. 17**

The purpose of this Concurrent Resolution is to reduce the Legislature's consumption of paper by requiring all legislative documents to be printed on both sides of the paper.

Your Committee on Energy and Environmental Protection finds that a much larger volume of paper is consumed by the Legislature than is necessary through the practice of printing many documents on only one side of the paper. Your Committee further finds that if all materials for committee hearings were fastened at the sides, rather than having some materials fastened at the top, printing on both sides of the paper would not inconvenience the readers.

The intention of House Concurrent Resolution No. 17 is to reduce the quantity of paper used by the Legislature, thereby saving money, reducing storage space needed, decreasing disposal into landfills, lessening pollution from incineration, and reducing the destruction of our forests.

Members of the Committee on Energy and Environmental Protection enthusiastically supported House Concurrent Resolution No. 17, and pointed out that bills printed on both sides of the paper will pose no inconvenience in reading if they are secured on the left side of the committee folders. Testimonies may continue to be secured at the top of the opposite side of the folders, if staff members so desire, since they usually have a single-page format.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 17 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 911-92                      Energy and Environmental Protection on H.R. No. 151**

The purpose of this House Resolution is to celebrate and support "Earth Summit Hawaii," a local event to commemorate the worldwide Campaign for the Earth which is being led by the United Nations Earth Summit in Rio de Janeiro.

Your Committee recognizes that Hawaii's residents and visitors should be educated about the necessity of preserving the environmental integrity of the State, and invited to develop a greater awareness of the global environmental problems facing the world today. Your Committee finds that an event such as Earth Summit Hawaii will promote this vital learning process, and spur considerable action to address environmental problems. Furthermore, by celebrating and supporting such an event, Hawaii will be sending a clear message to the rest of the world that it is committed to solving environmental problems and preserving the world for future generations.

Testimony in favor of the measure was received from the Earth Vision Foundation, the organizers of the Earth Summit Hawaii event. The Departments of Health and Business, Economic Development, and Tourism also supported the measure.

Your Committee has amended this House Resolution by:

- (1) Replacing "event" with "campaign" in the third whereas paragraph;
- (2) Replacing "Campaign for the Earth" with "the United Nations Earth Summit" in the fourth whereas paragraph;
- (3) Deleting the names of individual artists in the third subsection under the seventh whereas paragraph;
- (4) Requesting the Office of International Affairs, the military branches operating within the State, and student environmental organizations to help plan and participate in Earth Summit Hawaii;
- (5) Replacing references to the Department of Environmental Protection with the Department of Health; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and grammatical correctness.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 151, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 151, H.D. 1.

Signed by all members of the Committee.

**SCRep. 912-92                      Energy and Environmental Protection on H.C.R. No. 140**

The purpose of this House Concurrent Resolution is to celebrate and support "Earth Summit Hawaii," a local event to commemorate the worldwide Campaign for the Earth which is being led by the United Nations Earth Summit in Rio de Janeiro.

Your Committee recognizes that Hawaii's residents and visitors should be educated about the necessity of preserving the environmental integrity of the State, and invited to develop a greater awareness of the global environmental problems facing the world today. Your Committee finds that an event such as Earth Summit Hawaii will promote this vital learning process, and spur considerable action to address environmental problems. Furthermore, by celebrating and supporting such an event, Hawaii will be sending a clear message to the rest of the world that it is committed to solving environmental problems and preserving the world for future generations.

Testimony in favor of the measure was received from the Earth Vision Foundation, the organizers of the Earth Summit Hawaii event. The Departments of Health and Business, Economic Development, and Tourism also supported the measure.

Your Committee has amended this House Concurrent Resolution by:

- (1) Replacing "event" with "campaign" in the third whereas paragraph;
- (2) Replacing "Campaign for the Earth" with "the United Nations Earth Summit" in the fourth whereas paragraph;
- (3) Deleting the names of individual artists in the third subsection under the seventh whereas paragraph;
- (4) Requesting the Office of International Affairs, the military branches operating within the State, and student environmental organizations to help plan and participate in Earth Summit Hawaii;
- (5) Replacing references to the Department of Environmental Protection with the Department of Health; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and grammatical correctness.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 140, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 140, H.D. 1.

Signed by all members of the Committee.

**SCRep. 913-92      Energy and Environmental Protection on H.R. No. 127**

The purpose of this House Resolution is to require that the Department of Health update its Nonpoint Source Assessment Report and Management Plan to ensure that the State's Nonpoint Source Program effectively addresses the problems of point and nonpoint source pollution, to ensure that Hawaii complies with the Clean Water Act of 1977, and to protect the State's nearshore waters.

Your Committee finds that Hawaii's nonpoint source pollution problems are becoming more acute every year and must be addressed in order to maintain an acceptable level of ocean water quality for residents and visitors alike. It is essential to take more proactive steps to address these problems, and updating the Nonpoint Source Assessment Report and Management Plan is the most significant initial task the State must undertake to begin this proactive problem-solving process.

Testimonies in favor of this House Resolution were submitted by the Natural Resources Defense Council, Save Our Bays and Beaches, Hawaii's Thousand Friends, the Kailua Neighborhood Board, and concerned citizens. The Department of Health's support for this measure is conditional upon additional positions being provided to update its Nonpoint Source Assessment Report and Management Plan. The University of Hawaii's Water Resource Research Center submitted comments on the measure and deferred to the Department of Health's testimony. Testimonies in opposition to this measure were submitted by the Oahu Soil and Water Conservation Tri-District and the Hawaiian Sugar Planters' Association.

Your Committee has amended this House Resolution by requesting the submittal of the Report and Plan contingent upon additional State funding of the Department of Health's Nonpoint Source Program activities, by extending the submittal date to 1994, and by amending the title to reflect the new submittal date.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.R. No. 127, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 127, H.D. 1.

Signed by all members of the Committee.

**SCRep. 914-92      Energy and Environmental Protection on H.C.R. No. 119**

The purpose of this House Concurrent Resolution is to require that the Department of Health update its Nonpoint Source Assessment Report and Management Plan to ensure that the State's Nonpoint Source Program effectively addresses the problems of point and nonpoint source pollution, to ensure that Hawaii complies with the Clean Water Act of 1977, and to protect the State's nearshore waters.

Your Committee finds that Hawaii's nonpoint source pollution problems are becoming more acute every year and must be addressed in order to maintain an acceptable level of ocean water quality for residents and visitors alike. It is essential to take more proactive steps to address these problems, and updating the Nonpoint Source Assessment Report and Management Plan is the most significant initial task the State must undertake to begin this proactive problem-solving process.

Testimonies in favor of this House Concurrent Resolution were submitted by the Natural Resources Defense Council, Save Our Bays and Beaches, Hawaii's Thousand Friends, the Kailua Neighborhood Board, and concerned citizens. The Department of Health's support for this measure is conditional upon additional positions being provided to update its Nonpoint Source Assessment Report and Management Plan. The University of Hawaii's Water Resource Research Center submitted comments on the measure and deferred to the Department of Health's testimony. Testimonies in opposition to

this measure were submitted by the Oahu Soil and Water Conservation Tri-District and the Hawaiian Sugar Planters' Association.

Your Committee has amended this House Concurrent Resolution by requesting the submittal of the Report and Plan contingent upon additional State funding of the Department of Health's Nonpoint Source Program activities, by extending the submittal date to 1994, and by amending the title to reflect this new submittal date.

Your Committee on Energy and Environmental Protection concurs with the intent and purpose of H.C.R. No. 119, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 119, H.D. 1.

Signed by all members of the Committee.

**SCRep. 915-92 Consumer Protection and Commerce on H.C.R. No. 65**

The purpose of this concurrent resolution is to request the Legislative Auditor to assess the need for regulatory controls on unaccredited degree granting and non-degree granting institutions established in the State of Hawaii.

Testimony was submitted by the Department of Commerce and Consumer Affairs (DCCA); the Legislative Auditor; the University of Hawaii; and a former member of the Regulatory Agencies Advisory Board.

Your Committee finds that the problem of regulating unaccredited institutions is not new to the Legislature. During the Regular Session of 1990, the Fifteenth Legislature enacted Act 226, Session Laws of Hawaii 1990, that attempted to clarify years of jurisdictional disputes between the Department of Education and the DCCA, as well as establish basic regulatory controls on these institutions by requiring all unaccredited institutions conducting operations in the State to register with DCCA.

However, your Committee has received information that the consuming public may still be at risk from unaccredited degree granting institutions and proprietary schools. The DCCA representative pointed out that in recent months, the number of inquiries relating to unaccredited degree granting institutions in Hawaii have increased from approximately two per year to two per month. These inquiries have come from prospective students regarding the registration status of the school in question.

In light of this, your Committee believes that the study requested in this concurrent resolution would provide the Legislature with current information regarding this issue, as well as recommend ways of rectifying the problems associated with unaccredited degree granting and non-degree granting institutions.

While your Committee is in accord with the intent of this measure, your Committee notes that:

- (1) A sunrise evaluation in accordance with Chapter 26H, Hawaii Revised Statutes (HRS), may not be appropriate for the purposes of this concurrent resolution. Because the registration program has already been established on unaccredited institutions by the Legislature, and that these types of institutions were not placed on the sunset schedule in Chapter 446E, HRS, the Legislative Auditor would not be able to conduct a true sunrise or sunset analysis; and
- (2) The Legislative Reference Bureau would be better suited to conduct a national survey of state regulatory laws as requested in the concurrent resolution.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Revising the title to read, "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE IMPACTS OF UNACCREDITED DEGREE GRANTING AND NON-DEGREE GRANTING INSTITUTIONS ON THE STATE";
- (2) Replacing references to the Legislative Auditor with the Legislative Reference Bureau;
- (3) Deleting the provision requesting the Legislative Auditor to conduct a sunrise evaluation pursuant to Chapter 26H, HRS; and
- (4) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 65, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 65, H.D. 1.

Signed by all members of the Committee.

**SCRep. 916-92 Consumer Protection and Commerce on S.B. No. 3278**

The purpose of this bill is to establish a funding mechanism within the Department of Commerce and Consumer Affairs (DCCA) for the continued study and recodification of laws regulating Hawaii's financial institutions.

Testimony was submitted by the Department of Commerce and Consumer Affairs; the Corporate Trustees Association of Hawaii; the Hawaii Credit Union League; the Hawaii League of Savings Institutions; the Hawaii Financial Services Association, Inc.; and the Hawaii Bankers Association.

Your Committee finds that the Fifteenth Legislature of 1990 determined that there was a need to strengthen and clarify the regulatory laws governing Hawaii's financial institutions. Because of this, the Legislature enacted Act 128, Session Laws of Hawaii (SLH) 1990, and Act 245, SLH 1991, to appropriate funds for the recodification and modernization of Hawaii's Code of Financial Institutions.

Earlier this year, your Committee reviewed the provisions of H.B. No. 3986, an exhaustive treatise which represented the culmination of two years of work by the DCCA and Hawaii's financial community to recodify Hawaii's banking laws. However, during the public hearing for the measure, the Commissioner of Financial Institutions informed your Committee that due to substantive changes in federal banking laws that occurred this year, additional time was needed to integrate these changes into the recodification bill. The financial institutions have committed significant time and legal resources for recodification and also requested more time to develop a modern and functional recodification. In light of this, your Committee held H.B. No. 3986 with the understanding that the DCCA would provide the Legislature a revised measure during the Regular Session of 1993.

It has come to your Committee's attention that additional funds may be needed by the DCCA to complete the recodification project. While your Committee has reservations regarding the additional appropriation of State funds for this project, your Committee agrees that the funding mechanism proposed in this bill would satisfactorily provide the resources needed for the completion of the recodification project, as well as shift the burden of funding to those institutions that would significantly benefit from this endeavor.

While your Committee is in accord with the intent of this bill, your Committee notes that:

- (1) DCCA's regulatory jurisdiction on credit unions extends to only state-chartered institutions and not to institutions with federal charters; and
- (2) An inconsistency exists within this bill, as received, regarding the effective date and the implementation date for the fee assessment formulas.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying that fees be assessed to "state-chartered" credit unions;
- (2) Conforming the implementation date for the assessment formulas specified in this bill from June 1, 1992 to July 1, 1992, the effective date of this bill; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3278, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3278, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 917-92      Consumer Protection and Commerce on S.B. No. 2758**

The purpose of this bill is to appropriate \$125,000 for payment of consultant fees by the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs.

Your Committee heard supporting testimony from the Division of Consumer Advocacy indicating that it has been very effective in representing consumer concerns in the utilities area.

Your Committee finds that the Division of Consumer Advocacy is faced with a greater number and complexity of rate increase requests than previously, and is required to examine the filings in a very short time period. Your Committee further finds that in 1991 alone, the work of the division saved consumers over \$58,000,000.

Your Committee has amended the bill by increasing the appropriation to \$200,000 to further aid the Division of Consumer Advocacy in the increased number of cases it has.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2758, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2758, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 918-92      Consumer Protection and Commerce on S.B. No. 3100**

The purpose of this bill is to enable the Commissioner of Financial Institutions to impose administrative penalties against financial institutions and to increase the administrative penalty for late filings of semi-annual reports of condition.

Your Committee heard supporting testimony from the Department of Commerce and Consumer Affairs, Corporate Trustees Association, Hawaii Financial Services Association, and Hawaii Credit Union League.

This bill was the vehicle for the recodification project authorized by the Legislature, which was substantively deleted in order to provide additional time for the completion of the recodification project. This bill will furnish the Commissioner with enforcement powers pending the completion of the financial recodification.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3100, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 919-92      Housing and Intergovernmental Relations and International Affairs on H.R. No. 88**

The purpose of this resolution is to urge the counties to revise existing building codes to increase population densities in area zoned for urbanization and to allow the use of the state-of-the-art technology to make homes resource self-sufficient and less burdensome on infrastructure systems.

Testimony was submitted by Nick H. Huddleston, AIA and a concerned citizen.

Your Committees have amended this resolution by:

1. Deleting any references relating to "the emotional needs of residents" and "mental well-being";
2. Deleting the word "requirement" to clarify the need for existing infrastructure upgrades; and
3. Making technical, non-substantive revisions for the purposes of clarity and style.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.R. No. 88, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 88, H.D. 1.

Signed by all members of the Committees except Representative Peters.

**SCRep. 920-92      Housing and Intergovernmental Relations and International Affairs on H.C.R. No. 85**

The purpose of this concurrent resolution is to urge the counties to revise existing building codes to increase population densities in area zoned for urbanization and to allow the use of the state-of-the-art technology to make homes resource self-sufficient and less burdensome on infrastructure systems.

Testimony was submitted by Nick H. Huddleston, AIA and a concerned citizen.

Your Committees have amended this concurrent resolution by:

1. Deleting any references relating to "the emotional needs of residents" and "mental well-being";
2. Deleting the word "requirement" to clarify the need for existing infrastructure upgrades; and
3. Making technical, non-substantive revisions for the purposes of clarity and style.

Your Committees on Housing and Intergovernmental Relations and International Affairs concur with the intent and purpose of H.C.R. No. 85, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 85, H.D. 1.

Signed by all members of the Committees except Representative Peters.

**SCRep. 921-92      Water, Land Use, and Hawaiian Affairs and Intergovernmental Relations and International Affairs on S.B. No. 2980**

The purpose of this measure is to appropriate an unspecified sum to the City and County of Honolulu for archaeological research, artifact monitoring, and the reinternment of remains at Kualoa Regional Park.

Favorable testimony on this measure was submitted by the Office of Hawaiian Affairs (OHA), the Department of Parks and Recreation of the City and County of Honolulu, the Board of Parks and Recreation of the City and County of Honolulu, the Kualoa Regional Park Advisory Council, and Na Koa Ikaika.

Your Committees find that Kualoa is one of the most sacred sites in traditional Native Hawaiian culture, and has tremendous historical and archaeological significance. While cognizant of the budget difficulties faced by the State, your Committees find that funding is necessary to follow through on efforts already underway involving the City and County of Honolulu, the Department of Land and Natural Resources, OHA, and various private entities.

Your Committees on Water, Land Use, and Hawaiian Affairs and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2980, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.



**SCRep. 922-92 Water, Land Use, and Hawaiian Affairs on S.B. No. 2848**

The purpose of this measure is to appropriate an unspecified sum to the State land bank program for acquisition and management of lands and easements in Waipio Valley.

Testimony in support of this bill was submitted by the Department of Public Works of the County of Hawaii, the Chair of the Task Force to Preserve Waipio Valley, the Bishop Museum, the Waipio Taro Farmers Association, and the West Hawaii Sierra Club. The Department of Land and Natural Resources, while conceding the need to acquire lands in Waipio Valley, indicated that it could not support an appropriation which could potentially replace the Department's current budget priorities.

Your Committee is supportive of efforts to preserve the agricultural, archaeological, and environmental resources of Waipio Valley for future generations, and commends the Task Force to Preserve Waipio Valley for its recommendations to the Legislature. Although recognizing the current atmosphere of fiscal constraints, your Committee notes that similar legislation has been pursued for several years, and feels that action to protect Waipio Valley is overdue.

Upon further consideration, your Committee has opted to insert into this bill the remaining provisions of House Bill No. 3606, H.D. 1, an omnibus measure consolidating the original four-bill package submitted in response to the recommendations of the Task Force to Preserve Waipio Valley. As amended, this bill now also includes unspecified appropriations for various flood mitigation efforts in the Valley.

Your Committee also wishes to acknowledge its concern, and the concern of the public, for the fate of the rim as well as the floor of Waipio Valley, and expresses its hope that this issue will be explored in the future.

Your Committee on Water, Land Use, and Hawaiian Affairs is in accord with the intent and purpose of S.B. No. 2848, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2848, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 923-92 Agriculture on S.B. No. 3186**

The purpose of this bill is to provide additional general excise tax exemptions for amounts received by operators of orchard properties in amounts equal to and which are disbursed by the operator for employee wages, salaries, payroll taxes, insurance premiums, and such benefits as: retirement, vacation, sick pay, and health. This measure seeks to gain the same exemptions presently allowed to an operator of a hotel from the owner of the hotel.

Representatives from the Department of Agriculture, the Ka'u Agribusiness, and the Mauna Loa Macadamia and Mauna Kea Agribusiness presented testimony in favor of this measure, citing the precedent for the exemption of such amounts set by the 1989 Legislature for hotel operators. The Tax Foundation submitted comments on the bill. However, your Committee also received testimony from the Department of Taxation opposing this measure, citing the Department's opposition for selective tax preferences and the loss of tax revenue to the State.

Your Committee believes that the principle of equity should prevail and that the exemptions should be extended to those tax payers who operate in a similar fashion. Upon further consideration, your Committee has amended this measure to clarify the definition of "orchard property".

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3186, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3186, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 924-92 Agriculture on S.B. No. 3179**

The purpose of this bill is to make it unlawful for any animal owner to abandon the animal.

Your Committee received testimony in unanimous support of this measure from the City and County of Honolulu, the Hawaii Humane Society, the West Hawaii Humane Society, the National Audubon Society, the Animal Rights Hawaii, the Sylvester Foundation, and four individuals.

The testimony indicated that:

- (1) Abandoned animal pets generally suffer a life of injury, disease, and starvation--they should not be made to suffer because of irresponsible individuals;
- (2) Abandoned animals create environmental problems. Those that end-up living in public parks create unsanitary and unpleasant conditions where people picnic and enjoy recreational activities. Those that manage to adapt, survive in the wild, and bear offsprings can become destructive or predatory as exemplified by two specific examples: (1) cats that preyed upon the endangered nene at the Hawaii Volcanoes National Park; and (2) six abandoned rabbits (increasing in population 15-fold within a year) that caused serious damage and destruction of vegetation at the Haleakala National Park; and

- (3) Unwanted abandoned animals add to the already critical pet overpopulation problem in Hawaii. Last year, 12,614 cats were destroyed just because they were unwanted. More than 8,000 (almost 70 percent) were trapped wild, a direct result of abandonment. Over a seven year breeding period, one unsterilized female cat can be responsible for the births of 32,767 cats.

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

- (1) Simplified the language providing for animal abandonment control; and
- (2) Made it a misdemeanor for any person to violate this provision

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3179, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3179, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 925-92                    Agriculture on S.B. No. 2606**

The purpose of this bill, as received, is to authorize the issuance of general obligation bonds and to appropriate funds for fiscal year 1992-1993 for the planning and relocation of livestock facilities on Oahu, including slaughterhouse, rendering plant, holding pen, marshalling yard, and packing and processing facilities.

Representatives from the Department of Agriculture, the Kahua Meat Company, and the Hawaii Cattlemen's Council submitted testimony in support of this measure, citing the need to maintain a commercial slaughterhouse on Oahu (one of the two commercial slaughterhouses has shut down, while the other remaining operation is threatened by encroaching urbanization). The Animal Rights Hawaii, however, opposed this measure on grounds that it is inappropriate for the State to underwrite the design, building, and relocation of a killing facility and that the meat industry should, like most other businesses, stand or fall on its own.

Upon further consideration, your Committee has amended this measure to clarify that the appropriated funds are for planning purposes only and not for the relocation of livestock facilities on Oahu.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2606, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2606, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 926-92                    Agriculture on S.B. No. 2603**

The purpose of this bill is to provide tax incentives and regulatory flexibility to stimulate and encourage the expansion of diversified agriculture in the State of Hawaii. This measure would:

- (1) Provide preferential treatments for zoning and permit applications and other regulatory requirements; and
- (2) Grant tax incentives under the income, general excise, real property, and unemployment tax laws.

Representatives from the Department of Business, Economic Development, and Tourism and the Hawaii Farm Bureau Federation presented testimony in favor of this bill, citing that agricultural businesses are identical to businesses given similar tax incentives and preferential regulatory treatments under the State's already existing, but not yet operational, Enterprise Zone Program. The Tax Foundation submitted comments on the bill stating that while worthy in intent, there is little reason or basis in granting these tax benefits as there is no indication that the agricultural business can not cope with the same taxes that others must contend with in starting their businesses. The Department of Taxation (DoTax), however, presented testimony opposing this measure on grounds that the preferential treatments proposed would discriminate against other business enterprises and industries who are subject to these taxes and who may apply for equal treatment should this bill pass.

Your Committee also heard testimony from the DoTax indicating that the findings and concerns (definition of the term "producing" as defined in Chapter 237, Hawaii Revised Statutes and the effects of Act 100, Session Laws of Hawaii) leading to the S.D. 2 amendments (Standing Committee Report No. 2241, dated February 28, 1992) were not substantiated, and therefore has amended this measure to restore it to the S.D. 1 version.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2603, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2603, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 927-92                    Agriculture on S.B. No. 2259**

The purpose of this bill is to deter and prevent any violation of the plant and non-domestic animal quarantine law and rules by:

- (1) Establishing stricter penalties; and
- (2) Making it easier for the Department of Agriculture (DOA) to obtain search warrants to enter private property to capture or confiscate any illegal possession of plants, animals, or microorganisms.

Representatives from the DOA, the National Audubon Society, the Conservation Council of Hawaii, and the Airlines Committee of Hawaii submitted testimony on this measure. The testimony indicated that:

- (1) The proposed penalties for first time misdemeanors are not strong enough to deter illegal importations;
- (2) The enforcement of the law would be greatly improved by requiring all adult airline passengers to complete the State of Hawaii plant and animal declaration form;
- (3) The airlines recognize the problems that this measure attempts to correct, but the penalties for failure to abide by the declaration form rules should be directed at the passengers and not the transportation companies as in the case with customs violations; and
- (4) The criminal penalties proposed in this measure would give the DOA clear statutory authority to obtain search warrants.

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

- (1) Amended Section 1 of the bill to:
  - (a) Delete the proposed new section (Entry of Private Property for Enforcement) since the criminal penalty provisions of this measure would provide the DOA with the necessary statutory authority to obtain search warrants; and
  - (b) Add new subsection (C) to 150A-5(2), Hawaii Revised Statutes (HRS), to codify into law what is expected of officers and crews and their companies about reporting all sightings of any plants and animals to the State Plant Quarantine Branch;
- (2) Inserted references to the proposed new Section 150A-5(2)(C) at the applicable subsections; and
- (3) Made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2259, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2259, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

#### **SCRep. 928-92 Human Services on S.B. No. 3292**

The purpose of this bill is to establish, within the Office of Children and Youth, a program to develop a comprehensive, coordinated system of early childhood programs and services for children from birth to age five.

Your Committee has received favorable testimony from Kapiolani Medical Center For Women and Children; Hawaii Early Intervention Coordinating Council; The Hawaii Association for the Education of Young Children; The Hawaii Business Roundtable; and Hawaii Kids At Work.

Your Committee has amended the bill to amend Section 2, (4) to read coordination instead of implementation, appropriate \$420,000 for implementation and coordination and other non-substantive technical changes.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3292, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3292, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

#### **SCRep. 929-92 Human Services on S.B. No. 3309**

The purpose of this bill is to appropriate \$30,000 to establish a bilingual case management position within the Department of Human Services to provide services to non-English speaking clients in the jobs opportunities and basic skills (JOBS) training program.

Your Committee has amended the bill to insert language from the companion house bill and appropriated \$40,000.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3309, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3309, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

**SCRep. 930-92                      Planning and Economic Development and Intergovernmental Relations and International Affairs  
on S.B. No. 2911**

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.

The Department of Taxation and Tax Foundation of Hawaii testified in support of this measure.

Your Committees on Planning and Economic Development and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2911, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

**SCRep. 931-92                      Planning and Economic Development and Intergovernmental Relations and International Affairs  
on S.B. No. 2465**

The purpose of this bill is to appropriate an unspecified amount for the planning, design and construction of a foreign trade zone warehouse in Hilo.

The Department of Business, Economic Development and Tourism, the Mayor of the County of Hawaii and the Japanese Chamber of Commerce and Industry of Hawaii testified in support of the measure.

Your Committees on Planning and Economic Development and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of S.B. No. 2465, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

**SCRep. 932-92                      Planning and Economic Development on S.B. No. 2660**

The purpose of this bill is to:

- (1)        Require the advertisement for sealed bids and contracts for expenditures of \$15,000 or more with exceptions; and
- (2)        Require a call for informal bids for expenditures in excess of \$8,000 but less than \$15,000 with exceptions.

The Department of Accounting and General Services, the Department of Health, the Chamber of Commerce of Hawaii and Construction Industry Legislative Organization testified in support of this measure.

Your Committee finds the expenditure thresholds too low and has amended the bill to (1) change the threshold for sealed bids and contracts to \$35,000; (2) require informal bids for expenditures in excess of \$15,000 but less than \$35,000; (3) require informal bids for public works or repairs and maintenance of buildings, roads, and other site improvements in excess of \$15,000 but less than \$35,000; and (4) permit the repair of publicly owned or leased heavy equipment, automotive equipment, sewage treatment plants and utility lines and for emergency roadway work in excess of \$15,000 but less than \$35,000 without sealed bids or informal bids.

Your Committee has also amended the bill to add to the list of exceptions for formal bids those items necessary to maintain satisfactory quality and fair cost services of a producer, manufacturer, or other supplier to ensure continuous emergency medical service. Technical, nonsubstantive amendments were also made for purposes of style and clarity.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of S.B. No. 2660, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2660, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang and Lee.

**SCRep. 933-92                      Planning and Economic Development on S.B. No. 3398**

The purpose of this bill is to appropriate an unspecified amount to be expended by the Department of Business, Economic Development and Tourism in fiscal year 1992-93, to initiate the transfer of international technologies and businesses to the State.

The Department of Business, Economic Development and Tourism testified in support of the measure but expressed concern about the availability of funding due to current revenue projections.

Your Committee finds that the State should insure that the transfer of international businesses creates job opportunities for local people.

Your Committee also finds that a Pacific data commodities information center would increase international trading business in the State. Accordingly, your Committee has amended the bill to provide for the planning and establishment of a Pacific data commodities information center.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of S.B. No. 3398, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3398, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 934-92                      Planning and Economic Development on S.B. No. 3118**

The purpose of this bill is to appropriate an unspecified amount to be expended in fiscal year 1992-93, for land acquisition, design and construction of a warehousing district industrial park in Honolulu.

Hawaii Transportation Association, Construction Industry Legislative Organization, Industrial Business Association and one individual testified in support of the measure. The Department of Land and Natural Resources testified in support of the need for warehousing district industrial parks but does not recommend passage of the bill because of concerns about the availability of funding. Kamehameha Schools/Bishop Estate testified in opposition to the bill.

Your Committee recognized the need for warehouse space near sea and air cargo terminals and finds that airport expansion has reduced the availability of warehouse space in Honolulu. Your Committee also finds that there is federal land near sea and air cargo terminals in Honolulu which the State should acquire for a warehousing district industrial park.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of S.B. No. 3118, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 935-92                      Planning and Economic Development on S.B. No. 2877**

The purpose of this bill is (1) 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, and (2) to make nonsubstantive changes for purposes of clarity.

Currently, HTDC is required to provide grants equal to 50 percent of the federal grants up to \$25,000. The bill would give HTDC greater flexibility in considering requests for grants.

The Executive Director of High Technology Development Corporation testified in support of this measure.

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

Your Committee on Planning and Economic Development is in accord with the intent and purpose of S.B. No. 2877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2877, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 936-92                      Planning and Economic Development on S.B. No. 2873**

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.

The Department of Business, Economic Development and Tourism testified in support of the measure.

Your Committee on Planning and Economic Development is in accord with the intent and purpose of S.B. No. 2873 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 937-92                      Planning and Economic Development and Transportation on S.B. No. 3407**

The purpose of this bill is to promote telecommuting, an arrangement in which employees work at remote sites and communicate electronically with their principal places of business.

This bill provides for:

- (1) Establishment of a multi-agency advisory group to assist State agencies in planning and implementing telecommuting programs;
- (2) Establishment of a telework task force to promote telecommuting in the State; and
- (3) Appropriations in blank amounts to allow further consideration of the matter.

The Department of Business, Economic Development and Tourism and the Department of Personnel Services testified in favor of the telecommuting concept but do not support funding the program due to current revenue projections.

Your Committees have concerns about funding but finds that telecommuting would reduce traffic and save energy while showing the State's commitment to high technology business development.

Your Committees on Planning and Economic Development and Transportation are in accord with the intent and purpose of S.B. No. 3407, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

**SCRep. 938-92      Human Services and Health on S.B. No. 3117**

The purpose of this bill is to:

- (1) Establish the Healthy Start demonstration project (Healthy Start) as a permanent program within the Department of Health (Department); and
- (2) Expand Healthy Start to reach as many families of newborns as possible.

The bill, as received by your Committees, sets forth an unspecified appropriation amount for the purposes of facilitating further discussion.

Testimony in support of the intent of this bill was submitted by the Department, the Hawaii Council of Churches, the Hawaii Early Intervention Coordinating Council, the Hawaii Family Stress Center of the Kapiolani Medical Center for Women and Children, the Advisory Board of the Hawaii Family Stress Center, Child and Family Service, the Child Abuse and Neglect Secondary Prevention Advisory Committee, the Hawaii Medical Association, and the Alger Foundation.

The testimony indicated that Healthy Start has been accurate in its identification of high and low risk families, and successful in averting maltreatment among families receiving the project's home visitor services. For example, according to a recent Department evaluation, of 5,000 families assessed between 1987 and 1989 as not needing support services, 99.75 percent of those families remained abuse and neglect-free. The evaluation also revealed that of 1204 families receiving services from Healthy Start during the same period, 99.8 percent remained abuse-free and 99.5 percent remained neglect-free. Additionally, information on the first cohort of children to "graduate" from the program at age five shows that all children were fully immunized, two-thirds of the children were enrolled in the Head Start program, and parental substance abuse and spouse abuse were eliminated in nearly all cases.

Your Committees believe that the success of Healthy Start proves that child abuse and neglect can be effectively mitigated in environmentally at-risk families through the provision of early home intervention services during the most vulnerable period in a child's life. Through public/private partnership and collaboration across program and bureaucratic boundaries, Healthy Start provides coordinated, community-based support which eases access to a wide range of services to families who need them the most. In addition, because of its focus on early childhood health and development, your Committees also believe that Healthy Start is an integral part of maternal child health services.

After careful consideration, your Committees have amended the bill by:

- (1) Enabling the Department and Healthy Start to work together at a reasonable pace to establish an on-going continued program by setting forth enabling provisions for inclusion in the State's statutory scheme to allow the Department to establish the program;
- (2) Emphasizing that Healthy Start shall continue as a demonstration project, until such time as a permanent program is established;
- (3) Clarifying that the Department shall adopt rules to implement the permanent program only upon the establishment thereof;
- (4) Broadening the scope of the permanent program which may be established based on the demonstration project's model to include children who are environmentally at-risk;
- (5) Specifying that in addition to its present goals, the permanent program which may be established will also strengthen family functioning and assist the Department in ensuring that public health priorities for children are met;
- (6) Specifying that the permanent program which may be established will offer services through the State's existing health care delivery systems through a public-private partnership between the Department and community agencies;

- (7) Clarifying that the permanent program which may be established will deliver services primarily, but not necessarily exclusively, through community-based purchase of service agreements; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees have retained the appropriation section with unspecified funding amounts in the bill for purposes of continued discussion.

Your Committees on Human Services and Health are in accord with the intent and purpose of S.B. No. 3117, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3117, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

**SCRep. 939-92 Human Services and Health on S.B. No. 2675**

The purpose of this bill is to update the State's Medicare Supplement Insurance Law to bring it into conformance with federal requirements. The bill adopts the National Association of Insurance Commissioner's model act and repeals the existing law.

Your Committees found that amending the law instead of repealing it will facilitate the smooth adoption of administrative rules that must be in place with the law by July 30, 1992.

Your Committees find that in 1990, the federal government amended the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965, as amended, otherwise known as Medicare through the Omnibus Reconciliation Act, also known as OBRA. As a result, the law relating to insurance policies sold to persons as a supplement to Medicare benefits must be modified to reflect the changes in benefits and provide additional consumer protections. This bill enables Hawaii law to attain federal compliance and retain authority over insurers not specified by federal standards.

Your Committees have used S.B. No. 2675, S.D. 1 as a vehicle to amend the existing law to incorporate the model act. The following is detailed explanation.

- (1) Section 1. **Section 431:10A-301 Definitions.** Three new definitions are added to reflect terms consistent with the federal law. They are "certificate form," "issuer," and "policy form."
- (2) Section 2. **Section 431:10A-302 Applicability and scope.** Subsection (a) is amended to conform to the model act. The regulatory impact remains the same. Subsection (b) deletes paragraphs (1), (2), and (3) to conform to the model act.
- (3) Section 4. **Section 341:10A-305 Rules.** Subsection (b) is new.
- (4) Section 5. **Section 341:10A-306 Loss ratio standards.** The last sentence deletes "individual" and replaces it with "group," effectuating a higher return to policyholders who purchase benefits through the mail or mass media advertising.
- (5) **Section 431:10A-307 Disclosure standards.** Insurers are required to disclose the existence of any automatic renewal premium increases based on the policyholders' age.
- (6) Throughout the chapter, the term "issue" is deleted and replaced with "adopt"; the phrase "by reason of age" is deleted; the term "insurer" is deleted and replaced with "issuer"; the term "benefits" is deleted and replaced with "policies or certificates"; and the phrase "insurance code" is deleted and replaced with "this chapter."

Your Committees on Human Services and Health are in accord with the intent and purpose of S.B. No. 2675, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2675, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Peters.

**SCRep. 940-92 Human Services and Judiciary on S.B. No. 3371**

The purpose of this bill is to establish the statewide sex offender treatment program to ensure that the master plan for integrated services is successfully implemented.

Your Committees have 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 Committees on Human Services and Judiciary are in accord with the intent and purpose of S.B. No. 3371, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3371, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hagino, Hiraki, Oshiro and Peters.

**SCRep. 941-92 Human Services and Judiciary on S.B. No. 3367**

The purpose of this bill is to designate the Department of Human Services (DHS) as the lead agency for all sexual assault and domestic violence programs under contract with executive departments of the State.

Testimony was submitted in support of the intent of this bill by the DHS, the Office of Children and Youth, the Hawaii State Commission on the Status of Women, Alternatives to Violence, Sex Abuse Interventions, Child and Family Service, and the Kapiolani Medical Center for Women and Children.

Your Committees have amended the bill by:

- (1) Designating the DHS as the executive branch lead agency for all programs relating to sexual assault and domestic violence in the areas of prevention and treatment of victims, and all other appropriate areas of response as determined by the DHS;
- (2) Emphasizing that the DHS, as the lead agency, shall work with the different branches of government, including the Judiciary, to:
  - (A) Promote better coordination and implementation of domestic violence and sexual assault programs and services; and
  - (B) Determine which branch would be the most appropriate for the provision of particular domestic violence and sexual assault programs and services;
- (3) Directing the transfer of any moneys in the Department of Health for domestic violence or sexual assault services to the DHS effective July 1, 1993;
- (4) Appropriating \$229,514 for fiscal year 1992-1993 to the master contracting agency of the DHS for distribution to private agencies providing services in the areas of domestic violence and sexual assault, and designating the DHS as the expending agency of these funds;
- (5) Providing that the Act shall take effect upon its approval, provided that the appropriation section of the bill shall take effect on July 1, 1992;
- (6) Deleting provisions pertaining to the appeals process; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees emphasized that as the lead agency, the DHS is not only responsible for, but shall take a proactive stance with regard to all sexual assault and domestic violence programs and services in the areas under its jurisdiction.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of S.B. No. 3367, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3367, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hagino and Peters.

**SCRep. 942-92 Human Services on S.B. No. 2534**

The purpose of this bill is to amend Hawaii Revised Statutes, section 235-55.9 (b) to delete the limitation of the amount of credit that may be claimed for medical services by taxpayers age 65 and older.

Your Committee felt that removing the ceiling on this tax credit it will further assist individuals whose medical expenses are already burdensome, especially the elderly and chronically ill.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2534, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

**SCRep. 943-92 Human Services on S.B. No. 2888**

The purpose of this bill is to provide the Department of Human Services with the authority to establish an imprest (advance payment) fund for work related expenses to assist Job Opportunities and Basic Skills (JOBS) participants with payment for extraordinary and emergency expenses that may arise.

Amongst the Committee members there was concern expressed that in the effort by the JOBS program to react quickly in situations to provide for jobs, for those in need, without undue delay, there must be a mechanism of paying back to the state by the applicant for tools and equipment obtained for them in connection with the job applicant's decision not to accept the job.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2888, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

**SCRep. 944-92      Human Services on S.B. No. 2548**

The purpose of this bill is to increase the percentage of qualified employment-related expenses that may be claimed by a resident taxpayer under the dependent care tax credit law. Specifically, the bill increases the current applicable percentage range of 15 to 25 percent, to 20 to 30 percent.

Testimony was submitted by the Department of Taxation, the Tax Foundation, the Hotel Employees and Restaurant Employees Union (Union), and the Office of Children and Youth.

The Union, testifying in support of the measure, indicated that the proposed increase is necessary to enable employers to attract potential employees and retain skilled workers during these trying economic times. This is especially true for Hawaii's hotel industry where a good percentage of employees have large families and must live on lower income levels.

Your Committee recognizes that the challenge of Hawaii's high cost of living is especially difficult for those residents and families who must meet the exorbitant costs of dependent care. As a matter of policy, the efforts of these persons to provide such care for their loved ones and dependents should be supported. The proposed tax credit increase provides critical added relief in this regard.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2548, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

**SCRep. 945-92      Human Services on S.B. No. 2637**

The purpose of this bill is to appropriate \$400,000 to the Department of Human Services to establish a temporary one-stop social services center and homeless shelter at the Fort Barrette bunker, Oahu. This bill also requires that following the termination of the one-stop center and homeless shelter project, ownership of the Fort Barrette property shall revert back to the federal government.

Your Committee has amended the bill to:

- (1) Refer to "West Oahu" and not "Ewa Plain" to truly reflect the geographical area that the program would encompass and to open the program to the expanded social and employment services available in West Oahu. In the near future, approximately 600 jobs will become accessible with the opening of the Ihilani hotel.
- (2) Change the term "one-step" to "one-stop" to correct a typographical error.
- (3) The property would revert back to the City and County of Honolulu, not the federal government, since the bunker being utilized for the program is currently owned by the City and County of Honolulu.
- (4) The appropriation of \$400,000 will be decreased to \$1 for purposes of discussion in your Committee on Finance.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2637, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2637, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

**SCRep. 946-92      Human Services on S.B. No. 2394**

The purpose of this bill is appropriate funds for the continuation of a demonstration project which provides persons seeking to become licensed child care providers with:

- (1) Training; and
- (2) Financial assistance in the form of grants for the renovation of homes for use as licensed family or group child care facilities.

The bill, as received by your Committee, sets forth unspecified appropriation amounts for the purposes of facilitating further discussion.

The Department of Labor and Industrial Relations, the Office of Children and Youth, and the Hawaii Association for the Education of Young Children submitted testimony in support of the intent of this measure.

It is the understanding of your Committee that the current demonstration project encompasses a collaborative approach between the Office of Children and Youth, which implements the training component, and the Department of Labor and Industrial Relations, which provides grants for the renovation of homes or child care centers. The success of this collaborative effort in addressing the increasing need for child care in our communities and assuring the provision of quality child care appears evident, as does the need for continuation of the project.

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

- (1) Appropriating \$275,000 for fiscal year 1992-1993 for the child care provider training project;
- (2) Appropriating \$225,000 for fiscal year 1992-1993 for the conversion, alteration, improvement, or renovation of homes for use as child care homes;
- (3) Deleting language which provides that a specified amount of the appropriation for renovation may be used to assist providers in starting up their businesses; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2394, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2394, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

**SCRep. 947-92                      Human Services on S.B. No. 2674**

The purpose of this bill is to improve the administration and efficiency of the Child Support Enforcement Agency (CSEA) and the child support enforcement process and to make provisions consistent with federal law.

Your Committee has amended the bill to:

1. Make the Hawaii law consistent with Federal law, which requires that the child support guidelines be reviewed at least once every four years, by the Family Court;
2. To reflect access to records only by investigators which is under our current law rather than amending the law to include all agencies because of the concern for confidentiality of records; and
3. To amend Section 3 of the bill to be in compliance with Chapter 92-F, Hawaii Revised Statutes.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2674, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2674, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

**SCRep. 948-92                      Labor and Public Employment and Education on S.B. No. 2965**

The purpose of this bill is to establish a class VIII category in the Department of Education's teacher salary schedule for those teachers who hold a doctorate degree and teach subjects in or related to their major.

Under Act 296, Session Laws of Hawaii 1990, teachers were eligible to enter class VIII with five acceptable years of college education and 66 additional credits, or with a doctorate degree and taught subjects in their major or a related field. Class VIII will reinstate the distinction between those teachers with extra credits earned and those with doctorate degrees.

Your Committees support the incentives to acknowledge teachers with advanced professional training and encourage others to pursue advanced training.

Your Committees have amended the bill by eliminating the one- year requirement of class VII status before reaching class VIII.

Your Committees received favorable testimony from the Department of Education, Hawaii State Teachers Association, and Rodney White, a science teacher at Molokai High and Intermediate School.

Your Committees on Labor and Public Employment and Education are in accord with the intent and purpose of S.B. No. 2965, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2965, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.